

HOUSE BILL NO. 473

INTRODUCED BY T. JACOBSON

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE REQUIREMENTS FOR MOVING, TRANSPORTING,
5 POSSESSING, ACQUIRING CUSTODY OF, PURCHASING, OBTAINING, AND KEEPING RECORDS FOR
6 SALVAGE VEHICLES; AUTHORIZING RULEMAKING; AND AMENDING SECTIONS 61-3-211, 61-3-223, AND
7 75-10-512, MCA."

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

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11 **Section 1.** Section 61-3-211, MCA, is amended to read:
12 **"61-3-211. Surrender of certificate of title -- issuance of salvage certificate -- salvage retitling**
13 **requirements.** (1) ~~(a) When~~ On a form prescribed by the department, a salvage certificate must be applied for
14 by:

15 (i) an insurer that acquires ownership of a motor salvage vehicle that is less than 15 years of age and
16 ~~that has been determined to be a salvage vehicle, the insurer shall apply for a salvage certificate on a form~~
17 ~~prescribed by the department; or~~

18 (ii) any other purchaser that acquires a salvage vehicle.

19 (b) The application must be accompanied by a certificate of title assigned to the insurer or salvage
20 vehicle purchaser unless the application indicates that the insurer or salvage vehicle purchaser was unable to
21 obtain the certificate of title after making at least two attempts to do so following oral or written acceptance by the
22 owner of the salvage vehicle of the settlement offer or of the price paid for the salvage vehicle.

23 (c) If the certificate of title or electronic record of title maintained by the department names one or more
24 holders of a perfected security interest in the motor vehicle, the insurer or the salvage vehicle purchaser shall
25 secure and deliver to the department or an authorized agent a release from each secured party of the secured
26 interest.

27 (2) The department shall issue a salvage certificate to the insurer or salvage vehicle purchaser within
28 5 working days of the date of receipt of the application. Upon receipt of a salvage certificate issued by the
29 department, an insurer or salvage vehicle purchaser may possess, retain, transport, sell, transfer, or otherwise
30 dispose of the salvage vehicle. The salvage certificate is prima facie evidence of ownership of a salvage vehicle.

1 (3) If the insurer or salvage vehicle purchaser elects to sell a salvage vehicle before a salvage certificate
 2 is obtained under subsections (1) and (2), the insurer or salvage vehicle purchaser shall complete a salvage
 3 receipt on a form prescribed by the department. The insurer or salvage vehicle purchaser shall deliver the original
 4 salvage receipt to ~~the~~ any subsequent salvage vehicle purchaser only after a release has been obtained from
 5 each secured party of any security interest in the salvage vehicle. The insurer or salvage vehicle purchaser shall
 6 then deliver to the department or an authorized agent a copy of the salvage receipt, any security releases, and
 7 a certificate of title assigned to the insurer or salvage vehicle purchaser unless the insurer or salvage vehicle
 8 purchaser was unable to obtain the certificate of title after making at least two attempts to do so following oral or
 9 written acceptance by the owner of the salvage vehicle of the settlement offer or the price paid for the salvage
 10 vehicle. Upon submission of the original salvage receipt by the salvage vehicle purchaser, the department shall
 11 issue a salvage certificate to the salvage vehicle purchaser that is prima facie evidence of ownership. A salvage
 12 certificate must be obtained before the salvage vehicle purchaser disposes of the salvage vehicle.

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

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

22 ~~(6)~~(5) A fee of \$5 must be paid to the department for the issuance of a salvage certificate.

23 ~~(7)~~(6) A salvage vehicle owned by or in the inventory of a motor vehicle wrecking facility on October 1,
 24 1991, is exempt from the provisions of this section if the owner of the facility has complied with the provisions of
 25 61-3-225."

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27 **Section 2.** Section 61-3-223, MCA, is amended to read:

28 **"61-3-223. Salvage vehicles -- duty of salvage vehicle purchaser.** (1) A salvage vehicle for which
 29 a certificate of title is sought must be inspected for the vehicle identification number to authenticate the identity
 30 of the motor vehicle before an electronic record of title can be created or a certificate of title can be issued. The

1 inspection does not attest to the roadworthiness or safety condition of the motor vehicle and must be performed
2 by an authorized employee or an authorized agent of the department or by a peace officer designated by the
3 department.

4 (2) The department may contract with a person or entity for use of a facility as a regional inspection site
5 for salvage vehicles.

6 (3) The department shall collect an inspection fee of \$18.50 from the person requesting the inspection
7 for each salvage vehicle inspected. The fee collected under this section must be deposited in the state general
8 fund.

9 (4) (a) A person authorized to inspect salvage vehicles may seize and hold a vehicle:

10 (i) if the person has probable cause to believe that the motor vehicle has been stolen;

11 (ii) on which a motor number or vehicle identification number has been defaced, altered, removed,
12 covered, destroyed, or obliterated; or

13 (iii) that has a vehicle identification number that does not conform with the vehicle identification number
14 on the certificate of title.

15 (b) A seized motor vehicle must be held until the identity of the motor vehicle is established and
16 arrangements are made for its lawful disposition. A person authorized to inspect salvage vehicles may use any
17 means necessary to identify a motor vehicle by its vehicle identification number or numbers.

18 (5) The department may not create an electronic record of title or issue a certificate of title for a salvage
19 vehicle until the identity of the motor vehicle is established.

20 (6) (a) A person who moves, transports, takes possession of, or otherwise takes custody of a salvage
21 vehicle shall obtain proof of ownership of the vehicle before the person may move, transport, or take possession
22 or custody of the vehicle. The person shall retain the proof of ownership for the period required by the department
23 as provided by rule.

24 (b) A salvage vehicle purchaser shall obtain a certificate of title in the manner provided in 61-3-211 for
25 each salvage vehicle the purchaser purchases or in which the purchaser otherwise acquires a property interest.
26 The purchaser shall retain the certificate of title for the period required by the department as provided by rule.

27 ~~(6)~~(7) The department may adopt rules for the inspection of salvage vehicles."
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29 **Section 3.** Section 75-10-512, MCA, is amended to read:

30 **"75-10-512. Records required of facilities.** (1) Each motor vehicle wrecking facility shall maintain

1 books or files in which are kept a record and description of every junk vehicle and every salvage vehicle, as
2 defined in 61-3-210, obtained by it, together with the name and address of the person from whom the vehicle was
3 purchased.

4 (2) ~~This~~ For each junk vehicle, the record must also contain:

5 (a) the certificate of title, sheriff's certificate of sale, notarized bill of sale from the former owner or person
6 selling the vehicle, release of ownership or interest in the motor vehicle, or sheriff's release;

7 (b) the name of the state where the vehicle was last registered;

8 (c) the make of the vehicle;

9 (d) the vehicle identification number, as defined in 61-3-210, or the motor number, identification number,
10 or serial number;

11 (e) the date purchased;

12 (f) the disposition of the vehicle.

13 (3) An authorized representative of the department of justice who presents credentials may also inspect,
14 have access to, and copy records required under this section."

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