

1 SENATE BILL NO. 99

2 INTRODUCED BY A. OLSON

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING INSURANCE VERIFICATION PROCEDURES FOR
5 VEHICLE REGISTRATIONS; AMENDING SECTIONS 61-3-303, 61-3-312, AND 61-6-105, MCA; AND
6 PROVIDING AN IMMEDIATE EFFECTIVE DATE."

7

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

9

10 **Section 1.** Section 61-3-303, MCA, is amended to read:

11 **"61-3-303. Original registration -- process -- fees.** (1) Except as provided in 61-3-324, a Montana
12 resident who owns a motor vehicle, trailer, semitrailer, or pole trailer operated or driven upon the public highways
13 of this state shall register the motor vehicle, trailer, semitrailer, or pole trailer in the office of the county treasurer
14 in the county where the owner is domiciled.

15 (2) Except as provided in ~~subsections~~ subsection (3) ~~and (4)~~, the county treasurer shall register any
16 vehicle for which:

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

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

21 (3) (a) A county treasurer may register a motor vehicle, trailer, semitrailer, or pole trailer for which a
22 certificate of title and registration were issued in another jurisdiction and for which registration is required under
23 61-3-701 after the county treasurer examines the current out-of-jurisdiction registration certificate or receipt and
24 receives payment of the fees required in 61-3-701. The county treasurer may ask the motor vehicle, trailer,
25 semitrailer, or pole trailer owner to provide additional information, prescribed by the department, to ensure that
26 the electronic record of registration maintained by the department is complete.

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

- 1 (4) Upon registering a motor vehicle, trailer, semitrailer, or pole trailer for the first time in this state, the
2 county treasurer shall:
- 3 (a) update the electronic record of title, if any, maintained for the vehicle by the department under
4 61-3-101;
- 5 (b) assign a registration period for the vehicle under 61-3-311;
- 6 (c) determine the vehicle's age, if required, under 61-3-501;
- 7 (d) determine the amount of fees, including local option taxes or fees, to be paid under subsection (5);
8 and
- 9 (e) assign and issue license plates for the vehicle under 61-3-331.
- 10 (5) Unless otherwise provided by law, a person registering a motor vehicle shall pay to the county
11 treasurer:
- 12 (a) the fees in lieu of tax or registration fees as required for:
- 13 (i) a light vehicle under 61-3-321 or 61-3-562, in addition to, if applicable, any local option tax or fee
14 under 61-3-537 or 61-3-570;
- 15 (ii) a motor home under 61-3-321;
- 16 (iii) a travel trailer under 61-3-321;
- 17 (iv) a motorcycle or quadricycle under 61-3-321;
- 18 (v) a bus, a truck having a manufacturer's rated capacity of more than 1 ton, or a truck tractor under
19 61-3-321 and 61-3-529; or
- 20 (vi) a trailer under 61-3-321;
- 21 (b) a donation of \$1 or more if the person indicates that the person wishes to donate to promote
22 awareness and education efforts for procurement of organ and tissue donations in Montana to favorably impact
23 anatomical gifts; and
- 24 (c) a donation of \$1 or more if the person indicates that the person wishes to donate to promote
25 education on, support for, and awareness of traumatic brain injury.
- 26 (6) The county treasurer may not issue a registration receipt or license plates for the motor vehicle,
27 trailer, semitrailer, or pole trailer to the owner unless the owner makes the payments required by subsection (5).
- 28 (7) The department may make full and complete investigation of the registration status of the motor
29 vehicle, trailer, semitrailer, or pole trailer. A person seeking to register a motor vehicle, trailer, semitrailer, or pole
30 trailer under this section shall provide additional information to support the registration to the department if

1 requested.

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

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

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

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

21 (11) ~~Beginning January 1, 2013, the~~ The department, an authorized agent of the department, or a county
22 ~~treasurer shall~~ may use the online motor vehicle liability insurance verification system provided in 61-6-157 to
23 verify that the vehicle owner has complied with the requirements of 61-6-301."
24

25 **Section 2.** Section 61-3-312, MCA, is amended to read:

26 **"61-3-312. Renewal of registration -- exceptions -- grace period.** (1) Except as provided in 61-3-313
27 and 61-3-721, the registration of a motor vehicle under this chapter must be renewed on or before the last day
28 of the month of the motor vehicle's registration period following the expiration of the motor vehicle's registration.

29 (2) ~~Except as provided in subsection (4), a~~ A person may renew a motor vehicle's registration by
30 submitting full payment for the fees or taxes required under 61-3-303 and 61-3-321(13) to the department, an

1 authorized agent, or a county treasurer in any county of this state.

2 (3) The department, an authorized agent, or a county treasurer may use the online motor vehicle liability
3 insurance verification system provided in 61-6-157 to verify proof of compliance with 61-6-301.

4 ~~(4) Beginning January 1, 2013, and except when the verification system is temporarily unavailable, a~~
5 ~~registration may not be renewed when compliance with 61-6-301 cannot be determined using the verification~~
6 ~~system.~~

7 ~~(5)(4)~~ Except as provided in 61-3-315, the registration period originally assigned under 61-3-311 must
8 be retained and the duration of the renewed registration is determined in accordance with 61-3-311. A registration
9 receipt is valid for the registration period for which it is issued.

10 ~~(6)(5)~~ The owner of a motor vehicle subject to registration renewal under the provisions of this section
11 is considered to have renewed the motor vehicle's registration in a timely manner if the owner submits full
12 payment for the required fees or taxes, as prescribed in the mail renewal notice from the department, to the
13 department, an authorized agent, or a county treasurer on or before the last day of the month of the motor
14 vehicle's registration period and the department, authorized agent, or county treasurer determines the owner is
15 in compliance with 61-6-301 using the verification system provided in 61-6-157.

16 ~~(7)(6)~~ The department, an authorized agent, or a county treasurer may not renew the registration of a
17 motor vehicle for which ownership has been transferred and that was originally registered without being titled
18 under the provisions of 61-3-303(3)(b) unless:

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

21 (b) the person to whom ownership of the motor vehicle has been transferred presents an affidavit and
22 bond in support of the application for a certificate of title as permitted in 61-3-208."
23

24 **Section 3.** Section 61-6-105, MCA, is amended to read:

25 **"61-6-105. Department to administer law and make rules.** (1) The department shall administer and
26 enforce the provisions of this part and may make rules necessary for the administration of the system.

27 (2) The rules must:

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

1 and other applicable industry standards;

2 (b) determine a schedule for the implementation of the system, subject to the testing requirements in
3 61-6-157 and the time requirements in ~~61-3-303~~ and ~~61-3-312~~;

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

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

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

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

11 (iv) the department receives a report from a court that a person has been convicted of a violation of
12 61-6-301 or 61-6-302 and the surrender of the vehicle registration receipt and license plates under 61-6-304 has
13 been ordered;

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

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

18 (f) provide for periodic insurance data file transfers from insurers under specifications and standards set
19 forth in 61-6-157 to identify vehicles that are not covered by an insurance policy and to monitor ongoing
20 compliance with mandatory vehicle liability insurance requirements;

21 (g) provide for ~~random~~ system checks to identify vehicles that are not covered by an insurance policy;
22 and

23 (h) provide for a hearing for a person aggrieved by a suspension order issued by the department under
24 the provisions of this part.

25 (3) The department may adopt additional rules to:

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

28 (b) otherwise clarify system operations and business rules."
29

30 NEW SECTION. **Section 4. Effective date.** [This act] is effective on passage and approval.

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