

SENATE BILL NO. 393

INTRODUCED BY E. ARNTZEN

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE FEES FOR FILING VARIOUS SECURITY
5 INTERESTS IN A MOTOR VEHICLE; REVISING THE APPLICATION FEES FOR AN ORIGINAL CERTIFICATE
6 OF TITLE OR A REPLACEMENT CERTIFICATE OF TITLE TO A VEHICLE; CLARIFYING DISPOSITION OF
7 THE FEES FOR SECURITY INTEREST FILINGS AND FOR ORIGINAL AND REPLACEMENT VEHICLE
8 CERTIFICATES OF TITLE; PROVIDING FOR DRIVER'S LICENSE RENEWAL ONLINE; PROVIDING
9 RULEMAKING AUTHORITY; AMENDING SECTIONS 61-3-103, 61-3-203, 61-3-204, 61-3-550, AND 61-5-111,
10 MCA; AND PROVIDING EFFECTIVE DATES AND AN APPLICABILITY DATE."

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

13
14 **Section 1.** Section 61-3-103, MCA, is amended to read:

15 **"61-3-103. Filing of security interests -- perfection -- rights -- procedure -- fees.** (1) (a) Except as
16 provided in subsection (2), the department, its authorized agent, or a county treasurer shall, upon payment of the
17 fee required by subsection (8), enter a voluntary security interest or lien against the electronic record of title for
18 a motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile
19 upon receipt of a written acknowledgment of a voluntary security interest or lien by the owner of a motor vehicle,
20 trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile on a form
21 prescribed by the department.

22 (b) After the voluntary security interest or lien has been entered on the electronic record of title for the
23 motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile,
24 the department, its authorized agent, or a county treasurer shall issue a transaction summary receipt to the owner
25 and, if requested, to the secured party or lienholder, showing the date that the security interest or lien was
26 perfected.

27 (c) A voluntary security interest or lien is perfected on the date that the department, its authorized agent,
28 or a county treasurer receives the written acknowledgment of the voluntary security interest or lien from the owner
29 of the motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or
30 snowmobile.



1 (d) Except as provided in subsection (3), when a person applying for a certificate of title requests
2 issuance of a certificate of title under 61-3-201, the department shall record the voluntary security interest or lien
3 on the face of a certificate of title.

4 (2) A security interest in a motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal
5 watercraft, sailboat, or snowmobile held as inventory by a dealer licensed under Title 23, chapter 2, part 5, 6, or
6 8, or chapter 4 of this title must be perfected in accordance with Title 30, chapter 9A.

7 (3) Whenever a security interest or lien is filed against the electronic record of title for a motor vehicle,
8 trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile that is subject
9 to two security interests previously perfected under this section and the applicant has requested issuance of a
10 certificate of title under 61-3-201, the department shall endorse on the face of the certificate of title, "NOTICE.
11 This vehicle is subject to additional security interests on file with the Department of Justice." Other information
12 regarding the additional security interests is not required to be endorsed on the certificate.

13 (4) Upon default under a chattel mortgage or conditional sales contract covering a motor vehicle, trailer,
14 semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile, the mortgagee or vendor
15 has the same remedies as in the case of other personal property. In case of attachment of motor vehicles, trailers,
16 semitrailers, pole trailers, campers, motorboats, personal watercraft, sailboats, or snowmobiles, all the provisions
17 of 27-18-413, 27-18-414, and 27-18-804 are applicable except that deposits must be made with the department.

18 (5) A secured party or lienholder who has a perfected security interest in a motor vehicle, trailer,
19 semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile and who fails to file a
20 satisfaction of the security interest or lien within 21 days after receiving final payment is required to pay the
21 department \$25 for each day that the secured party or lienholder fails to file the satisfaction.

22 (6) Within 24 hours after receiving notice of any involuntary liens or attachments against the record of
23 any motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile
24 registered in this state, the department shall mail to the owner or any secured party or lienholder of record a
25 notice showing the name and address of the lien claimant, the amount of the lien, the date of execution of the lien,
26 and, in the case of attachment, the full title of the court and the action and the names of the attorneys for the
27 plaintiff and attaching creditor.

28 (7) (a) This section does not prevent a secured party or lienholder from assigning the secured party's
29 or lienholder's interest in a motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft,
30 sailboat, or snowmobile, for which a certificate of title is issued under this chapter, to any other person without

1 the consent of and without affecting the interest of the holder of the certificate of title.

2 (b) If a secured party assigns all or part of the party's interest in a motor vehicle, trailer, semitrailer, pole
3 trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile for which a certificate of title is issued
4 under this chapter, the secured party assigning the interest shall file a copy of the assignment with the department
5 and the department shall record the assignment in the department's records.

6 (8) (a) A fee must be paid to the department to file any security interest or other lien against a motor
7 vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile. The fee
8 covers the cost of entering and, upon the subsequent satisfaction or release, of removing the security interest
9 or lien from the electronic record of title.

10 (b) Beginning January 1, 2002, and ending June 30, ~~2016~~ 2019, the fee is \$8. Of the \$8 fee, \$4 must
11 be deposited in the state general fund in accordance with 15-1-504. The remaining \$4 must be forwarded to the
12 state for deposit in the motor vehicle information technology system account provided for in 61-3-550.

13 (c) Beginning July 1, ~~2016~~ 2019, the fee is \$4 and must be deposited in the state general fund.

14 (9) (a) ~~Until June 30, 2018, a~~ A fee of \$10 must be paid to the department by a vehicle owner if, following
15 satisfaction or release of a security interest and its removal from the department's records, the motor vehicle,
16 trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile owner requests
17 issuance of a new certificate of title without the security interest or lien shown on the face of the title. ~~Beginning~~
18 ~~July 1, 2018, the fee for a new certificate of title under this subsection is \$5.~~

19 (b) ~~Until June 30, 2018, the \$10~~ The fee must be deposited in the motor vehicle information technology
20 system account provided for in 61-3-550.

21 (c) ~~Beginning July 1, 2018, the \$5 fee must be deposited in the state general fund."~~

22

23 **Section 2.** Section 61-3-203, MCA, is amended to read:

24 **"61-3-203. Fee for original certificate of title -- disposition.** (1) (a) ~~Until June 30, 2018, a~~ A person
25 applying for a certificate of title shall pay the department, its authorized agent, or a county treasurer a fee of:

26 (i) ~~(a)~~ (a) \$10 if the vehicle for which a certificate of title is sought is not a light vehicle or a truck or bus that
27 weighs less than 1 ton; or

28 (ii) ~~(b)~~ (b) \$12 if the vehicle for which application is made is a light vehicle or a truck or bus that weighs less
29 than 1 ton.

30 (b) ~~(2)~~ (2) The amount of \$5 of the fee imposed pursuant to subsection (1) ~~(a)~~ must be forwarded to the

1 department for deposit in the motor vehicle information technology system account provided for in 61-3-550, and
 2 the remaining amount must be deposited in the state general fund.

3 ~~(2) Beginning July 1, 2018, the fee imposed in subsection (1)(a)(i) is \$5 and the fee imposed in~~
 4 ~~subsection (1)(a)(ii) is \$7 and all fees paid pursuant to this section must be deposited in the state general fund."~~

5

6 **Section 3.** Section 61-3-204, MCA, is amended to read:

7 **"61-3-204. Replacement certificate of title -- application.** (1) (a) If a certificate of title is lost, stolen,
 8 destroyed, mutilated, or becomes illegible or if the owner wants to update personal information on the electronic
 9 record of title or have a replacement certificate of title issued with updated information, the owner, as shown on
 10 the electronic record of title, may apply for and request the department to issue a replacement certificate of title.
 11 The application must include satisfactory evidence of the facts requiring the replacement certificate of title and
 12 be accompanied by a fee of \$10.

13 (b) ~~Until June 30, 2018, The amount of~~ \$5 of the fee must be deposited in the state general fund in
 14 accordance with 15-1-504, and the remaining \$5 must be deposited in the motor vehicle information technology
 15 system account provided for in 61-3-550.

16 ~~(c) Beginning July 1, 2018, the fee for a replacement certificate of title is \$5 and the entire fee must be~~
 17 ~~deposited in the state general fund.~~

18 (2) Each replacement certificate of title issued by the department must contain the following statement:
 19 "This replacement voids any previously issued title."
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21 **Section 4.** Section 61-3-550, MCA, is amended to read:

22 **"61-3-550. Motor vehicle information technology system account.** (1) There is a motor vehicle
 23 information technology system account in the state special revenue fund provided for in 17-2-102.

24 (2) (a) ~~Until June 30, 2016~~ 2019, \$4 of the fee received by the department pursuant to 61-3-103(8) for
 25 a security interest or other lien must be deposited in the account.

26 (b) ~~Until June 30, 2018, fees~~ Fees received by the department pursuant to 61-3-103(9) and \$5 of each
 27 fee received under 61-3-203 or 61-3-204 for a certificate of title must be deposited in the account.

28 (3) The money in the motor vehicle information technology system account must be appropriated by the
 29 legislature to the department of justice and must be used by the department for the purpose of:

30 (a) repaying any indebtedness or loan incurred for the creation of a new information technology system

1 for motor vehicles; or

2 (b) payment of costs directly incurred in the creation and support of the new motor vehicle information
3 technology system."

4

5 **Section 5.** Section 61-5-111, MCA, is amended to read:

6 **"61-5-111. Contents of driver's license, renewal, ~~renewal by mail~~, license expirations, grace**
7 **period, and fees for licenses, permits, and endorsements -- notice of expiration.** (1) (a) The department may
8 appoint county treasurers and other qualified officers to act as its agents for the sale of driver's license receipts.
9 The department shall adopt necessary rules governing sales. In areas in which the department provides driver
10 licensing services 3 days or more a week, the department is responsible for sale of receipts and may appoint an
11 agent to sell receipts.

12 (b) The department may enter into an authorized agent agreement with the county treasurer of any
13 county in which the department no longer maintains a driver examination station for the purpose of providing
14 driver's license renewal services.

15 (2) (a) The department, upon receipt of payment of the fees specified in this section, shall issue a driver's
16 license to each qualifying applicant. The license must contain:

17 (i) a full-face photograph of the licensee in the size and form prescribed by the department;

18 (ii) a distinguishing number issued to the licensee;

19 (iii) the full legal name, date of birth, Montana residence address unless the licensee requests use of the
20 mailing address, and a brief description of the licensee;

21 (iv) either the licensee's customary manual signature or a ~~digital~~ reproduction of the licensee's customary
22 manual signature; and

23 (v) if the applicant qualifies under subsection (7), indication of the applicant's status as a veteran.

24 (b) The department may not use the licensee's social security number as the distinguishing number
25 ~~unless the licensee expressly authorizes the use~~. A license is not valid until it is signed by the licensee.

26 (3) (a) When a person applies for renewal of a driver's license, the department shall conduct a records
27 check in accordance with 61-5-110(1) to determine the applicant's eligibility status and shall test the applicant's
28 eyesight. The department may also require the applicant to submit to a knowledge and road or skills test if:

29 (i) the renewal applicant has a physical or mental disability, limitation, or condition that impairs, or may
30 impair, the applicant's ability to exercise ordinary and reasonable control in the safe operation of a motor vehicle

1 on the highway; and

2 (ii) the expired or expiring license does not include adaptive equipment or operational restrictions
3 appropriate to the applicant's functional abilities; or

4 (iii) the applicant wants to remove or modify the restrictions stated on the expired or expiring license.

5 (b) In the case of a commercial driver's license, the department shall, if the information was not provided
6 in a prior licensing cycle, require the renewal applicant to provide the name of each jurisdiction in which the
7 applicant was previously licensed to drive any type of motor vehicle during the 10-year period immediately
8 preceding the date of the renewal application and may also require that the applicant successfully complete a
9 written examination as required by federal regulations.

10 (c) A person is considered to have applied for renewal of a Montana driver's license if the application
11 is made within 6 months before or 3 months after the expiration of the person's license. Except as provided in
12 subsection (3)(d), a person seeking to renew a driver's license shall appear in person at a Montana driver's
13 examination station.

14 (d) (i) Except as provided in subsections ~~(3)(d)(iv)~~ (3)(d)(iii) through (3)(d)(vi), a person may renew a
15 driver's license by mail if ~~the person certifies that the person is temporarily out of state and will not be returning~~
16 ~~to the state prior to the expiration of the license. A person may not renew by mail for a subsequent license term~~
17 ~~after a mail renewal, except that a spouse or dependent of a person stationed outside Montana on active military~~
18 ~~duty may renew a driver's license by mail for one additional consecutive term following a mail renewal~~ or online.

19 (ii) An applicant who renews a driver's license by mail or online shall submit to the department an
20 approved vision examination and a medical evaluation from a licensed physician, licensed physician assistant,
21 or advanced practice registered nurse, as defined in 37-8-102, in addition to the fees required for renewal.

22 (iii) If the department does not have a digitized photograph ~~or~~ and signature record of the renewal
23 applicant from the expiring license, then the ~~department may require the renewal applicant to submit a personal~~
24 ~~photograph and signature that meets the requirements prescribed by the department~~ shall apply in person.

25 (iv) Except as provided in subsections (4)(b) and (4)(c), the term of a license renewed by mail or online
26 is 8 years.

27 (v) The department may not renew a license by mail or online if:

28 (A) the records check conducted in accordance with 61-5-110(1) shows an ineligible license status for
29 the applicant; ~~or~~

30 (B) the applicant holds a commercial driver's license with a hazardous materials endorsement, the

1 retention of which requires additional testing and a security threat assessment under 49 CFR, part 1572;

2 (C) the applicant seeks a change of address or a name change; or

3 (D) the applicant's license:

4 (I) has been expired for 3 months or longer; or

5 (II) except as provided in subsection (3)(e), was renewed by mail or online at the time of the applicant's
6 previous renewal.

7 (vi) If a license was issued to a foreign national whose presence in the United States is temporarily
8 authorized under federal law, the license may not be renewed by mail or online.

9 (e) The spouse or a dependent of a renewal applicant who is stationed outside Montana on active
10 military duty may renew the applicant's license by mail or online for one additional consecutive term following a
11 renewal by mail or online.

12 ~~(e)~~(f) The department shall mail a driver's license renewal notice no earlier than ~~60~~ 90 days and no later
13 than 30 days prior to the expiration date of a driver's license. Except as provided in 61-3-119 and 61-5-115, the
14 department shall mail the notice to the Montana mailing address shown on the driver's license.

15 (4) (a) Except as provided in subsections (4)(b) through (4)(e), a license expires on the anniversary of
16 the licensee's birthday 8 years or less after the date of issue or on the licensee's 75th birthday, whichever occurs
17 first.

18 (b) A license issued to a person who is 75 years of age or older expires on the anniversary of the
19 licensee's birthday 4 years or less after the date of issue.

20 (c) A license issued to a person who is under 21 years of age expires on the licensee's 21st birthday.

21 (d) (i) Except as provided in subsection (4)(d)(ii), a commercial driver's license expires on the anniversary
22 of the licensee's birthday 5 years or less after the date of issue.

23 (ii) When a person obtains a Montana commercial driver's license with a hazardous materials
24 endorsement after surrendering a comparable commercial driver's license with a hazardous materials
25 endorsement from another licensing jurisdiction, the license expires on the anniversary of the licensee's birthday
26 5 years or less after the date of the issue of the surrendered license if, as reported in the commercial driver's
27 license information system, a security threat assessment was performed on the person as a condition of issuance
28 of the surrendered license.

29 (e) A license issued to a person who is a foreign national whose presence in the United States is
30 temporarily authorized under federal law expires, as determined by the department, no later than the expiration

1 date of the official document issued to the person by the bureau of citizenship and immigration services of the
2 department of homeland security authorizing the person's presence in the United States.

3 (f) The department may adopt rules to implement online driver's license renewal.

4 (5) When the department issues a driver's license to a person under 18 years of age, the license must
5 be clearly marked with a notation that conveys the restrictions imposed under 61-5-133.

6 (6) (a) Upon application for a driver's license or commercial driver's license and any combination of the
7 specified endorsements, the following fees must be paid:

8 (i) driver's license, except a commercial driver's license -- \$5 a year or fraction of a year;

9 (ii) motorcycle endorsement -- 50 cents a year or fraction of a year;

10 (iii) commercial driver's license:

11 (A) interstate -- \$10 a year or fraction of a year; or

12 (B) intrastate -- \$8.50 a year or fraction of a year.

13 (b) A renewal notice for either a driver's license or a commercial driver's license is 50 cents.

14 (7) (a) Upon receiving a request from a person whose status as a veteran has been verified by the
15 department of military affairs pursuant to 10-2-1301 and upon receiving the information and fees required in this
16 part, the department shall include the word "veteran" on the face of the license.

17 (b) After a person's status as a veteran is denoted on a driver's license, the department may not require
18 further documentation of that status from the holder of the license upon subsequent renewal or replacement."

19

20 NEW SECTION. Section 6. Effective dates -- applicability. (1) Except as provided in subsection (2),
21 [this act] is effective October 1, 2015.

22 (2) [Section 5] is effective January 1, 2017, and applies to driver's license renewals occurring after
23 December 31, 2016.

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- END -