

HOUSE BILL NO. 275

INTRODUCED BY JACOBSON

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A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THAT THE VALUE OF A VEHICLE BE DETERMINED BY THE APPLICANT FOR A CERTIFICATE OF TITLE WHEN THE APPLICANT PROVIDES A BOND IN THE AMOUNT OF THE VALUE OF THE VEHICLE; AND AMENDING SECTION 61-3-208, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 61-3-208, MCA, is amended to read:

**"61-3-208. Affidavit and bond for certificate of title.** (1) If an applicant for a certificate of title cannot provide the department with the certificate of title that assigns the prior owner's interest in the vehicle to the applicant, the department may issue a certificate of title if subsection (2) is complied with.

(2) (a) The applicant shall submit an affidavit in a form prescribed by the department that must be signed and sworn to before an officer authorized to administer oaths and affirmations. The affidavit must accompany the application for the certificate of title and must:

(i) include the facts and circumstances through which the applicant acquired ownership and possession of the vehicle;

(ii) disclose security interests, liens, or encumbrances that are known to the applicant and that are outstanding against the vehicle;

(iii) state that the applicant has the right to have a certificate of title issued.

(b) The application must satisfy one of the following conditions:

(i) The vehicle for which the application is being made must be a boat, personal watercraft, sailboat 12 feet in length or longer, or snowmobile, and the loss of the certificate of title must be established by the applicant to the department's satisfaction.

(ii) The applicant shall certify in the affidavit that the value of the vehicle for which the application is made is \$500 or less as indicated by the average trade-in or wholesale value of the vehicle as determined by the applicable national appraisal guide for the vehicle as of January 1 for the year in which the application is made or, if a national appraisal guide is not available for a vehicle, according to the applicant's knowledge and belief.

1 (iii) The applicant shall provide a bond, in a form prescribed by the department, issued by a surety  
2 company authorized to do business in this state, in an amount equal to the value of the vehicle for which the  
3 application is being made; as determined by the ~~surety company~~ applicant, based on information from the  
4 applicable national appraisal guide for the vehicle as of January 1 for the year in which the application is made  
5 or, if a national appraisal guide is not available for a vehicle, according to the applicant's knowledge and belief.  
6 The bond is conditioned to indemnify a prior owner, lienholder, subsequent purchaser, secured creditor, or  
7 encumbrancer of the motor vehicle and any respective successors in interest against expenses, losses, or  
8 damages, including reasonable attorney fees, caused by the issuance of the certificate of title or by a defect in  
9 or undisclosed security interest upon the right, title, and interest of the applicant in the vehicle.

10 (3) Any interested person has a right of action to recover on the bond furnished under this section for  
11 a breach of its conditions, but the aggregate liability of the surety to all persons may not exceed the amount of  
12 the bond.

13 (4) Unless the department has been notified of a pending action to recover the bond furnished under  
14 this section, the department shall return the bond at the earlier of:

15 (a) 3 years from the date of issuance of the certificate of title; or

16 (b) the date of surrender of the valid certificate of title to the department if the vehicle is no longer  
17 required to have a certificate of title in this state."

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