

Titling Tips

August 2012

Legislative Changes Effective August 28, 2012

[Senate Bill 719](#) includes the following provision:

- **NEW OUTBOARD MOTOR "YEAR MANUFACTURED" DESIGNATION**
 - Any outboard motor manufactured on or after July first of any year will be labeled "Year Manufactured" with the calendar year immediately following the year manufactured, unless the manufacturer indicates a specific model or program year.
 - The Department designates "Year Manufactured" on the marine certificate of title as "Year MFD."
 - For new outboard motor title applications submitted on or after August 28, 2012, the Department will record "Year MFD" as follows:
 - When the Manufacturer's Statement of Origin (MSO) indicates the model year or program year, record the program year;
 - When the MSO indicates the model year or program year AND the manufacture date, record the model year or program year; or
 - When the MSO indicates the manufacture date ONLY, record the year of manufacture as follows:
 - If the month of manufacture indicates January through June, record the year of manufacture.
 - If the month of manufacture indicates July through December, record the calendar year immediately following the year of manufacturer.

Instructions on the back of the [Application for Missouri Boat/Vessel or Outboard Motor Title and Registration \(Form 93\)](#) will include the "Year MFD" designation. Application for title for new outboard motors submitted on or after August 28, 2012 must be completed using the new Form 93 to ensure the

applicant has received current instructions for completing the application. Please destroy current inventory of prior versions of this form.

[House Bill 1402](#) includes the following provisions:

- **DRIVEAWAY LICENSE PLATES AND PERMITS**
 - Restricts driveaway plates and permits to businesses.
 - Requires the applicant to provide a statement regarding how the driveaway plates or permit will be used.
 - Requires the applicant to provide photographs of the business building and business sign.
 - Provides for revocation and a two-year denial of driveaway plates if there are any violations regarding the use of a driveaway plate or permit or if there is any misrepresentation contained in the application.
 - The [Application for Driveaway Plate\(s\) \(Form 2277\)](#) has been revised to incorporate all of the changes identified herein.
- **DEPARTMENT INVESTIGATORS LICENSED AS PEACE OFFICERS**
 - Department investigators licensed as peace officers by the director of the Department of Public Safety under Chapter 590 RSMo., shall be deemed to be peace officers within the state of Missouri while acting in an investigation to enforce the provisions of this chapter and any provisions regarding fees, licenses, or taxes administered by the director.
 - The power of arrest of a Department investigator acting as a peace officer shall be limited to offenses involving fees, licenses, taxes, or in situations of imminent danger to the investigator or another person.

➤ **PENALTY FOR FALSE STATEMENTS ON MONTHLY DEALER SALES REPORTS**

- A dealer who makes a false statement or an omission of fact on a sales report shall be deemed guilty of a Class A misdemeanor.

➤ **DEALER BUSINESS RECORD RETENTION**

- Requires dealers and operators of public garages to maintain the following records for **five** years (was previously three years). The reporting criteria below remains the same:
 - Vehicle identification number;
 - Odometer setting;
 - Manufacturer's name of all motor vehicles or trailers accepted by the dealer or operator of a public garage for the purpose of sale, rental, storage, repair or repainting;
 - Name and address of the person delivering such motor vehicle or trailer to the dealer or public garage keeper; and
 - The person delivering such motor vehicle or trailer shall record such information in a file kept by the dealer or garage keeper.

➤ **LAW ENFORCEMENT AUTHORITY TO SEIZE DEALER LICENSE PLATE AND CERTIFICATE OF NUMBER**

- If any law enforcement officer (including an agent of the Department of Revenue) has probable cause to believe that a dealer plate or certificate of number is being misused, the law enforcement officer may seize such plate or certificate of number.

➤ **ADMINISTRATIVE DISCIPLINARY ACTION FOR DEALERS**

- Creates an expedited administrative hearing process that provides a path to suspension or revocation of a dealer's license under the following conditions:
 - The expiration or revocation of any corporate surety bond or irrevocable letter of credit, as required by Section 301.560, without submission of a replacement bond or letter of credit which provides coverage for the entire period of licensure;

- The failure to maintain a bona fide established place of business as required by Section 301.560, RSMo;
- Criminal convictions as set forth in Section 301.562.2.(3), RSMo; or
- Three or more occurrences of violations, which have been established following proceedings before the Administrative Hearing Commission under Section 301.526.3, RSMo, or which have been established following proceedings before the Director under Section 301.562.6, RSMo, and Chapters 143, 144, 306, 307, 578, and 643 or of any lawful rule or regulation adopted under this chapter and Chapters 143, 144, 306, 307, 578, and 643, not previously set forth therein.

➤ **PENALTY FOR OPERATING AS AN UNLICENSED DEALER**

- Enhances second and subsequent offenses to a Class D felony if found guilty of operating as a motor vehicle dealer without a license.

➤ **NEW SPECIAL EVENT MOTOR VEHICLE AUCTION**

- A special event motor vehicle auction is an auction which:
 - Ninety percent of the vehicles being auctioned are at least ten years old or older;
 - No more than three percent of the total vehicles being auctioned are owned and titled in the name of the licensed auction or its owners; and
 - The duration of the auction is no more than three consecutive calendar days and is held no more than three times in a calendar year by a licensee.
- The special event motor vehicle auction licensee is responsible for ensuring a required sales tax or special event tax license has been acquired.
- The special event motor vehicle auction licensee must be registered to conduct business in this state.
- No dealer, driveaway, auction or wholesale plates or temporary permits shall be issued to a special event motor vehicle auction licensee.

- The special event motor vehicle auction licensee shall provide the purchaser of a motor vehicle at such auction the current contract information, including, but not limited to, name, address, and telephone number of the licensee.
- Special event motor vehicle auction requirements:
 - \$1,000 license fee;
 - A corporate surety bond or an irrevocable letter of credit in the amount of one hundred thousand dollars (\$100,000); and
 - A completed [Special Event Motor Vehicle Auction License Application \(Form 5432\)](#).
- Within ten days of the conclusion of the special event motor vehicle auction, the licensee shall submit a report of each vehicle included in the auction. The report shall include information indicating if the listed vehicles were sold at the auction or not sold at the auction. The licensee must provide the following details of each vehicle on the report:
 - Make;
 - Model;
 - Year; and
 - Vehicle identification number.
- The new Special Event Motor Vehicle Auction License Application (Form 5432) is available at <http://dor.mo.gov/forms/>.

➤ **LIEN PERFECTION ON A REFINANCE**

- Clarifies that on a refinance by a different lender of a prior loan, the lien is perfected at the time the notice of lien is delivered to the Department of Revenue.
 - There are no procedural changes from this revision as it only further clarifies the intent of HB 550, 2011.

➤ **SCRAP PROCESSOR CHANGES**

- Deleted "mobile" from the scrap processor definition which effectively creates a new licensing requirement for all fixed site scrap processors as well as mobile scrap processors.
- Licensing requirements for all scrap processors will be the same as they were for "mobile" scrap processors:
 - License application;

- Inspection by Highway Patrol or other authorized law enforcement agency;
- Background check;
- Pictures of building and premises; and
- \$130 license fee.
- Licenses are valid for two years.
- Scrap processors must be licensed with the Department of Revenue by July 1, 2013.

House Bill 1150 includes the following provisions:

➤ **INSURANCE COMPANY CAN OBTAIN A SALVAGE TITLE OR JUNKING CERTIFICATE WHEN UNABLE TO OBTAIN TITLE FROM OWNER**

- An insurer that makes a total loss payment can obtain a salvage title or junking certificate when the vehicle owner is unable to provide the title under the following circumstances:
 - The vehicle is currently titled in Missouri;
 - The insurer makes two written attempts to notify the owner of the intent to obtain the salvage title or junking certificate;
 - The insurer notifies a lienholder of record (if applicable) of the intent to obtain the salvage title or junking certificate or obtains a notarized lien release;
 - The insurer completes an [Insurance Company Application for Salvage Title or Junking Certificate \(Form 5421\)](#) accompanied with the following:
 - A copy of proof of claim payment;
 - Copies of the two notices sent to the vehicle owner and evidence that such notices were delivered to the owner;
 - Evidence of delivery is defined as the tracking documentation from an established national postal or parcel delivery service (including, but not limited to, the US Post Office, Federal Express, United Parcel Service, etc.).
 - Copy of the written notice to the lienholder or a notarized lien release if a lienholder exists; and
 - The appropriate fee:

- \$11.00 fee for a salvage title (payable to the Department of Revenue; includes \$8.50 title fee and \$2.50 processing fee); or
- \$2.50 processing fee for a junking certificate (payable to the Department of Revenue).
- Form 5421 will be processed in the central office only. Documents and fees should be mailed to:

**Motor Vehicle Bureau
Complex Unit
PO Box 2076
Jefferson City MO 65105-2076**
- Title will not be issued until 30 days after receipt of the completed application and all required documentation pursuant to Section 301.193, RSMo.
- The new Insurance Company Application for Salvage Title or Junking Certificate (Form 5421) is available at <http://dor.mo.gov/forms/>.

➤ **SCRAP METAL OPERATOR ACQUIRING MOTOR VEHICLES WITHOUT TITLE**

- A scrap metal operator may acquire motor vehicles which are at least ten years old and are inoperable without receiving the title or junking certificate from the owner.
- Inoperable is defined as a motor vehicle that is in a rusted, wrecked, discarded, worn out, extensively damaged, dismantled, and mechanically inoperative condition and the vehicle's highest and best use is for scrap purposes.
- When such vehicles are acquired without receiving a title or junking certificate, the scrap metal operator must complete a [Bill of Sale for Scrap Metal Operators – Vehicles Ten Years or Older Without Title \(Form 5423\)](#).
- Form 5423 will be processed in the central office only (Complex Unit);
- There is no fee charged when a Form 5423 is submitted;
- The Form 5423 must:
 - Identify the year, make, model, VIN and date the scrap processor acquired the vehicle from the owner;
 - Identify the seller by name and address;
 - Include a copy of the vehicle owner's state identification. State identification is

defined as a driver license, nondriver license, or identification card issued by any state;

- Include a certification, signed by the vehicle seller, that the seller has the legal authority to sell or otherwise transfer interest in the motor vehicle or parts of the motor vehicle which is described within Form 5423;
- Include a certification, signed by the scrap processor, of the following:
 - The vehicle identified on the bill of sale was legally acquired from the seller;
 - The vehicle identified on the bill of sale is inoperable due to the vehicle being in a rusted, wrecked, discarded, worn out, extensively damaged, dismantled, and mechanically inoperative condition; and
 - If the vehicle is less than 20 years old, the scrap processor has accessed the Department of Revenue's online record access system and determined that the vehicle identified on the bill of sale is not subject to any recorded security interest or lien.
- Upon receipt of Form 5423, MVB will do the following:
 - Ensure the scrap metal operator has a valid account with the online record inquiry system; and
 - Ensure the Form 5423 is fully complete and the seller's identification has been included. If no account exists for the scrap metal operator, the Form 5423 is not fully complete, or the seller's identification is not received, the bill of sale will be rejected.
- MVB will not provide any documentation back to the scrap metal operator when the process has been completed.
- The new Form 5423 is available at <http://dor.mo.gov/forms/> .

Important Reminders for Dealers

➤ **NEW MARINE TITLE PROCESS IMPLEMENTED**

The Department of Revenue implemented marine title processing through its Title and

Registration Intranet Processing System (TRIPS) on May 7, 2012. The implementation offers several advantages.

- Marine identification numbers are automatically checked against pending liens to ensure the owner name(s) on the title matches the owner name(s) on the notice of lien.
- The owner's physical address is automatically processed through the Sales Tax Rate Geographical Information System (STRGIS) to provide the most accurate tax rate.
- It allows the Department to issue marine titles quicker – from about three weeks to three to five days.

Marine title numbers processed through TRIPS can be identified by a unique configuration which consists of a numeric character, followed by two alpha characters, followed by five numeric characters, (i.e. 2AA00018).

The Application for [Missouri Boat/Vessel or Outboard Motor Title and Registration \(Form 93\)](#) has been updated to include the following three type-of-use options as required by the United States Coast Guard: Commercial Passenger, Commercial Fishing and Commercial Other.

➤ **SUBMIT DEALER SALES REPORTS ON TIME TO AVOID PENALTIES**

[Section 301.280, RSMo](#), provides that any dealer who fails to file the required dealer's monthly sales reports, or who fails to file them timely, shall be subject to disciplinary action as prescribed by [Section 301.562, RSMo](#), or a penalty may be assessed. The penalty is \$300 per report. The law requires dealer sales reports to be submitted by the 15th day of the month following the month in which the sales occurred.

➤ **AMENDED SALES REPORTS**

When using the [Dealer's Monthly Sales Report \(Form 385\)](#) to amend sales, you may only amend one sales report on the form. Please submit a separate form for each sales month you amend.

➤ **VOIDED TEMPORARY PERMITS**

When notifying the Department of voided

temporary permits, you must use your letterhead or the [Dealer's Monthly Sales Report \(Form 385\)](#). When using Form 385, enter "Voided" in the "Name of Buyer" block and enter the voided permit number in the "Temporary Permit Number" block.

➤ **OFF-PREMISE SALES**

Missouri law allows a motor vehicle dealer to participate in no more than two motor vehicle shows or sales annually, and conduct sales of motor vehicles away from the dealer's usual, licensed place of business if:

- The event is conducted for not more than five consecutive days;
- The event does not require any motor vehicle dealer participant to pay an unreasonably prohibitive participation fee; and
- A majority of the motor vehicle dealers within a class of dealers whose official mailing address is in the same city or town participate or are invited and have the opportunity to participate in an off-premise show or sale.

If any show or sale includes a class of dealer or franchised new vehicle line-make, that is also represented by a same class dealer or dealer representing the same line-make outside of the boundary lines of the city or town and is within ten miles of where the show or sale is to take place, the dealer outside of the boundary lines of the city or town shall be invited to participate in the show or sale.

A fine up to \$1,000 may be assessed for any violation of [Section 301.566, RSMo](#).

See the [Dealer Operating Manual](#) for additional details.

➤ **TEMPORARY PERMIT APPLICATIONS**

If someone other than an owner of your dealership applies for temporary permits, you must submit a statement that authorizes the Department to issue temporary permits to that specific individual. The statement must include the dealer license number; the dealership name; the name of the person who is authorized to pick up temporary permits and the signature of one of the dealership owners.

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