

HOUSE BILL NO. 367

INTRODUCED BY J. MCNIVEN

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING MOTOR VEHICLE SALVAGE TITLE LAWS; CLARIFYING THE SALVAGE CERTIFICATE APPLICATION PROCESS; AND AMENDING SECTION 61-3-211, MCA."

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

Section 1. Section 61-3-211, MCA, is amended to read:

"61-3-211. Surrender of certificate of title -- issuance of salvage certificate -- salvage retitling requirements. (1) ~~An~~ When an insurer ~~acquiring~~ acquires ownership of a motor vehicle that is less than 15 years of age and that ~~the insurer determines~~ has been determined to be a salvage vehicle, the insurer shall ~~surrender the certificate of title to the department within 15 days after acquiring the certificate of title. If the insurer has not sold the salvage vehicle prior to the time of surrendering the certificate of title, the insurer shall apply for a salvage certificate on a form prescribed by the department. The application must be accompanied by a certificate of title assigned to the insurer unless the application indicates that the insurer was unable to obtain the certificate of title after making at least two attempts to do so following oral or written acceptance by the owner of the salvage vehicle of the settlement offer for the salvage vehicle.~~ If the certificate of title or electronic record of title maintained by the department names one or more holders of a perfected security interest in the motor vehicle, the insurer shall secure and deliver to the department a release from each secured party of the secured interest.

(2) ~~Upon receipt of a properly executed certificate of title and a salvage certificate application from an insurer, the~~ The department shall issue a salvage certificate to the insurer within 5 working days of the date of receipt of the application. Upon receipt of a salvage certificate issued by the department, an insurer may possess, retain, transport, sell, transfer, or otherwise dispose of the salvage vehicle. The salvage certificate is prima facie evidence of ownership of a salvage vehicle.

(3) If the insurer ~~sells~~ elects to sell a salvage vehicle before a salvage certificate is obtained under subsections (1) and (2), within the 15-day period established in subsection (1) prior to surrendering the certificate of title, the insurer shall complete a salvage receipt on a form prescribed by the department. The insurer shall deliver the original salvage receipt to the salvage vehicle purchaser only after ~~obtaining~~ a release has been

1 ~~obtained from each secured party of any security interest in the salvage vehicle clear title and lien release. Prior~~
2 ~~to disposing of the salvage vehicle, the salvage vehicle purchaser shall apply for a salvage certificate by~~
3 ~~completing the salvage receipt and submitting it to the department. The insurer shall then deliver to the~~
4 ~~department a copy of the salvage receipt, any security releases, and a certificate of title assigned to the insurer~~
5 ~~unless the insurer was unable to obtain the certificate of title after making at least two attempts to do so following~~
6 ~~oral or written acceptance by the owner of the salvage vehicle of the settlement offer for the salvage vehicle with~~
7 ~~the surrendered certificate of title to the department. Upon submission of the original salvage receipt of the~~
8 ~~certificate of title from the insurer and the application from by the salvage vehicle purchaser, the department shall~~
9 issue a salvage certificate to the salvage vehicle purchaser that is prima facie evidence of ownership. A salvage
10 certificate must be obtained before the salvage vehicle purchaser disposes of the salvage vehicle.

11 (4) If an insurer determines that a salvage vehicle will remain with the owner after an agreed settlement,
12 the insurer shall notify the department of the settlement on a form prescribed by the department. Upon receipt
13 of the notice, the department may require the owner to surrender the certificate of title in compliance with this part,
14 regardless of whether ownership of the salvage vehicle was obtained in a jurisdiction not requiring the surrender
15 of the certificate of title or a comparable ownership document.

16 (5) At the time of surrender of a certificate of title for a salvage vehicle not acquired by an insurer, the
17 department shall issue a salvage certificate to the owner. Upon receipt of a salvage certificate issued by the
18 department to a noninsurer, the owner may possess, retain, transport, sell, transfer, or otherwise dispose of the
19 salvage vehicle. A salvage certificate is prima facie evidence of ownership of a salvage vehicle.

20 (6) A fee of \$5 must be paid to the department for the issuance of a salvage certificate.

21 (7) A salvage vehicle owned by or in the inventory of a motor vehicle wrecking facility on October 1,
22 1991, is exempt from the provisions of this section if the owner of the facility has complied with the provisions of
23 61-3-225."

24 - END -