## SENATE SUBSTITUTE

FOR

## SENATE BILL NO. 46

## AN ACT

To repeal sections 301.558 and 307.380, RSMo, and to enact in lieu thereof two new sections relating to vehicles.

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

Section A. Sections 301.558 and 307.380, RSMo, are

- 2 repealed and two new sections enacted in lieu thereof, to be
- 3 known as sections 301.558 and 307.380, to read as follows:
  - 301.558. 1. A motor vehicle dealer, boat dealer, or
- 2 powersport dealer may fill in the blanks on standardized
- 3 forms in connection with the sale or lease of a new or used
- 4 motor vehicle, vessel, or vessel trailer if the motor
- 5 vehicle dealer, boat dealer, or powersport dealer does not
- 6 charge for the services of filling in the blanks or
- 7 otherwise charge for preparing documents.
- 8 2. A motor vehicle dealer, boat dealer, or powersport
- 9 dealer may charge an administrative fee in connection with
- 10 the sale or lease of a new or used motor vehicle, vessel, or
- 11 vessel trailer for the storage of documents or any other
- 12 administrative or clerical services not prohibited by this
- 13 section. A portion of the administrative fee may result in
- 14 profit to the motor vehicle dealer, boat dealer, or
- 15 powersport dealer.
- 16 3. (1) Ten percent of any fee authorized under this
- 17 section and charged by motor vehicle dealers shall be
- 18 remitted to the motor vehicle administration technology fund
- 19 established in this subsection, for the development of the
- 20 system specified in this subsection. Following the
- 21 development of the system specified in this subsection, the

- 22 director of the department of revenue shall notify motor
- vehicle dealers and implement the system, and the percentage
- 24 of any fee authorized under this section required to be
- 25 remitted to the fund shall be reduced to one percent, which
- 26 shall be used for maintenance of the system. This
- 27 subsection shall expire on January 1, 2037.
- 28 (2) There is hereby created in the state treasury the
- 29 "Motor Vehicle Administration Technology Fund", which shall
- 30 consist of money collected as specified in this subsection.
- 31 The state treasurer shall be custodian of the fund. In
- accordance with sections 30.170 and 30.180, the state
- 33 treasurer may approve disbursements. The fund shall be a
- 34 dedicated fund and money in the fund shall be used solely by
- 35 the department of revenue for the purpose of development and
- 36 maintenance of a modernized, integrated system for the
- 37 titling of vehicles, issuance and renewal of vehicle
- 38 registrations, issuance and renewal of driver's licenses and
- 39 identification cards, and perfection and release of liens
- 40 and encumbrances on vehicles.
- 41 (3) Notwithstanding the provisions of section 33.080
- 42 to the contrary, any moneys remaining in the fund at the end
- 43 of the biennium shall not revert to the credit of the
- 44 general revenue fund.
- 45 (4) The state treasurer shall invest moneys in the
- 46 fund in the same manner as other funds are invested. Any
- interest and moneys earned on such investments shall be
- 48 credited to the fund.
- 4. No motor vehicle dealer, boat dealer, or powersport
- 50 dealer that sells or leases new or used motor vehicles,
- 51 vessels, or vessel trailers and imposes an administrative
- 52 fee of [less than two] five hundred dollars or less in
- 53 connection with the sale or lease of a new or used vehicle,
- 54 vessel, or vessel trailer for the storage of documents or

- 55 any other administrative or clerical services shall be
- 56 deemed to be engaging in the unauthorized practice of law.
- 57 The maximum administrative fee permitted under this
- 58 subsection shall be increased annually by an amount equal to
- 59 the percentage change in the annual average of the Consumer
- 60 Price Index for All Urban Consumers or its successor index,
- 61 as reported by the federal Bureau of Labor Statistics or its
- 62 successor agency, or by zero, whichever is greater. The
- 63 director of the department of revenue shall annually furnish
- 64 the maximum administrative fee determined under this section
- 65 to the secretary of state, who shall publish such value in
- 66 the Missouri register as soon as practicable after January
- fourteenth of each year.
- [4.] 5. If an administrative fee is charged under this
- 69 section, the same administrative fee shall be charged to all
- 70 retail customers [and] unless the fee is limited by the
- 71 dealer's franchise agreement to certain classes of
- 72 customers. The fee shall be disclosed on the retail buyer's
- 73 order form as a separate itemized charge.
- 74 [5.] 6. A preliminary worksheet on which a sale price
- 75 is computed and that is shown to the purchaser, a retail
- 76 buyer's order form from the purchaser, or a retail
- 77 installment contract shall include, in reasonable proximity
- 78 to the place on the document where the administrative fee
- 79 authorized by this section is disclosed, the amount of the
- 80 administrative fee and the following notice in type that is
- 81 boldfaced, capitalized, underlined, or otherwise
- 82 conspicuously set out from the surrounding written material:
- 83 "AN ADMINISTRATIVE FEE IS NOT AN OFFICIAL FEE
- 84 AND IS NOT REQUIRED BY LAW BUT MAY BE CHARGED BY
- 85 A DEALER. THIS ADMINISTRATIVE FEE MAY RESULT IN
- 86 A PROFIT TO DEALER. NO PORTION OF THIS
- 87 ADMINISTRATIVE FEE IS FOR THE DRAFTING,

PREPARATION, OR COMPLETION OF DOCUMENTS OR THE
PROVIDING OF LEGAL ADVICE. THIS NOTICE IS
REQUIRED BY LAW.".

91

92

93

94

95

96

97

98

99

100

101

102

103

104

105

106

2

3

4

5

6

7

8

10

11

12

13

obtained.

[6.] 7. The general assembly believes that an administrative fee charged in compliance with this section is not the unauthorized practice of law or the unauthorized business of law so long as the activity or service for which the fee is charged is in compliance with the provisions of this section and does not result in the waiver of any rights or remedies. Recognizing, however, that the judiciary is the sole arbitrator of what constitutes the practice of law, in the event that a court determines that an administrative fee charged in compliance with this section, and that does not waive any rights or remedies of the buyer, is the unauthorized practice of law or the unauthorized business of law, then no person who paid that administrative fee may recover said fee or treble damages, as permitted under section 484.020, and no person who charged that fee shall be quilty of a misdemeanor, as provided under section 484.020.

307.380. 1. Every vehicle of the type required to be inspected upon having been involved in an accident and when so directed by a police officer must be inspected and an official certificate of inspection and approval, sticker, seal or other device be obtained for such vehicle before it is again operated on the highways of this state. At the seller's expense every <u>used motor</u> vehicle of the type required to be inspected by section 307.350[, whether new or used,] shall immediately prior to sale be fully inspected regardless of any current certificate of inspection and approval, and an appropriate new certificate of inspection and approval, sticker, seal or other device shall be

- 14 2. Nothing contained in the provisions of this section shall be construed to prohibit a dealer or any other person 15 16 from selling a vehicle without a certificate of inspection and approval if the vehicle is sold for junk, salvage, or 17 for rebuilding, or for vehicles sold at public auction or 18 19 from dealer to dealer. The purchaser of any vehicle which is purchased for junk, salvage, or for rebuilding, shall 20 21 give to the seller an affidavit, on a form prescribed by the 22 superintendent of the Missouri state highway patrol, stating 23 that the vehicle is being purchased for one of the reasons stated herein. No vehicle of the type required to be 24 inspected by section 307.350 which is purchased as junk, 25 salvage, or for rebuilding shall again be registered in this 26 state until the owner has submitted the vehicle for 27 inspection and obtained an official certificate of 28 29 inspection and approval, sticker, seal or other device for
- 31 3. Notwithstanding the provisions of section 307.390, violation of this section shall be deemed an infraction.

30

such vehicle.