

# Titling Tips

## Special Legislation Edition - August 2007

### LEGISLATION CHANGES EFFECTIVE AUGUST 28, 2007

#### SENATE BILL 22 AND 30 PROVISIONS

##### COMMON CARRIER TAX EXEMPTION

- Expands the common carrier vehicle sales tax exemption to include common carriers who haul intrastate commerce.

**Procedure change:** Effective August 28, 2007, title applicants who claim a common carrier sales tax exemption must submit a completed Tax Exemption Statement for Authorized Common Carriers (DOR-5095). Other proof of common carrier authority or copies of lease agreements are no longer required. Applicants may obtain the new DOR-5095 form at the Department of Revenue's website at [www.dor.mo.gov/mvdl/motorv/forms/](http://www.dor.mo.gov/mvdl/motorv/forms/).



#### SENATE BILL 82 PROVISIONS

##### PERMIT CHANGES

- Eliminates Non-Resident and Intransit Permits.
  - Temporary permits will be issued to non-residents; and
  - Dealer plates must be used instead of intransit permits.

##### LIEN RELEASES

- Requires lienholders to release liens within five business days and increases related penalties up to a maximum of \$2,500 for each lien.

##### DEALER SALES

- Requires dealers to make a minimum of 6 sales per year. Dealers who fail to meet this sales minimum will not be qualified to renew for one year.

##### OWNERSHIP FOR DEALERSHIP VEHICLES

- Allows proof that a dealer has applied for title or that a prior lien has been satisfied by the dealer as acceptable proof of ownership for vehicles displayed on the dealership lot (301.200).

##### TRAILER DEALERS

- Restricts trailer dealers to selling trailers and motor vehicles acquired as a **trade-in**.
  - Trailer dealers may purchase one driveaway plate to display motor vehicles accepted in trade.

##### SEMINAR COURSE REQUIREMENTS

- Exempts public auctions and dealer applicants who already own a separately licensed dealership from educational seminar course requirements.

##### OFF PREMISE SHOWS/SALES

- Allows dealers to participate in no more than two motor vehicle shows/sales annually away from their

licensed place of business if:

- The event is conducted for no more than five consecutive days;
- Participants are not required to pay an unreasonably prohibitive participation fee; and
- A majority of dealers within a class of dealers in a city participate, or are invited and have the opportunity to participate.

Dealers who are outside the city and within 10 miles of the show/sale must also be invited to participate if they are of the same dealer class or they sell the same franchised new vehicle line/make represented at the show.

##### DEALER ADVERTISING

- Modifies dealer advertising requirements (301.567).

##### OUT OF STATE RV SHOWS

- Allows out of state show promoters of recreational vehicles (RVs) to hold a show/exhibit in Missouri if:
  - At least 10 Missouri RV dealers attend; and
  - More than 50% of participants are Missouri RV dealers.Violations will result in a \$5,000 fine.

##### UNLICENSED DEALERS

- Reduces the number of motor vehicles that can be sold annually by an unlicensed dealer from seven to six.

##### SALVAGE VEHICLE/TITLING CHANGES

- Redefines salvage vehicle to include:
  - Vehicles damaged less than 7 years from vehicle model year with a cost to repair/reconstruct exceeding eighty (80) percent of pre-damaged fair market value.
  - The total cost of repairs to rebuild or reconstruct the vehicle excludes hail damage in addition to previous exclusions (301.010).
- Requires insurance companies/purchasers to apply for a salvage title on a "salvage" vehicle within 10 days of purchase when the vehicle model year is less than seven years old at the time of purchase. For older vehicles, a salvage title is optional.
  - Example: A salvage title must be obtained on 2002 and newer model vehicles purchased in 2008.

##### SALVAGE BUSINESS LICENSEES

- Allows designated employees (in addition to uniformed officers) of the Missouri State Highway Patrol to certify salvage business locations and inspect records.

##### SALVAGE POOLS/DISPOSAL SALES

- Allows sales at a salvage pool/disposal sale to be open to:
  - ◆ Persons engaged in and holding a current license;
  - ◆ Persons from another state/jurisdiction who are allowed in their state/jurisdiction to purchase for resale, rebuild, dismantle, crush, or scrap either motor vehicles or salvage vehicles; and

## LEGISLATION CHANGES EFFECTIVE SEPTEMBER 1, 2007

### SENATE BILL 583 PROVISIONS

#### EMISSIONS TESTING REQUIREMENTS CHANGE

The current Gateway Clean Air Program ends on September 1, 2007. The Gateway Vehicle Inspection Program is scheduled to begin pass/fail On-board Diagnostic emissions testing on October 1, 2007 at licensed auto shops in the St. Louis ozone nonattainment area.

- The Department of Revenue will issue/renew vehicle registrations until October 1, 2007, without an emissions test.
- Vehicle owners who renew/register in September will be notified by the Department of Natural Resources and will have until December 1, 2007, to fulfill their emissions testing requirements.
- Effective September 1, 2007, vehicles 1995 and older are exempt from emissions testing requirements.

For more information visit the Web site at

[www.GatewayVIP.com](http://www.GatewayVIP.com).

### FORMS UPDATES

#### FORMS /CHARTS UPDATED DUE TO LEGISLATION:

- \*Certification by Insurance Company (DOR-5042);
- \*Notice of Vehicle Titling Requirements (DOR-5043);
- Notice of Sale (DOR-5049);

#### FORMS UPDATED DUE TO PROCEDURAL CHANGES

- Special Permits Application (DOR-1275);
  - One application may be used for multiple permit book purchases (e.g. use one application to order books of temporary permits and vessel permits).
- Sales Tax Exemption Statement for Authorized Common Carriers (DOR-5095) - new form;
- Exemptions and Requirements (DOR-4298A); and
- Point System Violation Description Table (DOR-899).

You may deplete your stock of the forms listed above. Those denoted with an asterisk (\*) you must begin using August 28, 2007. Updated forms may be obtained by going to [www.dor.mo.gov/mvdl/motorv/forms/](http://www.dor.mo.gov/mvdl/motorv/forms/).

#### APPLICATION FOR MISSOURI TITLE AND LICENSE (DOR-108B)

The department is excited to announce that an electronic, fillable application for title has been created. The electronic DOR-108B may be used when applying for Original, Duplicate, Prior Salvage, Corrected, Duplicate Salvage, and Duplicate Junk titles.

The DOR-108B:

- Is easily accessible with Internet access;
- Allows quick completion; and
- Contains safeguards to decrease incomplete applications.

The DOR-108B may be accessed at

[www.dor.mo.gov/mvdl/motorv/forms/](http://www.dor.mo.gov/mvdl/motorv/forms/).

- ◆ Persons who reside in a foreign country that are purchasing salvage vehicles for export outside of the United States.

- Eliminates salvage ID card/non-resident ID card requirements for purchasing at salvage pools or disposal sales.
- Requires operators of salvage pools and disposal sales to submit their records to the department on a quarterly basis.
  - These may be submitted to the Dealer Licensing Section.
- Requires sellers of nonrepairable/salvage vehicles at salvage pools/disposal sales to non-U.S residents to:
  - Stamp (at least two inches wide and clearly legible) the face of the title and each unused reassignment space on the back of the title "FOR EXPORT ONLY."
  - Forward copies of the stamped titles to the department.
    - ◆ These may be submitted to the Dealer Licensing Section on a quarterly basis.

#### NOTICE OF SALE

- Clarifies that vehicles transferred to insurance companies due to a total loss claim are exempt from Notice of Sale provisions.

#### TOW TRUCK OPERATORS

- Creates a four point driver license penalty for tow truck drivers who violate certain municipal ordinances (302.302).



#### SENATE BILL 91 PROVISION

##### DEALERS SELLING EMERGENCY VEHICLES

- Defines emergency vehicles as follows:
  - Motor vehicles used as ambulances, law enforcement vehicles, fire fighting, and assistance vehicles.
- Allows dealers who sell only emergency vehicles to be exempt from:
  - Maintaining a bona fide place of business which includes:
    - ◆ Building, lot, and sign requirements; and
    - ◆ Maintaining a working telephone and reasonable hours.
  - Law enforcement certification requirements; and
  - Meeting minimum yearly sales.



#### HOUSE BILL 41 PROVISION

##### CRIMINAL RECORD CHECK FEES

- The \$5 criminal record check fee (required for each applicant listed on the application for dealer licensure) increases to \$9. The fee is to pay for the criminal record check through the Missouri State Highway Patrol.

**RECEIPT FOR FILING A LIEN**

Please refer to the attachment for an example of a receipt received when filing a lien with no change of ownership.

**TITLING AND OTHER ISSUES**

**COMPLETING TITLE ASSIGNMENTS**

Please include your dealer license number when completing a title assignment. Including this number helps the department to identify your dealership.



**DEPARTMENT OF REVENUE STREAMLINES TITLE PROCESS**

Based on a recent review of applicable laws, the department no longer requires a statement from the seller or lienholder when the purchaser of a newly acquired vehicle adds or omits a name on the application for title from what is shown on the title assignment. Adding or deleting an owner name from the title does not affect a perfected lienholder's security interest, the lienholder's ability to obtain a repossession title, or the lienholder's rights in bankruptcy. The department will continue to require a statement of release from any individual whose name is being omitted from the application.



**NOTICE OF SALE (NOS) TIPS**

- A NOS (DOR-5049) form is not required to be submitted for motor vehicles sold for salvage, scrap, or junk or for vehicles with a salvage title or junking certificate.
- Do not complete NOS forms on off-road vehicles (including motorized bicycles) or mini-cab sales or list them on your monthly sales reports.
- When entering the Missouri title number in Section B of the NOS form, please verify the title number is correct.

To view the NOS Dealer User Manual please go to <http://www.dorx.mo.gov/mvdl/motorv/liendeal>. For telephone inquiries regarding this information, call (573) 751-4509.



**REPLACING STOLEN PLATES/TABS**

If you are the victim of tab theft, you may receive up to **TWO** sets of replacement plates/tabs per year (two plates per year if a dealer) **AT NO COST** when your application is accompanied with a notarized affidavit verifying that such license plates/tabs were stolen.

- A \$3.50 processing fee will apply.

**ALL-TERRAIN VEHICLES (ATV) – FARM USE**

In accordance with 301.700, RSMo, ATVs are treated the same as motor vehicles for the purposes of title and registration. There is NO sales tax exemption for ATVs purchased for farm-use. Please inform your customers that ATVs must be titled and registered within 30 days of purchase and sales tax is due on the net purchase price.



**REMINDER TO DEALERS WHO SELL TEMPORARY PERMITS**

Failure to record the sale of temporary permits on your monthly sales reports may result in your next request for temporary permits being reduced in number or denied. The number of permits requested by a dealer should be reasonably proportionate to the number of vehicle sales reflected on the dealer monthly sales reports.

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Example of TRIPS Titling Receipt when a lien is filed for a **NO** change of ownership transaction.

<b>ORIGINAL MOTOR VEHICLE TITLE RECEIPT</b>		08/06/2007 3:07 PM					
	 2 0 0 6 1 2 8 3 0 3 0 0 5 D U 1 9 2 9 0 0 0 1 0 0 0 1	Page 1 of 1					
<b>OWNER INFORMATION</b>							
OWNER NAME 321 ANY STREET ACITY, MO 65105		<b>TRANSFER ON DEATH</b>					
<b>OWNER(S)</b>							
<b>VEHICLE INFORMATION</b>							
<u>MAKE</u>	<u>YEAR</u>	<u>VEHICLE ID NUMBER</u>	<u>KIND OF VEHICLE</u>	<u>BODY STYLE</u>	<u>ODOMETER</u>	<u>ODOMETER CODE</u>	<u>PURCHASE DATE</u>
PONT	2004	1G2NF52E34C135055	PASSENGER	SEDAN	50000	ACTUAL MILEAGE	07/02/2005
<b>LIENHOLDER(S) INFORMATION</b>							
1STLIEN,NOCHANGEOWN 123 APPLE JEFFERSON CITY, MO 65105		<b>SUBJECT TO FUTURE ADVANCES</b>					
<b>FEE ASSESSMENT INFORMATION</b>							
TAX EXEMPTION 01 - TAXES PREVIOUSLY PAID TO MISSOURI							
<b>FEE INFORMATION</b>							
<u>DESCRIPTION</u>				<u>AMOUNT</u>			
NOTICE OF LIEN FEE / NOTICE OF LIEN > \$0				\$0			
TITLING FEE / MOTOR VEHICLE ORIGINAL/NON-NEGOTIABLE/SALVAGE				\$8.50			
TITLE				\$5.00			
AGENT FEE / AGENT FEE				\$5.00			
<b>TOTAL PAID:</b>				<b>\$13.50</b>			
Any false affidavit is a crime under Section 575.050 of Missouri Law.							
This is your title application receipt and proof of lien perfection. Please retain for your records.							
<b>SIGNATURE STATEMENT</b>							
I certify under penalty of perjury that the facts herein are true to the best of my knowledge.							
<b>SIGNATURE:</b> <u> X</u>							
NOTE: The Missouri Department of Revenue may electronically resubmit checks returned for insufficient or uncollected funds. Other restrictions may apply.							
<b>MAIL TITLE TO INFORMATION</b>							
1STLIEN,NOCHANGEOWN 123 APPLE JEFFERSON CITY, MO 65105							

Indicates a lien was filed with title transaction - No change of ownership.