

SENATE BILL NO. 305

INTRODUCED BY LASLOVICH

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A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING OFF-PREMISES DISPLAY AND SALE OF NEW MOTOR VEHICLES IN COUNTIES OTHER THAN THE COUNTY IN WHICH THE DEALER'S ESTABLISHED PLACE OF BUSINESS IS LOCATED UNDER CERTAIN CIRCUMSTANCES; AND AMENDING SECTION 61-4-123, MCA."

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

**Section 1.** Section 61-4-123, MCA, is amended to read:

**"61-4-123. Dealer requirements and restrictions.** (1) A dealer may not offer for sale, trade, or consignment any motor vehicle type not authorized by the license issued to the dealer by the department or use a dealer or demonstrator plate on a motor vehicle of a type for which the dealer is not licensed.

(2) A dealer may not display at the dealer's established place of business or any approved off-premises sale location a motor vehicle offered for sale, trade, or consignment unless the Monroney label required for new motor vehicles pursuant to 15 U.S.C. 1232 or the buyer's guide label required for used motor vehicles pursuant to 16 CFR, part 455, is affixed to the side window of the motor vehicle or is conspicuously displayed within the motor vehicle in a fashion that is readily readable by a customer.

(3) Except as provided in subsection (4), a dealer may not sell or display a motor vehicle offered for sale at any geographic location other than that of the dealer's established place of business as listed on the dealer's license.

(4) (a) A dealer may conduct an off-premises display and sale at a geographic location other than that of the dealer's established place of business as listed on the dealer's license if the dealer notifies the department 10 days in advance, on a form prescribed by the department, of the opening date and location of an off-premises display and sale and obtains a permit from the department. The department may require proof from the dealer that the location proposed for the off-premises display and sale is in compliance with local zoning ordinances. ~~Except for recreational~~ Recreational vehicle, motor home, or travel trailer dealers; may conduct an off-premises display and sale ~~must be conducted within~~ in a county other than the county of the dealer's licensed location. A new motor vehicle dealer whose area of responsibility under the dealer's franchise agreement includes a county



1 different from the county in which the dealer's established place of business is located may conduct an  
2 off-premises display and sale, subject to the agreement, in the other county if there is no other new motor vehicle  
3 dealer with an established place of business in that county. The display and sale authorized by this subsection  
4 (4)(a) may not exceed 10 consecutive days, and a licensed dealer may not conduct more than 10 off-premises  
5 displays and sales during any 1 calendar year.

6 (b) A dealer may display one or more motor vehicles inside an airport terminal or shopping mall without  
7 obtaining an off-premises display and sale permit if no actual sales are made, or could be made, at the terminal  
8 or mall.

9 (c) Upon prior written notice to the department, a dealer may display one motor vehicle at a geographic  
10 location other than that of the dealer's established place of business as listed on the dealer's license if no actual  
11 sales are made, or could be made, at the display location and the display:

12 (i) conspicuously promotes or supports an event or a program sponsored by a nonprofit corporation or  
13 association organized and operated exclusively for religious, charitable, scientific, or educational purposes and  
14 the motor vehicle is displayed at a location where the event is being held or the program is being promoted; or

15 (ii) conspicuously promotes a joint commercial endeavor between the dealer and another clearly identified  
16 business entity and the motor vehicle is displayed on premises owned or leased by the other business entity and  
17 where the other entity regularly conducts its business. A display under this subsection (4)(c)(ii) may not exceed  
18 90 days.

19 (5) If more than one dealer displays motor vehicles and maintains an established place of business at  
20 the same geographic location, each dealer shall ensure that all motor vehicle records, office facilities, and  
21 inventory, if applicable, are physically segregated from those of the other dealer and clearly identified and  
22 attributed to the appropriate dealer.

23 (6) A dealer shall install and maintain telephone service at the dealer's established place of business.  
24 The telephone service must be listed in the directory assistance that applies to the area in which the business  
25 is located.

26 (7) A dealer shall conspicuously post at the dealer's established place of business written notice  
27 indicating the regular and customary office hours maintained by the dealer.

28 (8) (a) A dealer shall carry and continuously maintain a general liability insurance policy that covers any  
29 motor vehicle bearing a set of dealer plates or a demonstrator plate that is offered for demonstration or loan to  
30 a customer or that otherwise may be operated by a customer in the regular course of the dealer's business

1 operations.

2 (b) A dealer shall ensure that the department is named as a certificate holder on any general liability  
3 insurance policy held by the dealer, that the minimum term of the policy is 1 year, and that a lapse of insurance  
4 does not occur as a result of cancellation or termination of a previously certified policy.

5 (c) This subsection (8) does not relieve a dealer of the mandatory motor vehicle liability insurance  
6 obligation imposed under chapter 6 of this title.

7 (9) A dealer shall display at the dealer's established place of business at least one sign stating the name  
8 of the business and indicating that motor vehicles are offered for sale, trade, or consignment. The letters of the  
9 sign must be at least 6 inches in height and clearly visible and readable to the major avenue of traffic at a  
10 minimum distance of 150 feet."

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