AN ACT REVISING MOTOR VEHICLE LAWS; CREATING AN ONLINE MOTOR VEHICLE LIABILITY INSURANCE VERIFICATION SYSTEM; PROVIDING FOR LAW ENFORCEMENT USE OF THE SYSTEM; PROVIDING FOR A CONTRACT BETWEEN THE DEPARTMENT OF JUSTICE AND MONTANA CORRECTIONAL ENTERPRISES TO MANUFACTURE AND DISTRIBUTE LICENSE PLATES; CREATING A VEHICLE INSURANCE VERIFICATION AND LICENSE PLATE OPERATING ACCOUNT; CREATING A LICENSE PLATE PRODUCTION OPERATING ACCOUNT; ALLOWING INSURERS TO PROVIDE CERTAIN INFORMATION TO BE USED IN THE SYSTEM; REQUIRING THAT A VEHICLE OWNER COMPLY WITH MANDATORY MOTOR VEHICLE LIABILITY INSURANCE REQUIREMENTS BEFORE REGISTERING OR RENEWING REGISTRATION FOR A VEHICLE; PROVIDING FOR THE DEPOSIT OF CERTAIN FEES IN THE OPERATING ACCOUNTS; REVISING CERTAIN LICENSE PLATE FEES; REQUIRING REPLACEMENT OF LICENSE PLATES THAT ARE A CERTAIN AGE OR OLDER; ALLOWING PERSONALIZED LICENSE PLATES TO BE ISSUED FOR SPECIAL MILITARY PLATES; REVISING PROVISIONS FOR THE GENERIC SPECIALTY LICENSE PLATE SPONSOR FEE; GRANTING THE DEPARTMENT OF JUSTICE RULEMAKING AUTHORITY TO ADMINISTER THE ONLINE MOTOR VEHICLE LIABILITY INSURANCE VERIFICATION SYSTEM, THE REISSUANCE OF LICENSE PLATES, AND THE CONTRACT WITH MONTANA CORRECTIONAL ENTERPRISES; ALLOWING THE DEPARTMENT OF JUSTICE TO SET CERTAIN REINSTATEMENT FEES; REVISING LAWS GOVERNING PLACEMENT OF TAIL LAMPS; AMENDING SECTIONS 33-19-306, 61-3-301, 61-3-303, 61-3-312, 61-3-315, 61-3-321, 61-3-332, 61-3-333, 61-3-407, 61-3-465, 61-3-478, 61-3-480, 61-3-535, 61-3-562, 61-6-101, 61-6-102, 61-6-103, 61-6-105, 61-6-302, AND 61-9-204, MCA; REPEALING SECTION 61-6-106, MCA; AND PROVIDING EFFECTIVE DATES.

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

**Section 1. Creation of online motor vehicle liability insurance verification system.** (1) The department, in cooperation with the commissioner of insurance, shall establish an accessible common carrier-based motor vehicle insurance verification system to verify the compliance of a motor vehicle owner or

operator with motor vehicle liability policy requirements under 61-6-103, 61-6-301, and 61-6-302 and facilitate or monitor proof of financial responsibility filings under 61-6-133 and 61-6-134.

(2) The department may contract with a private vendor or vendors to establish and maintain the system.

(3) The system must:

(a) send requests to insurers for verification of motor vehicle liability insurance using electronic services established by the insurers, through the internet, world wide web, or a similar proprietary or common carrier electronic system in compliance with the specifications and standards of the insurance industry committee on motor vehicle administration and other applicable industry standards;

(b) include appropriate provisions to secure its data against unauthorized access and to maintain a record of all requests and responses;

(c) be accessible, without fee, to authorized personnel of the department, the courts, law enforcement personnel, county treasurers, and authorized agents under the provisions of 61-3-116;

(d) interface, wherever possible, with existing department and law enforcement systems;

(e) receive insurance data file transfers from insurers under specifications and standards set forth in subsection (3)(a) to identify vehicles that are not covered by an insurance policy;

(f) provide a means by which low-volume insurers that are unable to deploy an online interface with the system can report insurance policy data to the department or its designee for inclusion in the system;

(g) provide a means to track separately or distinguish motor vehicles that are subject to a certificate of self-insurance under 61-6-143, a surety or indemnity bond under 61-6-137 or 61-6-301, or a deposit of cash or securities under 61-6-138;

(h) be available 24 hours a day, 7 days a week, subject to reasonable allowances for scheduled maintenance or temporary system failures, to verify the insurance status of any vehicle in a manner prescribed by the department; and

(i) be installed and operational no later than July 1, 2011, following an appropriate testing period of not less than 6 months.

(4) The provisions of Title 2, chapter 6, parts 1 and 2, do not apply to the information contained in the verification system.

(5) Every insurer shall cooperate with the department in establishing and maintaining the system and shall provide access to motor vehicle liability policy status information to verify liability coverage for:

(a) a vehicle insured by that company that is registered in this state; and

(b) if available, for a vehicle that is insured by that company or that is operated in this state and that is the subject of an accident investigation regardless of where the vehicle is registered.

**Section 2. Law enforcement use of verification system.** (1) Notwithstanding the requirements of 61-6-302, a peace officer or authorized employee of a law enforcement agency may, during the course of a traffic stop or accident investigation, access the verification system provided under [section 1] to verify whether a motor vehicle is covered by a valid motor vehicle liability policy that meets the requirements of 61-6-103 and 61-6-301.

(2) (a) Except as provided in subsection (2)(b), the response received from the system supersedes an insurance card produced by a vehicle owner or operator, and notwithstanding the display of an insurance card by the owner or operator, the peace officer may issue a complaint and notice to appear to the owner or operator for a violation of 61-6-301 or 61-6-302.

(b) Subsection (2)(a) does not apply if the vehicle is:

(i) covered under a commercial automobile insurance coverage policy;

(ii) part of a self-insured fleet as provided in 61-6-143; or

(iii) included in an insurance binder, as allowed by 33-15-411, that has not been entered into the system at the time the system is accessed under subsection (1) of this section.

(3) Except upon reasonable cause to believe that a driver has violated another traffic regulation or that the driver's vehicle is unsafe or not equipped as required by law, a peace officer may not use the verification system to stop a driver for operating a motor vehicle in violation of 61-6-301.

**Section 3. Vehicle insurance verification and license plate operating account.** (1) There is a vehicle insurance verification and license plate operating account in the state special revenue fund type as provided in 17-2-102.

(2) Fees imposed under 61-3-321(7)(b)(ii) and (12), 61-3-333, 61-3-465(1)(b)(i), 61-3-480(2)(c)(i), or 61-3-562(1)(a)(ii) or established and collected under 61-6-105 must be deposited in the account.

(3) The money in the vehicle insurance verification and license plate operating account must be used by the department to pay costs incurred in or associated with the operation, maintenance, and enhancement of the online motor vehicle liability insurance verification system established under [section 1] and the contract

required in [section 4] for the manufacture and distribution of license plates by Montana correctional enterprises.

**Section 4. Manufacture and distribution of license plates.** (1) The department shall contract with Montana correctional enterprises for the manufacture, inventory control, storage, and distribution of all license plates issued under this chapter.

(2) The contract must include provisions for payment to Montana correctional enterprises after license plates are shipped to the department, the office of a county treasurer, or a vehicle owner, as directed by the department or at the request of a vehicle owner.

(3) The contract must require Montana correctional enterprises to provide the necessary interface to support the automated ordering of license plates by the department or as directed by the department and to acquire and use readability software to assess any new plate design or manufactured plate and, if requested by the department, any previously issued license plates.

**Section 5. Montana correctional enterprises license plate production operating account.** (1) There is a license plate production operating account of the internal service fund type, as provided in 17-2-102.

(2) All payments received by the Montana correctional enterprises program under a contract related to the manufacture of license plates or fees paid under 61-3-478 must be deposited in the account.

(3) The money in the license plate production operating account must be used by Montana correctional enterprises for the operation and enhancement of its license plate manufacturing enterprise.

**Section 6.** Section 33-19-306, MCA, is amended to read:

**"33-19-306. Disclosure limitations and conditions.** (1) Except as provided in this section, a licensee may not disclose personal or privileged information about an individual collected or received in connection with an insurance transaction.

(2) Disclosure may be made with the written authorization of the individual. The authorization must be in the form provided in 33-19-206.

(3) Disclosure limited to that which is reasonably necessary may be made to a person to enable the person to provide information to the disclosing licensee for the purpose of detecting or preventing criminal activity, fraud, material misrepresentation, or material nondisclosure in connection with an insurance transaction. A person

to whom information is disclosed pursuant to this subsection shall agree in writing not to further disclose the information, but this requirement for an agreement does not prevent disclosure of information that is necessary to obtain further information for the purposes set forth in this subsection.

(4) (a) Disclosure may be made between licensees if the information disclosed is limited to that which is reasonably necessary:

(i) to detect or prevent criminal activity, fraud, material misrepresentation, or material nondisclosure in connection with insurance transactions; or

(ii) for either the disclosing or receiving licensee to perform its insurance function.

(b) A licensee receiving information pursuant to this subsection (4) may not further disclose the information unless otherwise permitted by this section.

(5) Disclosure may be made to a medical care institution, a medical professional, or the individual to whom the information pertains if that information is reasonably necessary for the following purposes:

(a) verifying insurance coverage or benefits;

(b) informing an individual of a medical problem of which the individual may not be aware;

(c) conducting an operations or services audit; or

(d) determining the reasonableness or necessity of medical services.

(6) Disclosure:

(a) may be made to an insurance regulatory authority;

(b) must be made as required by law; and

(c) must be or may be made to the commissioner as required or permitted by law.

(7) Disclosure may be made by a licensee or an insurance-support organization to a law enforcement or other government authority or to an insurance regulatory agency:

(a) to protect the interests of a licensee in preventing, investigating, or prosecuting the perpetration of fraud upon a licensee; ~~or~~

(b) if the licensee or insurance-support organization reasonably believes that illegal activities have been conducted by the individual; or

(c) as provided in [section 1].

(8) Disclosure that is limited to that which is reasonably necessary may be made as otherwise permitted or required by law.

(9) Disclosure that is limited to that which is reasonably necessary may be made in response to a facially valid administrative or judicial order, including a search warrant or subpoena.

(10) (a) Except as provided in subsection (10)(b), disclosure that is limited to that which is reasonably necessary may be made for the purpose of conducting actuarial or research studies if:

(i) an individual is not identified in any actuarial or research report;

(ii) materials allowing the individual to be identified are returned or destroyed as soon as they are no longer needed; and

(iii) the actuarial or research organization agrees not to further disclose the information without the individual's separate, written authorization.

(b) Disclosure of information may be made for:

(i) health research that is subject to the approval of an institutional review board and the requirements of federal law and regulations governing biomedical research; or

(ii) epidemiological or drug therapy outcomes research that requires information that has been made anonymous to protect the identity of the patient through coding or encryption.

(11) Disclosure may be made to a party or a representative of a party to a proposed sale, transfer, merger, or consolidation of all or part of the business of the licensee or insurance-support organization if:

(a) prior to the consummation of the sale, transfer, merger, or consolidation only information ~~is disclosed~~ that is reasonably necessary to enable the recipient to make business decisions about the purchase, transfer, merger, or consolidation <u>is disclosed</u>; and

(b) the recipient agrees not to further disclose the information without the individual's separate, written authorization.

(12) (a) Disclosure that is limited to that which is reasonably necessary may be made to a licensee's affiliate as follows:

(i) to allow use of the information in connection with an audit of the licensee;

(ii) to enable a licensee to perform an insurance function; or

(iii) as allowed by 33-19-307.

(b) A licensee disclosing pursuant to this section must have a written agreement with the affiliate that the affiliate will not use or further disclose information received except to carry out the purposes set forth in subsection (12)(a) and that if further disclosure is necessary to meet those purposes, the disclosure will be made

only to the licensee or to a person who agrees in writing to be bound by the same prohibition on use and disclosure. A disclosure allowed by 33-19-307 is governed by that section.

(13) Disclosure that is limited to that which is reasonably necessary may be made to an insurance-support organization to perform insurance-support services for the licensee. The insurance-support organization may redisclose the information to the extent necessary to provide its services to its member or subscriber licensees and other insurance-support organizations or as otherwise permitted by law, but not for a marketing purpose.

(14) Disclosure may be made to a group policyholder for the purpose of reporting claims experience or conducting an audit of the licensee's operations or services if the information disclosed is reasonably necessary for the group policyholder to conduct the review or audit and the group policyholder agrees not to further disclose the information without the individual's separate, written authorization. Medical record information disclosed pursuant to this subsection must be edited to prevent the identification of the applicant, policyholder, or certificate holder. Employer audits that are required by the Employee Retirement Income Security Act of 1974, 29 U.S.C. 1001, et seq., as amended, are not subject to the provisions of this subsection.

(15) Disclosure that is limited to that which is reasonably necessary may be made to a professional peer review organization for the purpose of reviewing the service or conduct of a medical care institution or medical professional if the professional peer review organization agrees not to further disclose the information without the individual's separate, written authorization.

(16) Disclosure that is limited to that which is reasonably necessary may be made to a governmental authority as required by federal or state law or for the purpose of determining the individual's eligibility for health benefits for which the governmental authority may be liable.

(17) Disclosure that is limited to that which is reasonably necessary may be made to a certificate holder or policyholder for the purpose of providing information regarding the status of an insurance transaction. Disclosure pursuant to this subsection may not be made to a group policyholder without a separate, written authorization from the individual.

(18) Disclosure may be made to a person contractually engaged to provide services to enable a licensee to perform an insurance function, or to perform an insurance function on behalf of a licensee, if the person agrees in writing that the person will not use or further disclose information obtained or developed pursuant to the engagement except to carry out the limited purpose of the engagement and that if further disclosure is necessary

to perform the insurance function, that disclosure will be made only to the licensee or to a person who agrees in writing to be bound by the same prohibitions on use and disclosure.

(19) If a licensee has to disclose personal or privileged information in order to perform an insurance function and disclosure is not permitted under another exception in this section, disclosure may be made to a person other than a licensee if the disclosure is limited to that which is reasonably necessary to enable the person to perform services or an insurance function for the disclosing licensee and if the person is notified by the licensee that the person is prohibited from:

(a) using the information other than to carry out the limited purpose for which the information is disclosed; and

(b) disclosing the information other than to the licensee and as allowed in subsection (3).

(20) Disclosure may be made to a lienholder, mortgagee, assignee, lessor, or other person shown on the records of an insurance institution or insurance producer as having a legal interest in a policy of insurance if:

(a) medical record information is not disclosed; and

(b) the information disclosed is limited to that which is reasonably necessary to permit the person with a legal interest in the policy to protect that person's interests in that policy.

(21) Disclosure may be made to provide information to insurance rate advisory organizations, guaranty funds or agencies, agencies that are rating a licensee, persons that are assessing the licensee's compliance with industry standards, and the licensee's attorneys, accountants, and auditors if the disclosure is limited to that which is reasonably necessary to enable the person or entity to perform services or an insurance function for the disclosing licensee and if the person or entity is notified by the licensee that the person or entity is prohibited from using the information, other than to carry out the limited purpose for which the information is disclosed.

(22) Notwithstanding any other provision of this chapter, disclosure for a marketing purpose may be made only as allowed by 33-19-307.

(23) ~~Nothing in this~~ This section may not be construed to prevent the disclosure of personal information that is otherwise discoverable pursuant to the Montana Rules of Civil Procedure.

(24) The commissioner may adopt rules creating additional exceptions to disclosure restrictions for the purpose of allowing a licensee or insurance-support organization to carry out a necessary insurance function. The commissioner shall adopt rules establishing the methods that must be used by licensees to prevent

identification as described in subsection (14)."

**Section 7.** Section 61-3-301, MCA, is amended to read:

**"61-3-301. Registration -- license plate required -- display.** (1) (a) Except as provided in 61-4-120, 61-4-129, and subsection (1)(b) of this section, a person may not operate a motor vehicle, trailer, semitrailer, pole trailer, or travel trailer upon the public highways of Montana unless the motor vehicle, trailer, semitrailer, pole trailer, or travel trailer is properly registered and has the proper license plates conspicuously displayed on the motor vehicle, trailer, semitrailer, pole trailer, or travel trailer. A license plate must be securely fastened to prevent it from swinging and may not be obstructed from plain view.

(b) A motorcycle, quadricycle, trailer, semitrailer, pole trailer, or travel trailer must have a single license plate displayed on the rear of the vehicle. A custom vehicle or street rod registered under 61-3-320(1)(b) or (1)(c)(iii) may display a single license plate firmly attached to the rear exterior of the custom vehicle or street rod. All other motor vehicles must have one license plate displayed on the front and one license plate displayed on the rear of the motor vehicle.

(c) A person may not display on a motor vehicle, trailer, semitrailer, pole trailer, or travel trailer at the same time a number assigned to it under any motor vehicle law except as provided in this chapter.

(2) A person may not purchase or display on a motor vehicle, trailer, semitrailer, pole trailer, or travel trailer a license plate bearing the number assigned to any county, as provided in 61-3-332, other than the county where the vehicle is domiciled or the county where the trailer, semitrailer, pole trailer, or travel trailer is domiciled at the time of application for registration.

(3) It is unlawful to:

(a) display license plates issued to one motor vehicle, trailer, semitrailer, pole trailer, or travel trailer on any other motor vehicle, trailer, semitrailer, pole trailer, or travel trailer unless legally transferred as provided by statute;

(b) repaint old license plates to resemble current license plates; or

(c) display a prior design of standard license plates ~~issued under 61-3-332(3)(a) or special license plates issued under 61-3-332(8) or 61-3-421 more than 18 months after a new design of standard license plates or special license plates has been issued,~~ <u>including military, veteran, and amateur radio license plates, or any license plates that have been issued for 5 or more years after the replacement of the license plates is required</u>

under 61-3-332(3)(a), except as provided in 61-3-332~~(3)(b) and (3)(c)~~(3)(c) and (3)(d), 61-3-448, or 61-3-468.

(4) For the purposes of this section, "conspicuously displayed" means that the required license plates are obviously visible and firmly attached to:

(a) the front bumper and the rear bumper of a motor vehicle equipped with front and rear bumpers, except for a custom vehicle or street rod as provided in subsection (1)(b); or

(b) a clearly visible location on the rear of a trailer, semitrailer, pole trailer, or travel trailer."

**Section 8.** Section 61-3-303, MCA, is amended to read:

**"61-3-303. Original registration -- process -- fees.** (1) Except as provided in 61-3-324, a Montana resident who owns a motor vehicle, trailer, semitrailer, or pole trailer operated or driven upon the public highways of this state shall register the motor vehicle, trailer, semitrailer, or pole trailer in the office of the county treasurer in the county where the owner is domiciled.

(2) Except as provided in subsection (3) and subsection (11), the county treasurer shall register any vehicle for which:

(a) as of the date that the motor vehicle, trailer, semitrailer, or pole trailer is to be registered, the owner delivers an application for a certificate of title to the department, its authorized agent, or a county treasurer; or

(b) the county treasurer confirms that the department has an electronic record of title for the motor vehicle, trailer, semitrailer, or pole trailer as provided under 61-3-101.

(3) (a) A county treasurer may register a motor vehicle, trailer, semitrailer, or pole trailer for which a certificate of title and registration were issued in another jurisdiction and for which registration is required under 61-3-701 after the county treasurer examines the current out-of-jurisdiction registration certificate or receipt and receives payment of the fees required in 61-3-701. The county treasurer may ask the motor vehicle, trailer, semitrailer, or pole trailer owner to provide additional information, prescribed by the department, to ensure that the electronic record of registration maintained by the department is complete.

(b) A county treasurer may register a motor vehicle, trailer, semitrailer, or pole trailer for which the new owner cannot, due to circumstances beyond the new owner's control, surrender a previously assigned certificate of title. The new owner may submit an application for certificate of title, subject to the registration renewal limitations of 61-3-312.

(4) Upon registering a motor vehicle, trailer, semitrailer, or pole trailer for the first time in this state, the

county treasurer shall:

(a) update the electronic record of title, if any, maintained for the vehicle by the department under 61-3-101;

(b) assign a registration period for the vehicle under 61-3-311;

(c) determine the vehicle's age, if required, under 61-3-501;

(d) determine the amount of fees, including local option taxes or fees, to be paid under subsection (5); and

(e) assign and issue license plates for the vehicle under 61-3-331.

(5) Unless otherwise provided by law, a person registering a motor vehicle shall pay to the county treasurer:

(a) the fees in lieu of tax or registration fees as required for:

(i) a light vehicle under 61-3-321 or 61-3-562, in addition to, if applicable, any local option tax or fee under 61-3-537 or 61-3-570;

(ii) a motor home under 61-3-321;

(iii) a travel trailer under 61-3-321;

(iv) a motorcycle or quadricycle under 61-3-321;

(v) a bus, a truck having a manufacturer's rated capacity of more than 1 ton, or a truck tractor under 61-3-321 and 61-3-529; or

(vi) a trailer under 61-3-321;

(b) a donation of $1 or more if the person indicates that the person wishes to donate to promote awareness and education efforts for procurement of organ and tissue donations in Montana to favorably impact anatomical gifts; and

(c) a donation of $1 or more if the person indicates that the person wishes to donate to promote education on, support for, and awareness of traumatic brain injury.

(6) The county treasurer may not issue a registration receipt or license plates for the motor vehicle, trailer, semitrailer, or pole trailer to the owner unless the owner makes the payments required by subsection (5).

(7) The department may make full and complete investigation of the registration status of the motor vehicle, trailer, semitrailer, or pole trailer. A person seeking to register a motor vehicle, trailer, semitrailer, or pole trailer under this section shall provide additional information to support the registration to the department if

requested.

(8) Revenue that accrues from the voluntary donation provided in subsection (5)(b) must be forwarded by the respective county treasurer to the department of revenue for deposit in the state special revenue fund to the credit of an account established by the department of public health and human services to support activities related to awareness and education efforts for procurement of organ and tissue donations for anatomical gifts.

(9) (a) Except as provided in subsection (9)(b), the fees in lieu of tax, taxes, and fees imposed on or collected from the registration of a travel trailer, motorcycle, or quadricycle or a trailer, semitrailer, or pole trailer that has a declared weight of less than 26,000 pounds are required to be paid only once during the time that the travel trailer, motorcycle, quadricycle, trailer, semitrailer, or pole trailer is owned by the same person who registered the travel trailer, motorcycle, quadricycle, trailer, semitrailer, or pole trailer. Once registered, a travel trailer, motorcycle, quadricycle, trailer, semitrailer, or pole trailer is registered permanently unless ownership is transferred.

(b) Whenever ownership of a travel trailer, motorcycle, quadricycle, trailer, semitrailer, or pole trailer is transferred, the new owner is required to register the travel trailer, motorcycle, quadricycle, trailer, semitrailer, or pole trailer as if it were being registered for the first time, including paying all of the required fees in lieu of tax, taxes, and fees.

(10) Revenue that accrues from the voluntary donation provided in subsection (5)(c) must be forwarded by the respective county treasurer to the department of revenue for deposit in the state special revenue fund to the credit of the account established in 2-15-2218 to support activities related to education regarding prevention of traumatic brain injury.

(11) Beginning July 1, 2011, the county treasurer shall use the online motor vehicle liability insurance verification system provided in [section 1] to verify that the vehicle owner has complied with the requirements of 61-6-301. Unless the verification system is temporarily unavailable, the county treasurer may not issue license plates to a motor vehicle when compliance with 61-6-301 cannot be verified."

**Section 9.** Section 61-3-312, MCA, is amended to read:

**"61-3-312. Renewal of registration -- exceptions -- grace period.** (1) Except as provided in 61-3-313 and 61-3-721, the registration of a motor vehicle under this chapter must be renewed on or before the last day of the month of the motor vehicle's registration period following the expiration of the motor vehicle's registration.

(2) ~~A~~ Except as provided in subsection (4), a person may renew a motor vehicle's registration by submitting full payment for the fees or taxes required under 61-3-303 and 61-3-321(12) to the department, an authorized agent, or a county treasurer in any county of this state.

(3) The department, an authorized agent, or a county treasurer may use the online motor vehicle liability insurance verification system provided in [section 1] to verify proof of compliance with 61-6-301.

(4) Beginning July 1, 2011, and except when the verification system is temporarily unavailable, a registration may not be renewed when compliance with 61-6-301 cannot be determined using the verification system.

(5) Except as provided in 61-3-315, the registration period originally assigned under 61-3-311 must be retained and the duration of the renewed registration is determined in accordance with 61-3-311. A registration receipt is valid for the registration period for which it is issued.

~~(2)~~(6) The owner of a motor vehicle subject to registration renewal under the provisions of this section is considered to have renewed the motor vehicle's registration in a timely manner if the owner submits full payment for the required fees or taxes, as prescribed in the mail renewal notice from the department, to the department, an authorized agent, or a county treasurer on or before the last day of the month of the motor vehicle's registration period and if, beginning July 1, 2011, the department, authorized agent, or county treasurer determines the owner is in compliance with 61-6-301 using the verification system provided in [section 1].

~~(3)~~(7) The department, an authorized agent, or a county treasurer may not renew the registration of a motor vehicle for which ownership has been transferred and that was originally registered without being titled under the provisions of 61-3-303(3)(b) unless:

(a) the previously issued certificate of title has been surrendered to the department, an authorized agent, or the county treasurer and the process for issuing a certificate of title has been completed; or

(b) the person to whom ownership of the motor vehicle has been transferred presents an affidavit and bond in support of the application for a certificate of title as permitted in 61-3-208."

**Section 10.** Section 61-3-315, MCA, is amended to read:

**"61-3-315. Rules -- early renewal.** The department shall adopt rules for the implementation and administration of the registration of motor vehicles under this chapter. The rules adopted by the department pursuant to this section must allow for:

(1) early renewal of registration for motor vehicles when an owner of a motor vehicle presents extenuating circumstances; ~~and~~

(2) simultaneous registration of multiple motor vehicles that have common ownership;

(3) verification of compliance with 61-6-301 before registering or renewing a registration of a vehicle or issuing new license plates required by 61-3-332(3);

(4) automated mailing of license plates by the department or its authorized agent, including an agent under contract with the department pursuant to [section 4]; and

(5) devising a method to place license plates that are issued on or before January 1, 2010, and renewed on or after January 1, 2010, on the 5-year reissuance cycle in a manner that minimizes production peaks and valleys."

**Section 11.** Section 61-3-321, MCA, is amended to read:

**"61-3-321. Registration fees of vehicles and vessels -- certain vehicles exempt from registration fees -- disposition of fees.** (1) Except as otherwise provided in this section, registration fees must be paid upon registration or, if applicable, renewal of registration of motor vehicles, snowmobiles, watercraft, trailers, semitrailers, and pole trailers as provided in subsections (2) through (19):

(2) Unless a light vehicle is permanently registered under 61-3-562, the annual registration fee for light vehicles, trucks and buses under 1 ton, and logging trucks less than 1 ton is as follows:

(a) if the vehicle is 4 or less years old, $217;

(b) if the vehicle is 5 through 10 years old, $87; and

(c) if the vehicle is 11 or more years old, $28;

(3) Except as provided in subsection (14), the one-time registration fee based on the declared weight of a trailer, semitrailer, or pole trailer is as follows:

(a) if the declared weight is less than 6,000 pounds, $61.25; or

(b) if the declared weight is 6,000 pounds or more, $148.25.

(4) Except as provided in subsection (14), the one-time registration fee for motor vehicles owned and operated solely as collector's items pursuant to 61-3-411, based on the weight of the vehicle, is as follows:

(a) 2,850 pounds and over, $10; and

(b) under 2,850 pounds, $5.

(5) Except as provided in subsection (14), the one-time registration fee for off-highway vehicles other than a quadricycle or motorcycle is $61.25.

(6) The annual registration fee for heavy trucks, buses, and logging trucks in excess of 1 ton is $22.75.

(7) (a) The annual registration fee for a motor home, based on the age of the motor home, is as follows:

(i) less than 2 years old, $282.50;

(ii) 2 years old and less than 5 years old, $224.25;

(iii) 5 years old and less than 8 years old, $132.50; and

(iv) 8 years old and older, $97.50.

(b) The owner of a motor home that is 11 years old or older and that is subject to the registration fee under this section may permanently register the motor home upon payment of:

(i) a one-time registration fee of $237.50; ~~and~~

(ii) unless a new set of license plates is being issued, an insurance verification fee of $5, which must be deposited in the account established under [section 3]; and

(iii) if applicable, five times the renewal fees for personalized license plates under 61-3-406.

(8) (a) Except as provided in subsection (14), the one-time registration fee for motorcycles and quadricycles registered for use on public highways is $53.25, and the one-time registration fee for motorcycles and quadricycles registered for both off-road use and for use on the public highways is $114.50.

(b) An additional fee of $16 must be collected for the registration of each motorcycle or quadricycle as a safety fee, which must be deposited in the state motorcycle safety account provided for in 20-25-1002.

(9) Except as provided in subsection (14), the one-time registration fee for travel trailers, based on the length of the travel trailer, is as follows:

(a) under 16 feet in length, $72; and

(b) 16 feet in length or longer, $152.

(10) Except as provided in subsection (14), the one-time registration fee for a motorboat, sailboat, personal watercraft, or motorized pontoon required to be numbered under 23-2-512 is as follows:

(a) for a personal watercraft or a motorboat, sailboat, or motorized pontoon less than 16 feet in length, $65.50;

(b) for a motorboat, sailboat, or motorized pontoon at least 16 feet in length but less than 19 feet in length, $125.50; and

(c) for a motorboat, sailboat, or motorized pontoon 19 feet in length or longer, $295.50.

(11) (a) Except as provided in subsections (11)(b) and (14), the one-time registration fee for a snowmobile is $60.50.

(b) (i) A snowmobile that is licensed by a Montana business and is owned exclusively for the purpose of daily rental to customers is assessed:

(A) a fee of $40.50 in the first year of registration; and

(B) if the business reregisters the snowmobile for a second year, a fee of $20.

(ii) If the business reregisters the snowmobile for a third year, the snowmobile must be permanently registered and the business is assessed the registration fee imposed in subsection (11)(a).

(12) (a) ~~A~~ Except as provided in subsection (12)(b), a fee of ~~$5~~ $10 must be collected when a new set of standard license plates, a new single standard license plate, or a replacement set of special license plates required under 61-3-332 is issued. The ~~$5~~ $10 fee imposed under this subsection does not apply when previously issued license plates are transferred under 61-3-335. All registration fees imposed under this section must be paid if the vehicle to which the plates are transferred is not currently registered.

(b) Until January 1, 2015, an additional fee of $15 must be collected if a vehicle owner elects to keep the same license plate number from license plates issued on or after January 1, 2006, but before January 1, 2010, when replacement of those plates is required under 61-3-332(3).

(c) The fees imposed in this subsection (12) must be deposited in the account established under [section 3], except $2 of the fee imposed in subsection (12)(a) must be deposited in the state general fund.

(13) The provisions of this part with respect to the payment of registration fees do not apply to and are not binding upon motor vehicles, trailers, semitrailers, snowmobiles, watercraft, or tractors owned or controlled by the United States of America or any state, county, city, or special district, as defined in 18-8-202, or to a vehicle or vessel that meets the description of property exempt from taxation under 15-6-201(1)(a), (1)(c), (1)(d), (1)(e), (1)(f), (1)(g), (1)(i), (1)(j), (1)(l), or (1)(m), 15-6-203, or 15-6-215, except as provided in 61-3-520.

(14) Whenever ownership of a trailer, semitrailer, pole trailer, off-highway vehicle, motorcycle, quadricycle, travel trailer, motor home, motorboat, sailboat, personal watercraft, motorized pontoon, snowmobile, or motor vehicle owned and operated solely as a collector's item pursuant to 61-3-411 is transferred, the new owner shall title and register the vehicle or vessel as required by this chapter and pay the fees imposed under this section.

(15) A person eligible for a waiver under 61-3-460 is exempt from the fees required under this section.

(16) Except as otherwise provided in this section, revenue collected under this section must be deposited in the state general fund.

(17) The fees imposed by subsections (2) through (11) are not required to be paid by a dealer for the enumerated vehicles or vessels that constitute inventory of the dealership.

(18) (a) Unless a person exercises the option in subsection (18)(b), an additional fee of $4 must be collected for each light vehicle registered under this part. This fee must be accounted for and transmitted separately from the registration fee. The fee must be deposited in an account in the state special revenue fund to be used for state parks, for fishing access sites, and for the operation of state-owned facilities. Of the $4 fee, the department of fish, wildlife, and parks shall use $3.50 for state parks, 25 cents for fishing access sites, and 25 cents for the operation of state-owned facilities at Virginia City and Nevada City.

(b) A person who registers a light vehicle may, at the time of annual registration, certify that the person does not intend to use the vehicle to visit state parks and fishing access sites and may make a written election not to pay the additional $4 fee provided for in subsection (18)(a). If a written election is made, the fee may not be collected.

(19) For each light vehicle, trailer, semitrailer, pole trailer, heavy truck, motor home, motorcycle, quadricycle, and travel trailer subject to a registration fee under this section, an additional fee of $5 must be collected and forwarded to the state for deposit in the account established in 44-1-504.

(20) This section does not apply to a motor vehicle, trailer, semitrailer, or pole trailer that is governed by 61-3-721."

**Section 12.** Section 61-3-332, MCA, is amended to read:

**"61-3-332. Standard license plates.** (1) In addition to special license plates, collegiate license plates, generic specialty license plates, and fleet license plates authorized under this chapter, a separate series of standard license plates must be issued for motor vehicles, quadricycles, travel trailers, trailers, semitrailers, and pole trailers registered in this state or offered for sale by a vehicle dealer licensed in this state. Standard license plates issued to licensed vehicle dealers must be readily distinguishable from license plates issued to vehicles owned by other persons.

(2) (a) Except as provided in 61-3-479 and subsections (2)(b), (3)(b), and (3)(c) of this section, all

standard license plates for motor vehicles, trailers, semitrailers, or pole trailers must bear a distinctive marking, as determined by the department, and be furnished by the department. In years when standard license plates are not ~~issued~~ reissued for a vehicle, the department shall provide a registration decal that must be affixed to the rear license plate of the vehicle.

(b) For light vehicles that are permanently registered as provided in 61-3-562 and motor vehicles described in 61-3-303(9) that are permanently registered, the department shall provide a distinctive registration decal indicating that the motor vehicle is permanently registered. The registration decal must be affixed to the rear license plate of the permanently registered motor vehicle.

(c) For a travel trailer, motorcycle, quadricycle, trailer, semitrailer, or pole trailer that is permanently registered as provided in 61-3-313(2), the department may use the word or an abbreviation for the word "permanent" on the plate in lieu of issuing a registration decal for the plate.

(3) (a) (i) Beginning January 1, 2010, and every ~~4~~ 5 years after that date, the department shall ~~manufacture and issue new~~ design standard license plates to replace previously issued standard license plates ~~upon renewal~~. For the purposes of this subsection (3), all military, veteran, and amateur radio license plates and any license plate with a wheelchair design, excluding collegiate or generic specialty plates with a wheelchair design, are treated as standard license plates.

(ii) License plates issued on or after January 1, 2010, must be replaced with the most recent design of standard license plates or a new replacement collegiate or generic speciality license plate if, upon renewal of registration under 61-3-332, the license plates are 5 or more years old or will become older than 5 years during the registration period.

(iii) License plates issued on or before January 1, 2010, must be replaced with the most recent design of standard license plates or a new replacement collegiate or generic specialty license plate in accordance with the implementation schedule adopted by the department under 61-3-315. Until January 1, 2015, and upon payment of the fee required in 61-3-321(12)(b), a vehicle owner may elect to keep the same license plate number from license plates issued on or after January 1, 2006, but before January 1, 2010, when replacement of those plates is required under this subsection.

(b) A motor vehicle that is registered for a 13-month to a 24-month period, as provided in 61-3-311, may display the license plate and plate design in effect at the time of registration for the entire registration period.

(c) A light vehicle ~~described in subsection (2)(b)~~ described in subsection (2)(b) or a motor home that is

permanently registered ~~may display the license plate and plate design in effect at the time of registration for the entire period that the light vehicle or motor home is permanently registered~~ may display the license plate and plate design in effect at the time of registration for the entire period that the light vehicle or motor home is permanently registered.

(d) The provisions of this subsection (3) do not apply to a travel trailer, motorcycle, quadricycle, trailer, semitrailer, or pole trailer.

(e) The requirements of this subsection (3) apply to collegiate license plates authorized under 61-3-461 through 61-3-468, generic specialty license plates authorized under 61-3-472 through 61-3-481, commemorative centennial license plates authorized under 61-3-448, and special military or veteran license plates authorized under 61-3-458.

(4) For trailers and motor vehicles, other than motorcycles and quadricycles, plates must be of metal 6 inches wide and 12 inches in length. Except for generic specialty license plates, the outline of the state of Montana must be used as a distinctive border on all license plates, and the word "Montana" must be placed on each license plate. All license plates must be treated with a reflectorized background material according to specifications prescribed by the department.

(5) The distinctive registration numbers for standard license plates must begin with a number one or with a letter-number combination, such as "A 1" or "AA 1", or any other similar combination of letters and numbers. Except for special license plates, collegiate license plates, generic specialty license plates, and fleet license plates, the distinctive registration number or letter-number combination assigned to the motor vehicle must appear on the plate preceded by the number of the county and appearing in horizontal order on the same horizontal baseline. The county number must be separated from the distinctive registration number by a separation mark unless a letter-number combination is used. The dimensions of the numerals and letters must be determined by the department, and all county and registration numbers must be of equal height.

(6) For the use of exempt motor vehicles, trailers, semitrailers, or pole trailers and motor vehicles, trailers, semitrailers, or pole trailers that are exempt from the registration fee as provided in 61-3-321, in addition to the markings provided in this section, standard license plates must bear the following distinctive markings:

(a) For motor vehicles, trailers, semitrailers, or pole trailers owned by the state, the department may designate the prefix number for the various state departments. All numbered plates issued to state departments must bear the words "State Owned", and a year number may not be indicated on the plates because these

numbered plates are of a permanent nature and will be replaced by the department only when the physical condition of numbered plates requires it.

(b) For motor vehicles, trailers, semitrailers, or pole trailers that are owned by the counties, municipalities, and special districts, as defined in 18-8-202, organized under the laws of Montana and not operating for profit, and that are used and operated by officials and employees in the line of duty and for motor vehicles on loan from the United States government or the state of Montana to, or owned by, the civil air patrol and used and operated by officials and employees in the line of duty, there must be placed on the standard license plates assigned, in a position that the department may designate, the letter "X" or the word "EXEMPT". Distinctive registration numbers for plates assigned to motor vehicles, trailers, semitrailers, or pole trailers of each of the counties in the state and those of the municipalities and special districts that obtain plates within each county must begin with number one and be numbered consecutively. Because these standard license plates are of a permanent nature, they are subject to replacement by the department only when the physical condition of the license plates requires it and a year number may not be displayed on the plates.

(7) For the purpose of this chapter, the several counties of the state are assigned numbers as follows: Silver Bow, 1; Cascade, 2; Yellowstone, 3; Missoula, 4; Lewis and Clark, 5; Gallatin, 6; Flathead, 7; Fergus, 8; Powder River, 9; Carbon, 10; Phillips, 11; Hill, 12; Ravalli, 13; Custer, 14; Lake, 15; Dawson, 16; Roosevelt, 17; Beaverhead, 18; Chouteau, 19; Valley, 20; Toole, 21; Big Horn, 22; Musselshell, 23; Blaine, 24; Madison, 25; Pondera, 26; Richland, 27; Powell, 28; Rosebud, 29; Deer Lodge, 30; Teton, 31; Stillwater, 32; Treasure, 33; Sheridan, 34; Sanders, 35; Judith Basin, 36; Daniels, 37; Glacier, 38; Fallon, 39; Sweet Grass, 40; McCone, 41; Carter, 42; Broadwater, 43; Wheatland, 44; Prairie, 45; Granite, 46; Meagher, 47; Liberty, 48; Park, 49; Garfield, 50; Jefferson, 51; Wibaux, 52; Golden Valley, 53; Mineral, 54; Petroleum, 55; Lincoln, 56. Any new counties must be assigned numbers by the department as they are formed, beginning with the number 57.

(8) ~~(a)~~ Each type of special license plate approved by the legislature, except collegiate license plates authorized in 61-3-463 and generic specialty license plates authorized in 61-3-472 through 61-3-481, must be a separate series of plates, numbered as provided in subsection (5), except that the county number must be replaced by a design that distinguishes each separate plate series. Unless otherwise specifically stated in this section, the special plates are subject to the same rules and laws as govern the issuance of standard license plates, must be placed or mounted on a motor vehicle, trailer, semitrailer, or pole trailer owned by the person who is eligible to receive them, with the registration decal affixed to the rear license plate of the motor vehicle, trailer,

semitrailer, or pole trailer, and must be removed upon sale or other disposition of the motor vehicle, trailer, semitrailer, or pole trailer.

~~(b) Beginning January 1, 2008, and every succeeding 4 years, the department shall manufacture and issue a new set of special license plates, bearing the same design and, if requested by the owner, the same plate number to replace, upon renewal of the registration of a motor vehicle under 61-3-314 and payment of the new plate fee provided for in 61-3-321, any special license plates issued prior to the prescribed date. This requirement applies to collegiate license plates authorized under 61-3-461 through 61-3-468, generic specialty license plates authorized under 61-3-472 through 61-3-481, and commemorative centennial license plates authorized under 61-3-448.~~

(9) (a) A Montana resident who is eligible to receive a special parking permit under 49-4-301 may, upon written application on a form prescribed by the department, be issued a special license plate with a design or decal bearing a representation of a wheelchair as the symbol of a person with a disability.

(b) If the motor vehicle to which the license plate is attached is permanently registered, the owner of the motor vehicle shall provide, upon request of a person authorized to enforce special parking laws or ordinances in this or any state, evidence of continued eligibility to use the license plate in the form of a valid special parking permit issued to or renewed by the vehicle owner under 49-4-304 and 49-4-305.

(c) A person with a permanent condition, as provided in 49-4-301(2)(b), who has been issued a special license plate upon written application, as provided in this subsection (9), is not required to reapply upon reregistration of the motor vehicle.

(10) The provisions of this section do not apply to a motor vehicle, trailer, semitrailer, or pole trailer that is registered as part of a fleet, as defined in 61-3-712, and that is subject to the provisions of 61-3-711 through 61-3-733."

**Section 13.** Section 61-3-333, MCA, is amended to read:

**"61-3-333. Replacing license plates or decals.** (1) Except as provided in subsection (2), if one or both license plates registered to a motor vehicle, quadricycle, travel trailer, trailer, semitrailer, or pole trailer or the registration decal for the motor vehicle, quadricycle, travel trailer, trailer, semitrailer, or pole trailer is mutilated or destroyed, the owner of the registered motor vehicle or trailer may obtain a set of replacement license plates, a replacement license plate, or a duplicate registration decal upon filing a sworn declaration stating that fact and

payment of a fee of ~~$5~~ $10.

(2) If the owner requests that the replacement license plate or plates bear the same background and license plate number as the plate or plates that were destroyed or mutilated, the duplicate license plate or plates may be issued upon payment of a fee of ~~$5~~ $15.

(3) The fees imposed in this section must be deposited in the account established in [section 3], except $2 of the fee imposed in subsection (1) must be deposited in the state general fund."

**Section 14.** Section 61-3-407, MCA, is amended to read:

**"61-3-407. Personalized license plates for disabled -- ~~special~~ military, veteran, and generic specialty license plates.** Subject to the provisions of 61-3-405 and 61-3-406, an application for standard license plates bearing a wheelchair as the symbol of a person with a disability under 61-3-332(9), special military or veteran license plates under 61-3-458~~(3)~~, or generic specialty license plates under 61-3-472 through 61-3-481 may be combined with an application for personalized plates. The application must be made on a form supplied by the department."

**Section 15.** Section 61-3-465, MCA, is amended to read:

**"61-3-465. Issuance -- application -- additional fee -- disposition.** (1) The department shall issue or renew collegiate license plates upon receipt of an application that shows:

(a) compliance with 61-3-303, 61-3-311, and 61-3-312; and

(b) payment to the county treasurer of:

(i) an initial application and manufacturing fee of ~~$5~~ $10, when required; and

(ii) an annual scholarship donation of $30 for the benefit of the institution named in the application.

(2) Once each month, the county treasurer shall, as provided in 15-1-504, transfer to the state the total of the amounts collected for:

(a) the initial application and manufacturing fee for deposit in the state general fund; and

(b) scholarship donations provided for in subsection (1)(b)(ii), along with a schedule showing the number of collegiate license plates issued and the total donations received for the benefit of each institution.

(3) Once each month, an amount equal to the total donations credited to that institution and transferred to the state by the county treasurers during the preceding month must be distributed to the student academic

scholarship fund or foundation of each institution.

(4) The amount of $8 of the fee imposed in subsection (1)(b)(i) must be deposited in the account established in [section 3] and $2 of the fee must be deposited in the state general fund."

**Section 16.** Section 61-3-478, MCA, is amended to read:

**"61-3-478. Generic specialty license plate sponsor fee ~~-- exception~~.** (1) ~~Except as provided in subsection (2), upon~~ Upon approval of an organization's application to sponsor a generic specialty license plate and before a sponsor's generic specialty license plates may be manufactured, the department shall assess and the sponsor shall pay a $4,000 fee to ~~reimburse~~ the department of corrections ~~for the~~ Montana correctional enterprises prison industries training program. ~~for~~ The fee covers the initial costs incurred by Montana correctional enterprises in producing the generic specialty license plates for the sponsor.

(2) ~~In lieu of the fee required in subsection (1), a minimum of 400 applications for a sponsor's generic specialty license plates must be filed and prepaid with the department before the generic specialty license plates may be manufactured and issued.~~ The fee imposed in subsection (1) must be deposited in the Montana correctional enterprises license plate production operating account provided for in [section 5]."

**Section 17.** Section 61-3-480, MCA, is amended to read:

**"61-3-480. Fees for generic specialty license plates -- disposition.** (1) In addition to the other fees and taxes imposed by law, an eligible person who applies for a generic specialty license plate shall pay an administrative fee of ~~$15~~ $20 and, except as provided in 61-3-479(1)(b), the donation fee specified by the sponsor.

(2) The county treasurer shall, upon receipt of the fees:

(a) deposit $5 of the ~~$15~~ $20 administrative fee in the county general fund;

(b) notwithstanding any other provisions of Title 7, Title 17, or this title and unless otherwise provided in 61-3-479(1)(b), accept the donation fee paid by the plate purchaser; and

(c) as provided in 15-1-504, once each month, transmit to the state for distribution:

(i) $10 of the ~~$15~~ $20 administrative fee ~~to the state general fund~~ for deposit in the account provided in [section 3];

(ii) $5 of the administrative fee to the state general fund; and

~~(ii)~~(iii) all donation fees provided for in subsections (1) and (3), along with a schedule showing the number and type of generic specialty license plates issued and total donations received for the benefit of each sponsor of a generic specialty license plate issued or renewed, to each respective sponsor.

(3) If the donation fee is required by a sponsor upon renewal of generic specialty license plates, the fee must be paid to the county treasurer upon renewal of registration and transmitted to the state as prescribed in subsection (2).

(4) Once each month, the state shall distribute to the generic specialty license plate liaison designated by a sponsor under 61-3-475(1)(c) or 61-3-476(1)(c) an amount equal to the total donations credited to that sponsor and transferred to the department of revenue by the county treasurers during the preceding month."

**Section 18.** Section 61-3-535, MCA, is amended to read:

**"61-3-535. Motor vehicle registration renewal -- reminder notice and renewal by mail.** (1) The owner of a motor vehicle~~, trailer, semitrailer, or pole trailer~~ subject to renewal of registration under 61-3-312 may renew the registration of a motor vehicle~~, trailer, semitrailer, or pole trailer~~ by mail or by electronic methods when the value, age, length, weight, or other criteria used to determine the tax or fee for a particular type of motor vehicle~~, trailer, semitrailer, or pole trailer is~~ are available to the department by electronic means.

(2) Any mail renewal procedure developed by the department must:

(a) include a procedure to facilitate automated handling of mail renewal, including issuance of replacement plates when required by statute; ~~and must~~

(b) include a procedure to verify compliance with 61-6-301 using the system provided in [section 1]; and

(c) provide for a written reminder notice by mail to the owner of a motor vehicle~~, trailer, semitrailer, or pole trailer~~ of the requirement to renew the vehicle's registration."

**Section 19.** Section 61-3-562, MCA, is amended to read:

**"61-3-562. Permanent registration -- transfer of light vehicle ownership -- rules.** (1) (a) The owner of a light vehicle 11 years old or older subject to the registration fee, as provided in 61-3-321(2), may permanently register the light vehicle upon payment of a $87.50 registration fee, the applicable registration and license fees under 61-3-412, if applicable, the administrative fee and the annual one-time-only donation fee for a generic specialty license plate under 61-3-480, and an amount equal to five times the local option motor vehicle tax or

flat fee on vehicles under 61-3-537 and, ~~if~~ as applicable, ~~when personalized plates under 61-3-406 are being issued or renewed,~~ either:

(i) (A) the original fee and four times the renewal fee for personalized plates; or

~~(ii)~~(B) five times the renewal fees for personalized plates; or

(ii) if a new set of license plates is not being issued, an insurance verification fee of $5, which must be deposited in the account established under [section 3].

(b) The following series of license plates may not be used for purposes of permanent registration of a light vehicle:

(i) Montana national guard license plates issued under 61-3-458(2)(b);

(ii) reserve armed forces license plates issued under 61-3-458(2)(c);

(iii) amateur radio operator license plates issued under 61-3-422; and

(iv) collegiate license plates issued under 61-3-465.

(2) In addition to the fees described in subsection (1), an owner of a truck with a manufacturer's rated capacity of 1 ton or less that is permanently registered shall pay five times the applicable fees imposed under 61-10-201.

(3) The owner of a motor vehicle that is permanently registered under this section is not subject to additional registration fees or to other motor vehicle registration fees described in this section for as long as the owner owns the vehicle.

(4) The county treasurer shall once each month remit to the state the amounts collected under this section, other than the local option motor vehicle tax or flat fee, for the purposes of 61-3-321(2) and 61-10-201. The county treasurer shall retain the local option motor vehicle tax or flat fee.

(5) (a) The permanent registration of a light vehicle allowed by this section may not be transferred to a new owner. If the light vehicle is transferred to a new owner, the department shall cancel the light vehicle's permanent registration.

(b) Upon transfer of a light vehicle registered under this section to a new owner, the new owner shall apply for a certificate of title under 61-3-201 and 61-3-216 and register the light vehicle under 61-3-303."

**Section 20.** Section 61-6-101, MCA, is amended to read:

**"61-6-101. Short title.** This part may be cited as the "Motor Vehicle ~~Safety-Responsibility~~ Insurance

Responsibility and Verification Act"."

**Section 21.** Section 61-6-102, MCA, is amended to read:

**"61-6-102. Definitions.** As used in this part, unless the context clearly indicates a different meaning, the following definitions apply:

(1) "Commercial automobile insurance coverage" means any coverage provided to an insured, regardless of number of vehicles or entities covered, under a commercial, garage, or truckers coverage form and rated from a commercial manual or rating rule. Vehicle type and ownership are not the primary factors in underwriting the coverage or rating the coverage. The rating may be subject to individual risk characteristics, including but not limited to experience rating, schedule rating, loss rating, or deductible rating.

(2) "Insurer" means an authorized insurer, as defined in 33-1-201, who issues or renews a motor vehicle liability policy.

~~(1)~~(3) "Judgment" means any judgment that has become final by expiration without appeal of the time within which an appeal might have been perfected or by final affirmation on appeal rendered by a court of competent jurisdiction of any state or of the United States upon a cause of action arising out of the ownership, maintenance, or use of any motor vehicle, for damages, including damages for care and loss of services, because of bodily injury to or death of any person or for damages because of injury to or destruction of property, including the loss of use of property, or upon a cause of action on an agreement of settlement for damages.

~~(2)~~(4) "License" means ~~any~~ a driver's license as defined in 61-1-101~~, temporary instruction permit, or temporary license issued under the laws of this state pertaining to the licensing of persons to operate motor vehicles~~.

(5) "Low-volume insurer" means an insurer that provides motor vehicle liability policies for fewer than 500 vehicles in this state.

(6) (a) "Motor vehicle liability policy" means a policy of insurance issued or renewed by an insurer to a person who owns or operates a motor vehicle that meets or exceeds the minimum coverage limits under 61-6-103, including a policy certified as provided in 61-6-133 as proof of financial responsibility.

(b) A certificate filed for a nonresident as proof of financial responsibility under 61-6-134 must be treated as a motor vehicle liability policy under this part.

~~(3)~~(7) "Nonresident's operating privilege" means the privilege conferred upon a nonresident by the laws

of this state pertaining to the operation by the nonresident of a motor vehicle or the use of a motor vehicle owned by the nonresident in this state.

~~(4)~~(8) "Person" means every natural person, firm, partnership, association, or corporation.

~~(5)~~(9) "Proof of financial responsibility" means proof of ability to respond in damages for liability on account of accidents occurring subsequent to the effective date of the proof of financial responsibility, arising out of the ownership, maintenance, or use of a motor vehicle.

~~(6)~~(10) "State" means any state, territory, or possession of the United States, the District of Columbia, or any province of the Dominion of Canada.

(11) "Suspension" means the withdrawal, by action of the department, of a motor vehicle's registration, as defined in 61-1-101, for a period of time prescribed by department rule.

(12) "System" means the online motor vehicle liability insurance verification system created in [section 1]."

**Section 22.** Section 61-6-103, MCA, is amended to read:

**"61-6-103. Motor vehicle liability policy ~~defined~~ minimum limits -- other requirements.** (1) ~~A "motor vehicle liability policy", as the term is used in this part, means an owner's or operator's policy of liability insurance, certified as provided in 61-6-133 or 61-6-134 as proof of financial responsibility and issued, except as otherwise provided in 61-6-134, by an insurance carrier duly authorized to transact business in this state, to or for the benefit of the person named therein as insured.~~

~~(2) The owner's policy of liability insurance~~ A motor vehicle liability policy must:

(a) designate by explicit description or by appropriate reference all motor vehicles with respect to ~~which~~ the coverage ~~is thereby~~ to be granted; and

(b) insure the person named ~~therein~~ in the policy and any other person, as insured, using any motor vehicle or motor vehicles with the express or implied permission of the named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance, or use of the motor vehicle or motor vehicles within the United States of America or the Dominion of Canada, subject to limits exclusive of interest and costs, with respect to each motor vehicle, as follows:

(i) $25,000 because of bodily injury to or death of one person in any one accident and subject to ~~said~~ the limit for one person;

(ii) $50,000 because of bodily injury to or death of two or more persons in any one accident; and

(iii) $10,000 because of injury to or destruction of property of others in any one accident.

~~(3)~~(2) An operator's policy of liability insurance must insure the person named as insured ~~therein~~ in the policy against loss from the liability imposed upon ~~him~~ the operator by law for damages arising out of the use by ~~him~~ the operator of any motor vehicle not owned by ~~him~~ the operator, within the same territorial limits and subject to the same limits of liability ~~as~~ that are set forth ~~above~~ in subsection (1) with respect to the operator's policy of liability insurance.

~~(4)~~(3) A motor vehicle liability policy must state the name and address of the named insured, the coverage afforded by the policy, the premium charged ~~therefor~~ for the policy, the policy period, and the limits of liability and contain an agreement or be endorsed that insurance is provided ~~thereunder~~ under the policy in accordance with the coverage defined in this part as respects bodily injury and death or property damage, or both, and is subject to all the provisions of this part.

~~(5)~~(4) A motor vehicle liability policy need not insure any liability under any workers' compensation law or any liability on account of bodily injury to or death of an employee of the insured while engaged in the employment, other than domestic, of the insured or while engaged in the operation, maintenance, or repair of a motor vehicle or any liability for damage to property owned by, rented to, in charge of, or transported by the insured.

~~(6)~~(5) A motor vehicle liability policy is subject to the following provisions, which need not be contained ~~therein~~ in the policy:

(a) The liability of the insurance carrier with respect to the insurance required by this part becomes absolute whenever injury or damage covered by the motor vehicle liability policy occurs. The policy may not be canceled or annulled as to the liability by any agreement between the insurance carrier and the insured after the occurrence of the injury or damage. ~~No~~ A statement made by the insured or on ~~his~~ behalf of the insured and ~~no~~ a violation of the policy may not defeat or void the policy.

(b) The satisfaction by the insured of a judgment for the injury or damage may not be a condition precedent to the right or duty of the insurance carrier to make payment on account of the injury or damage.

(c) The insurance carrier has the right to settle any claim covered by the policy, and if the settlement is made in good faith, the amount is deductible from the limits of liability specified in subsection ~~(2)(b)~~ (1)(b).

(d) The policy, the written application ~~therefor~~ for the policy, if any, and any rider or endorsement ~~which~~

that does not conflict with the provisions of this part constitute the entire contract between the parties.

~~(7)~~(6) A motor vehicle policy is not subject to cancellation, termination, nonrenewal, or premium increase due to injury or damage incurred by the insured or operator unless the insured or operator is found to have violated a traffic law or ordinance of the state or a city, is found negligent or contributorily negligent in a court of law or by the arbitration proceedings contained in chapter 5 of Title 27, or pays damages to another party, whether by settlement or otherwise. ~~In no event may a~~ A premium may not be increased during the term of the policy unless there is a change in exposure.

~~(8)~~(7) Any policy ~~which~~ that grants the coverage required for a motor vehicle liability policy may also grant any lawful coverage in excess of or in addition to the coverage specified for a motor vehicle liability policy, and the excess or additional coverage is not subject to the provisions of this part. With respect to a policy ~~which~~ that grants the excess or additional coverage, the term "motor vehicle liability policy" applies only to that part of the coverage ~~which is~~ required by this section.

~~(9)~~(8) ~~Any~~ A motor vehicle liability policy may provide that the insured shall reimburse the insurance carrier for any payment the insurance carrier would not have been obligated to make under the terms of the policy except for the provisions of this part.

~~(10)~~(9) ~~Any~~ A motor vehicle liability policy may provide for the prorating of the insurance ~~thereunder~~ under the policy with other valid and collectible insurance.

~~(11)~~(10) The requirements for a motor vehicle liability policy may be fulfilled by the policies of one or more insurance carriers, which policies together meet ~~such~~ the requirements.

~~(12)~~(11) Any binder issued pending the issuance of a motor vehicle liability policy fulfills the requirements for ~~such a~~ the policy.

~~(13)~~(12) A reduced limits endorsement may not be issued by ~~any~~ a company to be attached to ~~any~~ a policy issued in compliance with this section."

**Section 23.** Section 61-6-105, MCA, is amended to read:

**"61-6-105. Department to administer law and make rules.** (1) The department shall administer and enforce the provisions of this part and may make rules necessary for ~~its~~ the administration of the online motor vehicle liability insurance system.

(2) The rules must:

(a) establish standards and procedures for accessing the system by authorized personnel of the department, the courts, law enforcement personnel, and any other entities authorized by the department that are consistent with specifications and standards of the insurance industry committee on motor vehicle administration and other applicable industry standards;

(b) provide for the suspension of a vehicle's registration when:

(i) a person fails to respond to a written inquiry from the department or its designee concerning the insurance status of a vehicle;

(ii) a person misrepresents or provides false information to the department or its designee regarding the operational status or use of a vehicle for which liability insurance is mandatory;

(iii) the department has reason to believe that a vehicle owner is not complying with the mandatory liability insurance requirements of 61-6-301; or

(iv) the department receives a report from a court that a person has been convicted of a violation of 61-6-301 or 61-6-302 and the surrender of the vehicle registration receipt and license plates under 61-6-304 has been ordered;

(c) prohibit the reinstatement of a vehicle's registration and the new registration of a vehicle unless the applicable reinstatement fees have been paid;

(d) set a fee for the reinstatement of a vehicle's registration following a suspension imposed by the department. The fee may not exceed $100 and is in addition to any other fine or penalty prescribed by the law.

(e) provide for periodic insurance data file transfers from insurers under specifications and standards set forth in [section 1] to identify vehicles that are not covered by an insurance policy and to monitor ongoing compliance with mandatory vehicle liability insurance requirements;

(f) provide for random checks to identify vehicles that are not covered by an insurance policy; and

(g) ~~may~~ provide for ~~hearings upon request of persons~~ a hearing for a person aggrieved by ~~orders or acts of~~ a suspension order issued by the department under the provisions of this part.

(3) The department may adopt additional rules to:

(a) assist authorized users in interpreting responses received from the system and determining the appropriate action to be taken as a result of a response; and

(b) otherwise clarify system operations and business rules."

**Section 24.** Section 61-6-302, MCA, is amended to read:

**"61-6-302. Proof of compliance.** (1) The registration receipt required by 61-3-322 must contain a statement that unless the vehicle is eligible for an exemption under 61-6-303, it is unlawful to operate the vehicle without a valid motor vehicle liability insurance policy, a certificate of self-insurance, or a posted indemnity bond, as required by 61-6-301.

(2) Each person shall carry in a motor vehicle being operated by the person an insurance card approved by the department but issued by the insurance carrier to the motor vehicle owner as proof of compliance with 61-6-301. If the card is issued under a commercial automobile insurance policy or a self-insured fleet, the card must indicate the status as "commercially insured" or "fleet". A motor vehicle operator shall exhibit the insurance card upon demand of a justice of the peace, a city or municipal judge, a peace officer, a highway patrol officer, or a field deputy or inspector of the department. A person commits an offense under this subsection if the person fails to carry the insurance card in a motor vehicle or fails to exhibit the insurance card upon demand of a person specified in this subsection. ~~However, a person charged with violating this subsection may not be convicted if~~

(3) Beginning July 1, 2011, a person charged with violating subsection (2) may not be convicted if:

(a) the arresting officer or another person authorized to access information from the online motor vehicle liability insurance verification system under [section 2] submits to the system a request that provides proof of insurance valid at the time of arrest; or

(b) if the system under [section 1] is not available, the person produces in court or the office of the arresting officer proof of insurance valid at the time of arrest.

(4) In lieu of charging an operator who is not the owner of a vehicle with violating subsection (2), the officer may issue a complaint and notice to appear charging the owner with a violation of 61-6-301 and serve the complaint and notice to appear on the owner of the vehicle:

(a) personally; or

(b) by certified mail, return receipt requested, at the address for the owner listed on the registration receipt for the vehicle or, following query through available law enforcement systems, at the address maintained for the vehicle's owner by the jurisdiction in which the vehicle is titled and registered, or both."

**Section 25.** Section 61-9-204, MCA, is amended to read:

**"61-9-204. Taillamps.** (1) A motor vehicle, trailer, semitrailer, and pole trailer and any other vehicle that

is being drawn at the end of a combination of vehicles must be equipped with at least one properly functioning taillamp mounted on the rear that emits a red light plainly visible from a distance of 500 feet to the rear, except that in the case of a combination of vehicles, only the taillamp on the rearmost vehicle need actually be seen from the distance specified. The vehicles mentioned in this subsection, other than a motorcycle, quadricycle, motor-driven cycle, or truck tractor, registered in this state and manufactured or assembled after January 1, 1956, must be equipped with at least two properly functioning taillamps, with at least one mounted on each side of the rear of the vehicle, that emit a red light plainly visible from a distance of 1,000 feet to the rear of the vehicle.

(2) A taillamp upon a vehicle must be located at a height of not more than 72 inches or less than 15 inches.

(3) Either a taillamp or a separate lamp must illuminate with a white light the rear registration plate and render it clearly legible from a distance of 50 feet to the rear. A taillamp or taillamps, together with a separate lamp for illuminating the rear registration plate, must be lighted whenever the headlamps are lighted.

(4) Taillamps are not required on a motorcycle that is registered under 61-3-411 as a collector's item, but the motorcycle may not be operated on a highway or street from one-half hour after sunset to one-half hour before sunrise or when persons and vehicles are not clearly discernible at a distance of 500 feet unless it is equipped with the required taillamps.

(5) A person may not operate a motor vehicle on a highway with taillamps that are covered by a lens or a plastic cover or with a tinted or colored material, substance, system, or component placed on or in front of rear lamps, taillamps, license plate lamps, or rear lamp combinations that obscures the taillamps or diminishes the distance of visibility required by this section.

(6) (a) A custom vehicle or street rod may use a blue dot taillight, as defined in subsection (6)(b), as a stop lamp, a rear signal lamp, or a rear reflector.

(b) "Blue dot taillight" means a red lamp installed in the rear of a motor vehicle containing a blue or purple insert that is not more than 1 inch in diameter."

**Section 26. Repealer.** Section 61-6-106, MCA, is repealed.

**Section 27. Codification instruction.** (1) [Sections 1 and 3] are intended to be codified as an integral part of Title 61, chapter 6, part 1, and the provisions of Title 61, chapter 6, part 1, apply to [sections 1 and 3].

(2) [Section 2] is intended to be codified as an integral part of Title 61, chapter 6, part 3, and the provisions of Title 61, chapter 6, part 3, apply to [section 2].

(3) [Section 4] is intended to be codified as an integral part of Title 61, chapter 3, part 3, and the provisions of Title 61, chapter 3, part 3, apply to [section 4].

(4) [Section 5] is intended to be codified as an integral part of Title 53, chapter 30, part 1, and the provisions of Title 53, chapter 30, part 1, apply to [section 5].

**Section 28. Coordination instruction.** If both House Bill No. 615 and [this act] are passed and approved, then House Bill No. 615 is void.

**Section 29. Effective dates.** (1) Except as provided in subsections (2) and (3), [this act] is effective October 1, 2009.

(2) [Sections 5, 14, 16, and 25 and this section] are effective on passage and approval.

(3) [Sections 7 through 9, 11 through 13, 15, 17, and 19] are effective January 1, 2010.

- END -

I hereby certify that the within bill,

SB 0508, originated in the Senate.

_____

Secretary of the Senate

_____

President of the Senate

Signed this _____ day

of _____, 2009.

_____

Speaker of the House

Signed this _____ day

of _____, 2009.

SENATE BILL NO. 508

INTRODUCED BY J. BRUEGGEMAN, BARKUS, HOLLENBAUGH, LASLOVICH, MACLAREN, SESSO, SONJU, VANCE

AN ACT REVISING MOTOR VEHICLE LAWS; CREATING AN ONLINE MOTOR VEHICLE LIABILITY INSURANCE VERIFICATION SYSTEM; PROVIDING FOR LAW ENFORCEMENT USE OF THE SYSTEM; PROVIDING FOR A CONTRACT BETWEEN THE DEPARTMENT OF JUSTICE AND MONTANA CORRECTIONAL ENTERPRISES TO MANUFACTURE AND DISTRIBUTE LICENSE PLATES; CREATING A VEHICLE INSURANCE VERIFICATION AND LICENSE PLATE OPERATING ACCOUNT; CREATING A LICENSE PLATE PRODUCTION OPERATING ACCOUNT; ALLOWING INSURERS TO PROVIDE CERTAIN INFORMATION TO BE USED IN THE SYSTEM; REQUIRING THAT A VEHICLE OWNER COMPLY WITH MANDATORY MOTOR VEHICLE LIABILITY INSURANCE REQUIREMENTS BEFORE REGISTERING OR RENEWING REGISTRATION FOR A VEHICLE; PROVIDING FOR THE DEPOSIT OF CERTAIN FEES IN THE OPERATING ACCOUNTS; REVISING CERTAIN LICENSE PLATE FEES; REQUIRING REPLACEMENT OF LICENSE PLATES THAT ARE A CERTAIN AGE OR OLDER; ALLOWING PERSONALIZED LICENSE PLATES TO BE ISSUED FOR SPECIAL MILITARY PLATES; REVISING PROVISIONS FOR THE GENERIC SPECIALTY LICENSE PLATE SPONSOR FEE; GRANTING THE DEPARTMENT OF JUSTICE RULEMAKING AUTHORITY TO ADMINISTER THE ONLINE MOTOR VEHICLE LIABILITY INSURANCE VERIFICATION SYSTEM, THE REISSUANCE OF LICENSE PLATES, AND THE CONTRACT WITH MONTANA CORRECTIONAL ENTERPRISES; ALLOWING THE DEPARTMENT OF JUSTICE TO SET CERTAIN REINSTATEMENT FEES; REVISING LAWS GOVERNING PLACEMENT OF TAIL LAMPS; AMENDING SECTIONS 33-19-306, 61-3-301, 61-3-303, 61-3-312, 61-3-315, 61-3-321, 61-3-332, 61-3-333, 61-3-407, 61-3-465, 61-3-478, 61-3-480, 61-3-535, 61-3-562, 61-6-101, 61-6-102, 61-6-103, 61-6-105, 61-6-302, AND 61-9-204, MCA; REPEALING SECTION 61-6-106, MCA; AND PROVIDING EFFECTIVE DATES.