

HOUSE BILL NO. 538
INTRODUCED BY ROME

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE LAWS GOVERNING CERTIFICATES OF TITLE AND REGISTRATION OF CERTAIN MOTOR VEHICLES; IMPLEMENTING BUSINESS PRACTICES RECOMMENDED AS PART OF THE MOTOR VEHICLE INFORMATION TECHNOLOGY PROJECT AUTHORIZED BY THE 57TH LEGISLATURE; ENABLING A GRADUAL TRANSITION FROM PAPER-BASED TO ELECTRONIC TRANSACTIONS FOR VEHICLE TITLING; REMOVING STATUTORY IMPEDIMENTS TO THE USE OF ELECTRONIC TRANSACTIONS FOR ISSUING TITLES FOR AND THE REGISTRATION OF CERTAIN VEHICLES; DEFINING CERTAIN TERMS RELATED TO THE ISSUING OF A TITLE AND THE REGISTRATION OF CERTAIN VEHICLES; CLARIFYING THE REQUIREMENTS FOR APPLYING FOR, ISSUING, AND TRANSFERRING A CERTIFICATE OF TITLE; REVISING AND CLARIFYING DUTIES OF THE DEPARTMENT OF JUSTICE AND COUNTY TREASURERS CONCERNING THE ISSUING OF TITLES AND REGISTRATION PROCESSES; REQUIRING ISSUANCE OF A CERTIFICATE OF TITLE ONLY IF REQUESTED BY THE VEHICLE OWNER; ALLOWING FOR DELAYED TITLE ISSUANCE; AUTHORIZING THE DEPARTMENT TO REFUSE ISSUANCE OF A CERTIFICATE OF TITLE IN CERTAIN CIRCUMSTANCES; CLARIFYING THE REQUIREMENTS FOR VOLUNTARY AND INVOLUNTARY TRANSFER OF VEHICLE INTERESTS; CLARIFYING THE REQUIREMENTS FOR ISSUANCE OF A CERTIFICATE OF TITLE FOR A SALVAGE VEHICLE; AUTHORIZING AND STANDARDIZING ISSUANCE OF TEMPORARY REGISTRATION PERMITS TO ALLOW THE OPERATION OF A VEHICLE PRIOR TO COMPLETION OF THE ISSUANCE OF TITLE PROCESS; REPLACING THE TERM "CERTIFICATE OF OWNERSHIP" WITH "CERTIFICATE OF TITLE" FOR CERTAIN MOTOR VEHICLES; APPLYING THE CERTIFICATE OF TITLE REQUIREMENTS FOR PASSENGER VEHICLES TO MOTORBOATS, SAILBOATS 12 FEET IN LENGTH OR LONGER, AND SNOWMOBILES; REVISING THE AUTHORITY OF CERTAIN VEHICLE DEALERS TO ISSUE TEMPORARY REGISTRATION PERMITS; CLARIFYING THE DEFINITION OF "OFF-HIGHWAY VEHICLE"; CLARIFYING THE REQUIREMENTS FOR OFF-HIGHWAY VEHICLE DECAL REGISTRATION; AUTHORIZING THE USE OF AN ELECTRONIC RECORD OF TITLE AND AN ELECTRONIC RECORD OF REGISTRATION FOR VEHICLE CERTIFICATE OF TITLE AND REGISTRATION TRANSACTIONS; CLARIFYING THE RECORDKEEPING DUTIES OF THE DEPARTMENT CONCERNING VEHICLES; CLARIFYING AND STANDARDIZING THE PROCESSES FOR THE FILING AND PERFECTION OF CERTAIN SECURITY INTERESTS IN A MOTOR VEHICLE; CLARIFYING THAT A CERTIFICATE OF TITLE IS PRIMA FACIE EVIDENCE OF FACTS IN THE

TITLE; CLARIFYING REPORTING REQUIREMENTS FOR STOLEN VEHICLES; REVISING THE DEPARTMENT'S AUTHORITY TO DEVELOP AND IMPLEMENT A PILOT PROGRAM FOR ELECTRONIC CERTIFICATE OF TITLE AND REGISTRATION TRANSACTIONS; CLARIFYING THE REQUIREMENTS TO OBTAIN A TITLE FOR A VEHICLE AND THE EXEMPTIONS FROM TITLING FOR CERTAIN VEHICLES; CLARIFYING WHEN A CERTIFICATE OF TITLE MUST BE CANCELED; INCREASING CERTAIN FEES RELATED TO THE ISSUING OF A TITLE OR THE REGISTRATION OF CERTAIN MOTOR VEHICLES; REVISING THE REQUIREMENTS FOR FURNISHING A BOND IN LIEU OF AN ASSIGNED CERTIFICATE OF TITLE; ALLOWING ISSUANCE OF A CERTIFICATE OF TITLE UNDER CERTAIN CONDITIONS; REVISING THE REQUIREMENTS FOR THE INITIAL REGISTRATION OF AND ANNUAL RENEWAL OF REGISTRATION FOR CERTAIN MOTOR VEHICLES; CLARIFYING THE REGISTRATION REQUIREMENTS FOR VEHICLES ISSUED A CERTIFICATE OF TITLE AND REGISTERED IN ANOTHER JURISDICTION AND USED FOR GAINFUL OCCUPATION IN MONTANA; CLARIFYING THE GRACE PERIOD FOR A CERTIFICATE OF TITLE AND REGISTRATION OF A VEHICLE FOLLOWING A TRANSFER OF OWNERSHIP; CLARIFYING THE REQUIREMENTS FOR A NEW OR USED MOTOR VEHICLE DEALER TO ISSUE A TEMPORARY REGISTRATION PERMIT; CLARIFYING THE LIMITATIONS ON THE TRANSFER OF TEMPORARY REGISTRATION PERMITS FROM DEALER TO DEALER; AMENDING SECTIONS 15-1-116, 15-1-117, 15-1-121, 15-1-122, 23-2-502, 23-2-513, 23-2-601, 23-2-611, 23-2-614, 23-2-615, 23-2-616, 23-2-619, 23-2-622, 23-2-631, 23-2-634, 23-2-641, 23-2-642, 23-2-644, 23-2-801, 23-2-804, 23-2-814, 23-2-817, 23-2-818, 30-9A-311, 31-1-816, 40-5-248, 61-1-102, 61-1-509, 61-3-101, 61-3-103, 61-3-106, 61-3-107, 61-3-109, 61-3-201, 61-3-202, 61-3-203, 61-3-204, 61-3-205, 61-3-206, 61-3-207, 61-3-208, 61-3-210, 61-3-211, 61-3-212, 61-3-303, 61-3-311, 61-3-312, 61-3-317, 61-3-322, 61-3-342, 61-3-411, 61-3-412, 61-3-456, 61-3-518, 61-3-519, 61-3-562, 61-3-603, 61-3-701, 61-4-104, 61-4-111, 61-4-112, 61-4-120, 61-4-121, 61-12-406, 75-10-512, AND 75-10-513, MCA; REPEALING SECTIONS 23-2-508, 23-2-509, 23-2-510, 23-2-520, 23-2-612, 23-2-613, 23-2-620, 23-2-810, 23-2-811, 23-2-812, 23-2-813, AND 61-3-105, MCA, AND SECTION 4, CHAPTER 90, LAWS OF 1997, SECTION 2, CHAPTER 260, LAWS OF 1999, AND SECTION 9, CHAPTER 394, LAWS OF 2001; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND APPLICABILITY DATES."

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

NEW SECTION. Section 1. Manufacturer's certificate of origin. "Manufacturer's certificate of origin" means the original paper record produced and issued by or, if in a medium authorized by the department, an

electronic record created and transmitted by the manufacturer of a vehicle to the manufacturer's agent or a licensed dealer. The record must establish the origin of the vehicle specifically described in the record and, upon assignment, transfers of ownership of the vehicle to the person or persons named in the certificate.

NEW SECTION. **Section 2. Registration receipt.** "Registration receipt" means a paper record produced and issued or, if authorized by the department, an electronic record transmitted by the department, its authorized agent, or a county treasurer to the owner of a vehicle that identifies a vehicle, based on information maintained in the electronic record of title for the vehicle, and that provides evidence of the payment of all fees required to be paid for the registration of the vehicle for the registration period indicated in the receipt.

NEW SECTION. **Section 3. Temporary registration permit.** "Temporary registration permit" means:

- (1) a paper record produced and issued by the department, its authorized agent, a county treasurer, or a law enforcement officer to a person to whom ownership of a vehicle was transferred that, when mounted in the left-hand corner of a rear window of a motor vehicle or affixed as prescribed on a motorboat, a sailboat that is 12 feet in length or longer, a snowmobile, or an off-highway vehicle, authorizes the operation of the vehicle for a specified time period prior to registration under 23-2-512, 23-2-616, 23-2-804, or 61-3-303; or
- (2) a durable license plate-style placard approved by the department and issued by an authorized agent of the department or a county treasurer to a person to whom ownership of a vehicle has been transferred that, when attached to the rear of the vehicle in a manner prescribed by the department, authorizes the operation of a motor vehicle for a specified time period prior to registration under 61-3-303.

NEW SECTION. **Section 4. Transaction summary receipt.** "Transaction summary receipt" means an electronic record produced and issued by the department, its authorized agent, or a county treasurer for which a paper receipt is issued. The record may be created by the department and transmitted to the owner of a vehicle, a secured party, or a lienholder. The record must contain a unique transaction record number and summarize and verify the electronic filing of the transaction described in the receipt on the electronic record of title maintained under 61-3-101.

NEW SECTION. **Section 5. Certificates of title -- application -- contents -- issuance.** (1) The owner of a vehicle shall apply for a certificate of title on a form prescribed by the department or, if authorized by the department, in an electronic record provided by the department and made available to an authorized agent of the

department or a county treasurer.

(2) The application for a certificate of title, upon completion, must include:

(a) the name, residence, and mailing address of the owner and:

(i) if the owner is the holder of a driver's license or identification card issued by the department or a motor vehicle agency of another jurisdiction, the owner's driver's license number or identification card number and the name of the jurisdiction issuing the license or card; or

(ii) if the owner is a corporation, the name of the corporation's registered agent's and, if the agent is the holder of a driver's license or identification card, the agent's driver's license number or identification card number and the name of the jurisdiction issuing the license or card;

(b) a description of the vehicle, including, as available and pertinent to the vehicle:

(i) the vehicle make, model, year of manufacture, vehicle identification number, and type of body and a description of motive power;

(ii) the odometer reading at the time of transfer of ownership;

(iii) the gross vehicle weight rating, gross vehicle weight, or shipping weight, as determined by the manufacturer;

(iv) whether the vehicle was new or used at the time of transfer; and

(v) if the vehicle is a trailer operating intrastate, its declared weight;

(c) the date on which the vehicle was purchased by or was transferred to the applicant, the name and address of the person from whom the vehicle was acquired, and the names and addresses of any secured parties or lienholders for whom the applicant is acknowledging a voluntary security interest;

(d) any other information that the department requires to identify the vehicle and to enable the department to determine whether the owner is entitled to a certificate of title and to determine the existence of security interests in the vehicle;

(e) if applicable, an odometer statement containing the information required in 61-3-206 or, if the title does not contain a space for the information, a separate document approved by the department that provides the same information that is required in 61-3-206; and

(f) a section that gives the applicant the option to direct the department, upon examination and review of the records and completion of the application process, to:

(i) issue a certificate of title as soon as possible; or

(ii) update the electronic record of title for the vehicle, issue a transaction summary receipt, and postpone the issuance of a certificate of a title until the vehicle owner submits a separate request for issuance of the

certificate of title.

(3) If the application is for a certificate of title to a new motor vehicle, the application must be accompanied by a manufacturer's certificate of origin, properly assigned to the applicant.

(4) Except as provided in 61-3-208 or subsection (4)(b) of this section, if the application is for a certificate of title to a used motor vehicle, the application must be:

- (a) accompanied by a certificate of title that is properly assigned by the prior owner to the applicant; or
- (b) acknowledged by the prior owner if the prior owner's interest in the vehicle was assigned to the applicant by means of a transfer on the electronic record of title entered by an authorized agent of the department or a county treasurer.

NEW SECTION. Section 6. Certificate of title -- duties -- examination of application -- records check -- incomplete application. (1) (a) Upon receipt of an application for a certificate of title and any supporting documents, an authorized agent of the department or a county treasurer shall:

- (i) review the application and documents;
- (ii) complete the records check required in subsection (2); and
- (iii) if an authorized agent of the department or the county treasurer is satisfied as to the genuineness and regularity of the application and satisfied that the applicant is entitled to the issuance of a certificate of title, enter the transfer of interest on the electronic record of title.

(b) If an authorized agent of the department or the county treasurer is not satisfied as to the genuineness and regularity of the application or is not satisfied that the applicant is entitled to the issuance of a certificate of title, the authorized agent or the county treasurer may not enter the transfer of interest on the electronic record of title.

(c) If an authorized agent of the department or the county treasurer enters the transfer of interest on the electronic record of title, an authorized agent or the county treasurer shall:

- (i) issue a transaction summary receipt to the applicant and, if requested, to any secured party or lienholder with a perfected security interest; and
- (ii) as prescribed by the department, forward to the department the application, the assigned certificate of title, and any other documents provided in support of the application.

(2) The department, its authorized agent, or a county treasurer who first receives an application for a certificate of title shall check the vehicle identification number shown on the application against:

- (a) the records of vehicles maintained by the department under 61-3-101;

(b) the reported stolen vehicle databases maintained on the state's criminal justice information network and by the national crime information center; and

(c) any other records or databases prescribed by the department.

(3) (a) Upon receipt of an application for a certificate of title and supporting documents that have been processed by an authorized agent of the department or a county treasurer, the department shall review the documents to determine if the application is complete. If the department determines that the application is incomplete, the department shall enter the incomplete status of the application on the electric record of title for the vehicle and return to the applicant, by first-class mail, the application and all supporting documents. The department shall provide a statement with a specific description of the additional information or documents that must be supplied by the applicant to complete the application process.

(b) Except as provided in 61-3-342, the department may not complete the application process, remove the incomplete status notation on the electronic record of title, or issue a certificate of title until the applicant returns the completed application, including any supporting additional information or documents, to the department.

NEW SECTION. Section 7. Certificate of title -- issuance -- delivery. (1) Except as provided in subsection (2), if a person who applied for a certificate of title also requested the issuance of the certificate of title as provided in [section 5(2)(f)(i)], upon receipt of the application and all supporting documents and after an examination and determination that the application is complete and regular, the department shall issue a certificate of title of the vehicle and shall mail the certificate of title to the owner.

(2) If a person to whom a vehicle was transferred has not satisfied the titling and registration provisions of this chapter or, if applicable, the registration provisions of Title 23, chapter 2, part 5 or 6, within the 20-day period provided in [section 9(3)] and the secured party or lienholder pays the title fee required in 61-3-203, the department may mail a certificate of title to the secured party or lienholder upon request of the secured party or lienholder.

(3) (a) A vehicle owner who requested the delayed issuance of a certificate of title under [section 5(2)(f)(ii)], in the initial application for a certificate of title, may submit a request for the issuance of the certificate of title to the department, its authorized agent, or a county treasurer in a manner prescribed by the department. Upon receipt, the department shall issue a certificate of title for the vehicle and mail the certificate of title to the owner.

(b) A title fee may not be demanded from the owner or collected by the department, its authorized agent,

or a county treasurer for a certificate of title requested or issued under subsection (3)(a).

NEW SECTION. Section 8. Refusal to issue certificate of title. The department may refuse to issue a certificate of title if any required fee is not paid or if the department has reasonable grounds to believe that:

- (1) the applicant is not the owner of the vehicle;
- (2) the application contains a false or fraudulent statement;
- (3) the applicant failed to furnish any information or document required by the department; or
- (4) based on the check performed under [section 6(2)], the vehicle has been reported as stolen.

NEW SECTION. Section 9. Certificate of title -- voluntary transfer -- timeliness -- penalty. (1) Upon the voluntary transfer of any interest in a motor vehicle for which a certificate of title was issued under the provisions of this chapter, the owner whose interest is to be transferred shall:

(a) authorize, in writing and on a form prescribed by the department, its authorized agent, or a county treasurer, to enter the transfer of the owner's interest in the vehicle to the transferee on the electronic record of title maintained under 61-3-101; or

(b) execute a transfer in the appropriate space provided on the certificate of title issued to the owner and deliver the assigned certificate of title to:

- (i) the transferee at the time of delivery of the vehicle; or
- (ii) the department, its authorized agent, or a county treasurer if an application for a certificate of title has been completed by the transferee and accompanies the assigned certificate of title.

(2) The transferor's signature on the certificate of title, or the form authorizing transfer of interest upon the electronic record of title, must be acknowledged before the county treasurer, a deputy county treasurer, an elected official authorized to acknowledge signatures, an employee or authorized agent of the department, or a notary public.

(3) Except as provided in sections 23-2-513, 23-2-619, 23-2-818, or 61-4-111, the person to whom an interest in a motor vehicle has been transferred shall:

(a) execute an application for a certificate of title in the space provided on the assigned certificate of title or as prescribed by the department; and

(b) within 20 days after the interest in the vehicle was transferred to the person, mail or deliver the assigned certificate of title or application to the county treasurer of the person's county of residence or, as permitted by the department, its authorized agent.

(4) If the person to whom an interest in a motor vehicle has been transferred fails to submit the application for a certificate of title to the department's authorized agent or a county treasurer within the 20-day grace period described in subsection (3), a late penalty of \$10 must be imposed against the transferee. The penalty must be paid by the transferee to the county treasurer when the application for a certificate of title is finally submitted by the transferee or before the transferee may register the vehicle in this state. The penalty is in addition to the fees otherwise provided by law.

(5) If the transferee does not apply for a certificate of title within the 20-day grace period, a secured party or lienholder of record may pay the fees for the transfer of title and for filing a voluntary security interest or lien. The secured party or lienholder is not liable for the late penalty imposed in subsection (4) or for registration fees, taxes, or fees in lieu of tax on the vehicle.

NEW SECTION. Section 10. Involuntary transfer. (1) (a) An involuntary transfer of title to or any interest in a motor vehicle may occur by operation of law through inheritance, devise, bequest, order in bankruptcy or insolvency, execution sale, or repossession upon default in the performance of the terms of a ~~lease or executory sales contract~~ LEASE, EXECUTORY SALES CONTRACT, OR SECURITY AGREEMENT or in any other manner other than by voluntary act of the person whose title or interest is transferred. Upon the involuntary transfer, the executor, administrator, receiver, trustee, sheriff, SECURED PARTY, or other representative or successor in interest of the person whose interest is transferred shall send to the department:

(i) an application for a certificate of title; and

(ii) a verified or certified statement of the transfer of interest OR A TRANSFER STATEMENT, AS DEFINED IN 30-9A-619.

(b) The statement of transfer of interest must state the reason for the involuntary transfer, the interest transferred, the name of the person to whom the interest is to be transferred, the process or procedure creating the transfer, and other information requested by the department. A TRANSFER STATEMENT SUBMITTED UNDER THIS SECTION MUST MEET THE REQUIREMENTS OF 30-9A-619. Evidence and instruments that are required by law in order to effect a transfer of legal or equitable title to or an interest in chattels must be submitted with the statement.

(c) Except as provided in subsection (2), if the department determines that the transfer is regular and that all legal requirements have been complied with, the department shall send notice of the intended transfer to the owner, conditional sales vendor, lessor, mortgagee, and other lienholder, as shown in the department's records. Deposit in the U.S. mail of the notice, postage prepaid, addressed to the person at the respective address shown in the department's records satisfies the notice required by this section. Not less than 5 days after

sending the notice, the department shall issue a new certificate of title to the transferee.

(2) (a) Except as provided in subsection (2)(b), if an interest in a vehicle that is not registered in this state is involuntarily transferred to a person in this state, the person to whom the interest is transferred shall follow the procedure provided in subsection (1).

(b) In lieu of the statement required in subsection (1), the department may accept an affidavit of repossession as executed by the person seeking the involuntary transfer.

(3) The department is not required to send notice for a transfer of interest occurring under subsection (2).

NEW SECTION. Section 11. Surviving spouse or heir. (1) The surviving spouse or other heir may secure transfer of a decedent's ownership interests in one or more motor vehicles for which a certificate of title was issued under this chapter if:

(a) the combined value of the interests does not exceed \$20,000;

(b) the decedent did not leave other property that requires the procuring of letters of administration or letters testamentary; and

(c) the decedent did not by execution of a will otherwise bequeath the property.

(2) The person seeking transfer of the decedent's interests under this section shall file an affidavit with the department setting forth the fact of survivorship, the name and address of any other heirs, and any other facts determined necessary to entitle the person to the transfer.

(3) If the department determines that the transfer is regular and that all legal requirements have been met, the department shall issue a certificate of title, subject to any security interests shown by the department's records, to the surviving spouse or other heir.

NEW SECTION. Section 12. Salvage vehicles. (1) A salvage vehicle for which a certificate of title is sought must be inspected for the vehicle identification number to authenticate the identity of the vehicle before an electronic record of title can be created or a certificate of title can be issued. The inspection does not attest to the roadworthiness or safety condition of the vehicle and must be performed by an authorized employee or an authorized agent of the department or by a peace officer designated by the department.

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

(3) The department shall collect an inspection fee of \$18.50 from the person requesting the inspection

for each salvage vehicle inspected. The fees collected under this section must be distributed as follows:

(a) \$5 must be deposited in the state general fund; and

(b) \$13.50 must be deposited in an account in the state special revenue fund to be appropriated only for the inspection of salvage vehicles.

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

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

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

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

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

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

(6) The department may adopt rules for the inspection of salvage vehicles.

NEW SECTION. Section 13. Temporary registration permit. (1) A county treasurer or a law enforcement officer may issue a temporary registration permit under the provisions of 61-3-317. A county treasurer may also issue a temporary registration permit under the provisions of 61-3-342.

(2) An employee or agent of the department may issue a temporary registration permit only under express authorization from the department and in accordance with the provisions of this chapter.

(3) A dealer licensed under Title 23, chapter 2, part 5, 6, or 8, or under Title 61, chapter 4, part 1, may issue a temporary registration permit only as authorized under 23-2-513, 23-2-619, 23-2-818, 61-4-111, or 61-4-112.

(4) A temporary registration permit issued under subsections (1) through (3) must contain the following information:

(a) a temporary registration permit control number, registration receipt number, or transaction record number, as prescribed by the department;

(b) the expiration date of the temporary registration permit; and

(c) if required by the department, a description of the vehicle, including year, make, model, and vehicle

identification number, the name and address of the person from whom ownership of the vehicle was transferred, the name and residence address of the person to whom ownership of the vehicle has been transferred, and the date of transfer.

Section 14. Section 15-1-116, MCA, is amended to read:

"15-1-116. Manufactured home considered as improvement to real property -- requirements. (1)

A manufactured home will be considered for tax purposes an improvement to real property if:

(a) the running gear is removed; and

(b) the manufactured home is attached to a permanent foundation on land that is owned or being purchased by the owner of the manufactured home or, if the land is owned by another person, with the permission of the landowner.

(2) To eliminate ~~the~~ a manufacturer's certificate of origin properly assigned to an owner or a certificate of ownership title of a manufactured home, an owner may file a statement of intent on a form furnished by the department of justice.

(3) The statement of intent must include:

(a) the serial number of the manufactured home;

(b) the legal description of the real property to which the manufactured home has been permanently attached;

(c) a description of any security interests in the manufactured home; and

(d) approval from all lienholders of the intent to eliminate the certificate of title.

(4) (a) The owner shall present the statement of intent to the county treasurer of the county in which the manufactured home is located and shall surrender the certificate of ownership title. Upon receipt of a titling fee of \$5, the county treasurer shall:

(i) enter the transfer of interest on the electronic record of title;

(ii) issue the owner a duplicate receipt for the surrendered certificate a transaction summary receipt; and

(iii) forward a copy of the statement of intent, the original receipt, and the surrendered certificate of title to the department of justice.

(b) The county treasurer may not issue the receipt unless all taxes, interest, and penalties on the manufactured home have been paid in full. The county treasurer shall remit the titling fee to the department for deposit in the state general fund.

(5) Upon the recording of the statement of intent and the receipt of surrender, the manufactured home

may not be physically removed without the consent of all persons who have an interest in the manufactured home.

(6) A manufactured home that has been declared an improvement to real property in accordance with this section must be treated by the department and by lending institutions in the same manner as any other residence that is classified as an improvement."

Section 15. Section 15-1-117, MCA, is amended to read:

"15-1-117. Reversal of declaration -- exception. (1) Before a manufactured home can be physically removed from its location, the owner shall obtain a search of the title to the land from a title insurance company in order to identify those persons or entities whose consent for removal must be obtained. The owner shall obtain permission in writing from the affected persons or entities before removing the manufactured home from its location.

(2) At least 30 days before the manufactured home is removed, the owner shall give written notice to the department and the county treasurer in which the home is currently located; of the intended removal of the home. The written notice must include the written consents of the affected persons or entities identified in subsection (1). The owner may not remove the home until the written consents are received and all of the taxes that have been assessed have been paid in full to the county treasurer.

(3) Within 5 days of the removal of the home, the purchaser shall make a declaration of reversal and apply for a certificate of ownership title for the manufactured home from the department of justice in accordance with the provisions of Title 61, chapter 3, part 2."

Section 16. Section 15-1-121, MCA, is amended to read:

"15-1-121. Entitlement share payment -- appropriation. (1) The amount calculated pursuant to this subsection is each local government's base entitlement share. The department shall estimate the total amount of revenue that each local government received from the following sources for the fiscal year ending June 30, 2001:

(a) personal property tax reimbursements pursuant to sections 167(1) through (5) and 169(6), Chapter 584, Laws of 1999;

(b) vehicle and boat taxes and fees pursuant to:

(i) Title 23, chapter 2, part 5;

(ii) Title 23, chapter 2, part 6;

- (iii) Title 23, chapter 2, part 8;
- (iv) 61-3-317;
- (v) 61-3-321;
- (vi) Title 61, chapter 3, part 5, except for 61-3-509(3), as that subsection read prior to the amendment of 61-3-509 in 2001;
- (vii) Title 61, chapter 3, part 7;
- (viii) 5% of the fees collected under 61-10-122;
- (ix) 61-10-130;
- (x) 61-10-148; and
- (xi) 67-3-205;
- (c) gaming revenue pursuant to Title 23, chapter 5, part 6, except for the permit fee in 23-5-612(2)(a);
- (d) district court fees pursuant to:
 - (i) 25-1-201, except those fees in 25-1-201(1)(d), (1)(g), and (1)(j);
 - (ii) 25-1-202;
 - (iii) 25-1-1103;
 - (iv) 25-9-506;
 - (v) 25-9-804; and
 - (vi) 27-9-103;
- (e) certificate of ~~ownership~~ title fees for manufactured homes pursuant to 15-1-116;
- (f) financial institution taxes pursuant to Title 15, chapter 31, part 7;
- (g) coal severance taxes allocated for county land planning pursuant to 15-35-108;
- (h) all beer, liquor, and wine taxes pursuant to:
 - (i) 16-1-404;
 - (ii) 16-1-406; and
 - (iii) 16-1-411;
- (i) late filing fees pursuant to ~~61-3-204~~ [section 9];
- (j) title and registration fees pursuant to 61-3-203;
- (k) disabled veterans' flat license plate fees and purple heart license plate fees pursuant to 61-3-332;
- (l) county personalized license plate fees pursuant to 61-3-406;
- (m) special mobile equipment fees pursuant to 61-3-431;
- (n) single movement permit fees pursuant to 61-4-310;

(o) state aeronautics fees pursuant to 67-3-101; and

(p) department of natural resources and conservation payments in lieu of taxes pursuant to Title 77, chapter 1, part 5.

(2) (a) From the amounts estimated in subsection (1) for each county government, the department shall deduct fiscal year 2001 county government expenditures for district courts, less reimbursements for district court expenses, and fiscal year 2001 county government expenditures for public welfare programs to be assumed by the state in fiscal year 2002.

(b) The amount estimated pursuant to subsections (1) and (2)(a) is each local government's base year component. The sum of all local governments' base year components is the base year entitlement share pool. For the purpose of calculating the sum of all local governments' base year components, the base year component for a local government may not be less than zero.

(3) (a) Beginning with fiscal year 2002 and in each succeeding fiscal year, the base year entitlement share pool must be increased annually by a growth rate as provided for in this subsection (3). The amount determined through the application of annual growth rates is the entitlement share pool for each fiscal year. For fiscal year 2002, the growth rate is 3%. For fiscal year 2003, the growth rate is 3% for incorporated cities and towns, 1.61% for counties, and 2.3% for consolidated local governments. Beginning with calendar year 2004, by October 1 of each even-numbered year, the department shall calculate the growth rate of the entitlement share pool for each year of the next biennium in the following manner:

(i) Before applying the growth rate for fiscal year 2004 to determine the fiscal year 2004 entitlement share pool, the department shall add to the fiscal year 2003 entitlement share pool the fiscal year 2003 amount of revenue actually distributed to the county from the 25-cent marriage license fee in 50-15-301 and the probation and parole fee in 46-23-1031(2)(b).

(ii) The department shall calculate the average annual growth rate of the Montana gross state product, as published by the bureau of economic analysis of the United States department of commerce, for the following periods:

(A) the last 4 calendar years for which the information has been published; and

(B) the 4 calendar years beginning with the year before the first year in the period referred to in subsection (3)(a)(ii)(A).

(iii) The department shall calculate the average annual growth rate of Montana personal income, as published by the bureau of economic analysis of the United States department of commerce, for the following periods:

(A) the last 4 calendar years for which the information has been published; and

(B) the 4 calendar years beginning with the year before the first year in the period referred to in subsection (3)(a)(iii)(A).

(b) (i) For fiscal year 2004 and subsequent fiscal years, the entitlement share pool growth rate for the first year of the biennium must be the following percentage of the average of the growth rates calculated in subsections (3)(a)(ii)(B) and (3)(a)(iii)(B):

(A) for counties, 54%;

(B) for consolidated local governments, 62%; and

(C) for incorporated cities and towns, 70%.

(ii) The entitlement share pool growth rate for the second year of the biennium must be the following percentage of the average of the growth rates calculated in subsections (3)(a)(ii)(A) and (3)(a)(iii)(A):

(A) for counties, 54%;

(B) for consolidated local governments, 62%; and

(C) for incorporated cities and towns, 70%.

(4) As used in this section, "local government" means a county, a consolidated local government, an incorporated city, and an incorporated town. A local government does not include a tax increment financing district provided for in subsection (6). For purposes of calculating the base year component for a county or consolidated local government, the department shall include the revenue listed in subsection (1) for all special districts within the county or consolidated local government. The county or consolidated local government is responsible for making an allocation from the county's or consolidated local government's share of the entitlement share pool to each special district within the county or consolidated local government in a manner that reasonably reflects each special district's loss of revenue sources listed in subsection (1).

(5) (a) The entitlement share pools calculated in this section and the block grants provided for in subsection (6) are statutorily appropriated, as provided in 17-7-502, from the general fund to the department for distribution to local governments. Each local government is entitled to a pro rata share of each year's entitlement share pool based on the local government's base component in relation to the base year entitlement share pool. The distributions must be made on a quarterly basis beginning September 15, 2001.

(b) (i) For fiscal year 2002, the growth amount is the difference between the fiscal year 2002 entitlement share pool and the base year entitlement share pool. For fiscal year 2002, a county may have a negative base year component. For fiscal year 2003 and each succeeding fiscal year, the growth amount is the difference between the entitlement share pool in the current fiscal year and the entitlement share pool in the previous fiscal

year. For the purposes of subsection (5)(b)(ii)(A), a county with a negative base year component has a base year component of zero. The growth factor in the entitlement share must be calculated separately for:

- (A) counties;
- (B) consolidated local governments; and
- (C) incorporated cities and towns.

(ii) In each fiscal year, the growth amount for counties must be allocated as follows:

(A) 50% of the growth amount must be allocated based upon each county's percentage of the base year entitlement share pool for all counties; and

(B) 50% of the growth amount must be allocated based upon the percentage that each county's population bears to the state population not residing within consolidated local governments as determined by the latest interim year population estimates from the Montana department of commerce as supplied by the United States bureau of the census.

(iii) In each fiscal year, the growth amount for consolidated local governments must be allocated as follows:

(A) 50% of the growth amount must be allocated based upon each consolidated local government's percentage of the base year entitlement share pool for all consolidated local governments; and

(B) 50% of the growth amount must be allocated based upon the percentage that each consolidated local government's population bears to the state's total population residing within consolidated local governments as determined by the latest interim year population estimates from the Montana department of commerce as supplied by the United States bureau of the census.

(iv) In each fiscal year, the growth amount for incorporated cities and towns must be allocated as follows:

(A) 50% of the growth amount must be allocated based upon each incorporated city's or town's percentage of the base year entitlement share pool for all incorporated cities and towns; and

(B) 50% of the growth amount must be allocated based upon the percentage that each city's or town's population bears to the state's total population residing within incorporated cities and towns as determined by the latest interim year population estimates from the Montana department of commerce as supplied by the United States bureau of the census.

(v) In each fiscal year, the amount of the entitlement share pool not represented by the growth amount is distributed to each local government in the same manner as the entitlement share pool was distributed in the prior fiscal year.

(vi) For fiscal year 2002, an amount equal to the district court costs identified in subsection (2) must be

added to each county government's distribution from the entitlement share pool.

(vii) For fiscal year 2002, an amount equal to the district court fees identified in subsection (1)(d) must be subtracted from each county government's distribution from the entitlement share pool.

(6) (a) If a tax increment financing district was not in existence during the fiscal year ending June 30, 2000, then the tax increment financing district is not entitled to any block grant. If a tax increment financing district referred to in subsection (6)(b) terminates, then the block grant provided for in subsection (6)(b) terminates.

(b) One-half of the payments provided for in this subsection (6)(b) must be made by November 30 and the other half by May 31 of each year. Subject to subsection (6)(a), the entitlement share for tax increment financing districts is as follows:

Cascade	Great Falls - downtown	\$468,966
Deer Lodge	TIF District 1	3,148
Deer Lodge	TIF District 2	3,126
Flathead	Kalispell - District 1	758,359
Flathead	Kalispell - District 2	5,153
Flathead	Kalispell - District 3	41,368
Flathead	Whitefish District	164,660
Gallatin	Bozeman - downtown	34,620
Lewis and Clark	Helena - # 2	731,614
Missoula	Missoula - 1-1B & 1-1C	1,100,507
Missoula	Missoula - 4-1C	33,343
Silver Bow	Butte - uptown	283,801
Yellowstone	Billings	436,815

(c) The entitlement share for industrial tax increment financing districts is as follows:

(i) for fiscal years 2002 and 2003:

Missoula County	Airport Industrial	\$4,812
Silver Bow	Ramsay Industrial	597,594;

(ii) for fiscal years 2004 and 2005:

Missoula	County Airport Industrial	\$2,406
Silver Bow	Ramsay Industrial	298,797; and

(iii) \$0 for all succeeding fiscal years.

(d) The entitlement share for industrial tax increment financing districts referred to in subsection (6)(c)

may not be used to pay debt service on tax increment bonds to the extent that the bonds are secured by a guaranty, a letter of credit, or a similar arrangement provided by or on behalf of an owner of property within the tax increment financing industrial district.

(e) One-half of the payments provided for in subsection (6)(c) must be made by July 30, and the other half must be made in December of each year.

(7) The estimated base year entitlement share pool and any subsequent entitlement share pool for local governments do not include revenue received from countywide transportation block grants or from countywide retirement block grants.

(8) The estimates for the base year entitlement share pool in subsection (1) must be calculated as if the fees in Chapter 515, Laws of 1999, were in effect for all of fiscal year 2001.

(9) (a) If revenue that is included in the sources listed in subsections (1)(b) through (1)(p) is significantly reduced, except through legislative action, the department shall deduct the amount of revenue loss from the entitlement share pool beginning in the succeeding fiscal year and the department shall work with local governments to propose legislation to adjust the entitlement share pool to reflect an allocation of the loss of revenue.

(b) For the purposes of subsection (9)(a), a significant reduction is a loss that causes the amount of revenue received in the current year to be less than 95% of the amount of revenue received in the base year.

(10) A three-fifths vote of each house is required to reduce the amount of the entitlement share calculated pursuant to subsections (1) through (3).

(11) When there has been an underpayment of a local government's share of the entitlement share pool, the department shall distribute the difference between the underpayment and the correct amount of the entitlement share. When there has been an overpayment of a local government's entitlement share, the local government shall remit the overpaid amount to the department.

(12) A local government may appeal the department's estimation of the base year component, the entitlement share pool growth rate, or a local government's allocation of the entitlement share pool, according to the uniform dispute review procedure in 15-1-211."

Section 17. Section 15-1-122, MCA, is amended to read:

"15-1-122. Fund transfers. (1) There is transferred from the state general fund to the adoption services account, provided for in 42-2-105, \$36,764 for fiscal year 2003. Beginning with fiscal year 2004, the amount of the transfer must be increased by 10% in each succeeding fiscal year.

(2) There is transferred from the state general fund to the department of transportation state special revenue nonrestricted account the following amounts:

(a) \$75,000 in fiscal year 2003;

(b) \$2,960,715 in fiscal year 2004; and

(c) in each succeeding fiscal year, the amount in subsection (2)(b), increased by 1.5% in each succeeding fiscal year.

(3) For fiscal year 2002 and for each succeeding fiscal year, there is transferred from the state general fund to the accounts, entities, or recipients indicated the following amounts:

(a) to the motor vehicle recycling and disposal program provided for in Title 75, chapter 10, part 5:

(i) \$2 for each new application for a motor vehicle title and for each transfer of a motor vehicle title for which a fee is paid pursuant to 61-3-203; and

(ii) \$1 for each passenger car or truck under 8,001 pounds GVW registered for licensing pursuant to Title 61, chapter 3, part 3. Fifteen cents of each dollar must be used for the purpose of reimbursing the hired removal of abandoned vehicles during the calendar year following the calendar year in which the fee was paid. Any portion of the 15 cents not used for abandoned vehicle removal reimbursement during the calendar year following its payment must be used as provided in 75-10-532;

(b) to the noxious weed state special revenue account provided for in 80-7-816:

(i) \$1 for each off-highway vehicle subject to payment of the fee in lieu of tax, as provided for in 23-2-803; and

(ii) \$1.50 for each light vehicle, truck or bus weighing less than 1 ton, logging truck, vehicles weighing more than 1 ton, motorcycle, quadricycle, and motor home subject to registration or reregistration pursuant to 61-3-321;

(c) to the department of fish, wildlife, and parks:

(i) \$2.50 for each motorboat, sailboat, or personal watercraft receiving a certificate of number under 23-2-512, with 20% of the amount received to be used to acquire and maintain pumpout equipment and other boat facilities;

(ii) \$5 for each snowmobile registered under 23-2-616, with \$2.50 to be used for enforcing the purposes of 23-2-601 through 23-2-602, 23-2-611, 23-2-614, 23-2-615, 23-2-616 through 23-2-619, 23-2-621, 23-2-622, 23-2-626, 23-2-631 through 23-2-635, and 23-2-641 through 23-2-644 and \$2.50 designated for use in the development, maintenance, and operation of snowmobile facilities;

(iii) \$1 for each duplicate snowmobile decal issued under 23-2-617;

(iv) \$5 for each off-highway vehicle decal issued under 23-2-804 and each off-highway vehicle duplicate decal issued under 23-2-809, with 40% of the money used to enforce the provisions of 23-2-804 and 60% of the money used to develop and implement a comprehensive program and to plan appropriate off-highway vehicle recreational use;

(v) to the state special revenue fund established in 23-1-105, \$3.50 for each recreational vehicle, camper, motor home, and travel trailer registered or reregistered and subject to the fee in 61-3-321 or 61-3-524; and

(vi) an amount equal to 20% of the funds collected pursuant to 23-2-518 to be deposited in the motorboat account to be used as provided in 23-2-533;

(d) to the state veterans' cemetery account, provided for in 10-2-603, \$10 for each veteran's license plate issued pursuant to 61-3-332(10)(a)(ii), (10)(f), and (10)(h);

(e) to the supplemental benefits for highway patrol officers' retirement account provided for in 19-6-709, 25 cents for each motor vehicle registered, other than trailers or semitrailers registered in other jurisdictions and registered through a proportional registration agreement; and

(f) 25 cents a year for each vehicle subject to the fee in 61-3-321(6) for deposit in the state special revenue fund to the credit of the senior citizens and persons with disabilities transportation services account provided for in 7-14-112.

(4) For fiscal year 2002, there is transferred from the state general fund to the state special revenue fund to be used for purposes of state funding of district court expenses, as provided in 3-5-901, \$5,742,983 in lieu of the amount deposited by the state treasurer under 61-3-509(3), as that subsection read prior to the amendment of 61-3-509 in 2001.

(5) For each fiscal year, beginning with fiscal year 2002, the department of justice shall provide to the department of revenue a count of the vehicles required for the calculations in subsection (3). Transfer amounts for fiscal year 2002 must be based on vehicle counts for calendar year 2000. Transfer amounts in each succeeding fiscal year must be based on vehicle counts in the most recent calendar year for which vehicle information is available.

(6) The amounts transferred from the general fund to the designated recipient must be appropriated as state special revenue in the general appropriations act for the designated purposes."

Section 18. Section 23-2-502, MCA, is amended to read:

"23-2-502. Definitions. As used in this part, unless the context clearly requires a different meaning, the

following definitions apply:

(1) "Certificate of number" means the certificate issued annually by the county treasurer to the owner of a motorboat or by the department of justice to dealers or manufacturers, assigning ~~such~~ the motorboat an identifying number and containing ~~such~~ information as required.

~~(2) "Certificate of ownership" means a certificate issued by the department of justice identifying the owner of a motorboat or sailboat 12 feet in length or longer.~~

~~(3)~~(2) "Dealer" means ~~any~~ a person who engages in whole or in part in the business of buying, selling, or exchanging new and unused vessels or used vessels, or both, either outright or on conditional sale, bailment, lease, chattel mortgage, or otherwise, and who has an established place of business for sale, trade, and display of vessels. A yacht broker is a dealer.

~~(4)~~(3) "Department" means the department of fish, wildlife, and parks of the state of Montana.

~~(5)~~(4) "Documented vessel" means a vessel ~~which~~ that has and is required to have a valid marine document as a vessel of the United States.

~~(6)~~(5) "Identifying number" means the boat number set forth in the certificate of number and properly displayed on the motorboat.

~~(7)~~(6) "License decals" means the serially numbered license stickers issued annually by the county treasurer and displayed as required by law.

~~(8)~~(7) "Lienholder" means a person holding a security interest.

~~(9)~~(8) "Manufacturer" means ~~any~~ a person engaged in the business of manufacturing or importing new and unused vessels or new and unused outboard motors for the purpose of sale or trade.

~~(10)~~(9) "Motorboat" means ~~any~~ a vessel, including a canoe, kayak, personal watercraft, rubber raft, or pontoon, propelled by any machinery, motor, or engine of any description, whether or not ~~such~~ the machinery, motor, or engine is the principal source of propulsion. The term includes boats temporarily equipped with detachable motors or engines but does not include a vessel ~~which~~ that has a valid marine document issued by the U.S. coast guard of the United States government or any successor federal agency ~~successor thereto~~.

~~(11)~~(10) "Operate" means to navigate or otherwise use a motorboat or a vessel.

~~(12)~~(11) "Operator" means the person who navigates, drives, or is otherwise in immediate control of a motorboat or vessel.

~~(13)~~(12) "Owner" means a person, other than a lienholder, having the property in or title to a motorboat or vessel. The term includes a person entitled to the use or possession of a motorboat or vessel subject to an interest in another person, reserved or created by an agreement securing payment or performance of an

obligation, but the term excludes a lessee under a lease not intended as security.

~~(14)~~(13) "Passenger" means ~~every~~ each person carried on board a vessel other than:

(a) the owner or ~~his~~ the owner's representative;

(b) the operator;

(c) bona fide members of the crew engaged in the business of the vessel who have not contributed ~~no~~ consideration for their carriage and who are paid for their services; or

(d) any guest on board a vessel ~~which~~ that is being used exclusively for pleasure purposes who has not contributed any consideration, directly or indirectly, for ~~his~~ carriage.

~~(15)~~(14) "Person" means an individual, partnership, firm, corporation, association, or other entity.

~~(16)~~(15) "Personal watercraft" means a vessel that uses an outboard motor or an inboard engine powering a water jet pump as its primary source of propulsion and that is designed to be operated by a person sitting, standing, or kneeling on the vessel rather than by the conventional method of sitting or standing in the vessel.

~~(17)~~(16) (a) "Sailboat" means a vessel that uses a sail and wind as its primary source of propulsion.

(b) The term does not include a canoe or kayak propelled by wind.

~~(18)~~(17) "Security interest" means an interest that is reserved or created by an agreement that secures payment or performance of an obligation and is valid against third parties generally.

~~(19)~~(18) "Uniform state waterway marking system" means one of two categories:

(a) a system of aids to navigation to supplement the federal system of marking in state waters;

(b) a system of regulatory markers to warn a vessel operator of dangers or to provide general information and directions.

~~(20)~~(19) "Vessel" means every description of watercraft, unless otherwise defined by the department, other than a seaplane on the water, used or capable of being used as a means of transportation on water.

~~(24)~~(20) "Waters of this state" means any waters within the territorial limits of this state."

Section 19. Section 23-2-513, MCA, is amended to read:

"23-2-513. Dealer's identification number -- premises -- inspection -- bond -- judgment -- temporary registration permit. (1) A dealer or manufacturer may apply directly to the department of justice for one identifying number and one or more certificates of number. A dealer's or manufacturer's identifying number ~~shall~~ must be displayed on ~~his~~ a boat while the boat is operating for a purpose related to the buying, selling, or exchanging of the boat by the dealer or manufacturer.

(2) The application for a dealer's or manufacturer's identifying number must include ~~his~~ the dealer's or manufacturer's name and business address. Each dealer or manufacturer ~~will~~ may have only one identifying number assigned to ~~his~~ the business.

(3) An application for dealer's or manufacturer's identifying number and certificate of number must be accompanied by the following fees:

- (a) for the identifying number, first certificate of number, and set of license decals, \$5;
- (b) for each additional certificate of number and set of license decals applied for in any application, \$2.

(4) The department of justice shall issue certificates of number for the identifying numbers assigned to a dealer or manufacturer in the same manner as provided in 23-2-512(1) and (9), ~~as amended~~, except that ~~no~~ a boat may not be described in the certificate and each certificate must state that the identifying number has been assigned to a dealer or manufacturer. A dealer's or manufacturer's certificate of number expires on December 31 of the year for which it is issued.

(5) A dealer's or manufacturer's identifying number ~~shall~~ must be displayed in the same manner as provided in 23-2-512(9), ~~as amended~~, except that the number may be temporarily attached. The last three letters ~~shall~~ must be "DLR" for dealer and "MFR" for manufacturer. These letters ~~shall~~ must be included, respectively, in dealer or manufacturer identification numbers only.

(6) ~~No~~ A person other than a dealer or manufacturer or an employee of a dealer or manufacturer may not display or use a dealer's or manufacturer's identifying number. A dealer's or manufacturer's identifying number may be displayed only on motorboats owned by the dealer or manufacturer.

(7) ~~No~~ A dealer or manufacturer or an employee of a dealer or manufacturer may not use a dealer's or manufacturer's identifying number for any purpose other than the purpose described in subsection (1) ~~of this section~~.

(8) A dealer shall maintain a principal place of business, coinciding with the business address listed on the application, where ~~he maintains~~ all business records are maintained and where ~~he~~ the dealer displays, sells, and services merchandise. The dealer shall display a sign at the place of business that clearly states the name of the business. The premises of the dealer's principal place of business must be inspected by an official of the department of justice to ~~assure~~ ensure compliance with this section.

(9) In order to qualify for renewal of a boat dealer's license, the dealer shall certify to the department of justice, upon application for renewal, that ~~he~~ the dealer sold five or more boats during the previous license year. If five or more boats were not sold, an additional fee of \$50 is required for renewal of the dealer's license.

(10) (a) The applicant for a boat dealer's license shall file with ~~his~~ the application a bond of \$5,000. The

bond must be conditioned that the applicant shall conduct ~~his~~ the business in accordance with the requirements of the law. All bonds must run to the state of Montana, must be approved by the department of justice and filed in its office, and must be renewed annually.

(b) A person who suffers loss or damage ~~due to~~ because of the unlawful conduct of a dealer licensed under this section shall obtain a judgment from a court of competent jurisdiction prior to collecting on the bond. The judgment must determine a specific loss or damage amount and conclude that the licensee's unlawful operation caused the loss or damage before payment on the bond is required.

(11) Prior to the delivery of a motorboat or a sailboat 12 feet in length or longer to a purchaser, the dealer shall issue and affix to a motorboat or a sailboat constructed after October 31, 1972, a temporary registration permit, as defined in [section 3]. The temporary registration permit expires 30 days after the date of issuance. The dealer shall keep a copy of the temporary registration permit for the dealer's records and shall send a copy of the temporary registration permit to the department of justice."

Section 20. Section 23-2-601, MCA, is amended to read:

"23-2-601. Definition of terms. As used in 23-2-601 ~~through, 23-2-602, 23-2-611, 23-2-614, 23-2-615, 23-2-616 through 23-2-619, 23-2-621, 23-2-622, 23-2-626, 23-2-631 through 23-2-635, and 23-2-641 through 23-2-644, the following terms shall have the meanings indicated herein;~~ unless the context requires otherwise, ~~clearly requires that another meaning is intended~~ the following definitions apply:

(1) "Certificate of ~~ownership~~ title" means the document issued by the department of justice as prima facie evidence of ownership.

(2) "Certificate of registration" means the owner's receipt evidencing payment of taxes, decal fees, and registration fees for a ~~given~~ registration year.

(3) "dbA" means sound pressure level measured on the "A" weight scale in decibels.

(4) "Department" means the department of fish, wildlife, and parks of the state of Montana.

(5) "New snowmobile" means any snowmobile that has not been previously sold to an owner, ~~as defined in subsection (7).~~

(6) "Operator" includes ~~every~~ each person who operates or is in actual physical control of the operation of a snowmobile.

(7) "Owner" includes ~~every~~ each person ~~as defined herein,~~ other than a lienholder or ~~other~~ person having a security interest only in a snowmobile, holding that holds a certificate of ownership title to a snowmobile and is entitled to the use or possession thereof of the snowmobile.

(8) "Person" includes an individual, partnership, association, corporation, and any other body or group of persons, ~~whether incorporated or not and~~ regardless of the degree of formal organization.

(9) "Roadway" includes only those portions of any highway, road, or street improved, designed, or ordinarily used for travel or parking of motor vehicles.

(10) "Snowmobile" includes any self-propelled vehicle of an overall width of 48 inches or less, excluding accessories, designed primarily for travel on snow or ice, ~~which~~ that may be steered by skis or runners and ~~which~~ that is not otherwise registered or licensed under the laws of the state of Montana."

Section 21. Section 23-2-611, MCA, is amended to read:

"23-2-611. Certificate of ownership title -- filing of security interests. (1) A snowmobile may not be operated upon any private or public lands, trails, easements, lakes, rivers, streams, roadways or shoulders of roadways, streets, or highways unless a certificate of ownership title has first been obtained from the department of justice in accordance with the laws of this state. A certificate of ownership title is not required for a snowmobile purchased prior to April 16, 1993, if use of the snowmobile is restricted to private land.

(2) ~~The owner of a snowmobile shall apply for a certificate of ownership with the county treasurer of the county in which the owner resides, upon forms to be furnished for this purpose. The forms must require the following information:~~

- ~~—— (a) the name of the owner;~~
- ~~—— (b) the residence of the owner, by town and county;~~
- ~~—— (c) the business or home mailing address of the owner;~~
- ~~—— (d) the name and address of any lienholder;~~
- ~~—— (e) the amount due under any contract or lien;~~
- ~~—— (f) the name of the manufacturer;~~
- ~~—— (g) the model number or name;~~
- ~~—— (h) the identification number; and~~
- ~~—— (i) the name and address of the dealer or other person from whom acquired. Unless expressly exempted,~~
the provisions of Title 61, chapter 3, parts 1 and 2, apply to snowmobiles.

(3) ~~The application must be accompanied by documentation of ownership, such as an invoice, notarized bill of sale from the immediately previous owner, foreign title, official certificate of snowmobile number, or fee in lieu of tax receipt.~~

~~—— (4) The application must be signed by at least one owner or by a properly authorized officer or~~

representative of the owner:

~~———(5) If a certificate of ownership has previously been issued under the provisions of 23-2-601 through 23-2-644, the application for a new certificate must be accompanied by the immediately previous certificate. This subsection does not apply to snowmobiles that are purchased as new and unused machines or that were operated when the provisions of 23-2-601 through 23-2-644 were not in force and effect.~~

~~———(6) Upon completion of the application, on forms furnished by the department of justice, the county treasurer shall issue to the applicant two copies of the application, one of which must be marked "file copy". The treasurer shall forward one copy and the original application to the department of justice, which shall enter the information contained in the application upon the corresponding records of its office and shall furnish the applicant with a certificate of ownership, which must contain that information in the application considered necessary by the department of justice, and a permanent ownership number. The certificate of ownership is not to be renewed annually and is valid as long as the person holding it owns the snowmobile.~~

~~———(7) The owner shall at all times retain possession of the certificate of ownership, except when it is being transmitted to and from the department of justice for endorsement or cancellation.~~

~~———(8) Upon application for a certificate of ownership, a fee of \$5 must be paid to the county treasurer, which must be forwarded by the county treasurer to the department of justice and deposited in the general fund.~~

~~———(9) The department of justice may not file a voluntary security interest or lien unless it is accompanied by or specified in the application for a certificate of ownership of the snowmobile encumbered. If the approved lien notice is transmitted to the department of justice, the security agreement or other lien instrument that creates the security interest must be retained by the secured party. A copy of the security agreement is sufficient as a lien notice if it contains the name and address of the debtor and the secured party, the complete snowmobile description, the amount of the lien, and the signature of the debtor. The department of justice shall file voluntary security interests and liens by entering the name and address of the secured party upon the face of the certificate of ownership. Involuntary liens must be filed against the record of the snowmobile encumbered. The department of justice shall mail a statement certifying the filing of a security interest or lien to the secured party. The department of justice shall mail the certificate of ownership to the owner at the address given on the certificate; however, if the transfer of ownership and filing of the security interest are paid for by a creditor or secured party, the department of justice shall return the certificate of ownership to the county treasurer of the county in which the snowmobile is to be registered. The owner of a snowmobile is the person entitled to operate and possess the snowmobile.~~

~~———(10) A security interest in a snowmobile held as inventory by a dealer must be perfected in accordance~~

with Title 30, chapter 9A:

~~————(11) Whenever a security interest or lien is filed against a snowmobile that is subject to two security interests previously perfected under this section, the department of justice shall endorse on the face of the certificate of ownership: "NOTICE. This snowmobile is subject to additional security interest on file with the Department of Justice." Other information regarding the additional security interests need not be endorsed on the certificate.~~

~~————(12) Satisfactions or statements of release filed with the department of justice under this part must be retained for a period of 8 years after receipt, after which they may be destroyed.~~

~~————(13) Except as provided in subsection (14), a voluntary security interest or lien is perfected on the date the lien notice is delivered to the county treasurer. On that date, the county treasurer shall issue to the secured party a receipt evidencing the perfection. Perfection under this section constitutes constructive notice to subsequent purchasers or encumbrancers, from the date of delivery of the lien notice to the county treasurer, of the existence of the security interest.~~

~~————(14) Voluntary security interests or lien filings that do not require transfer of ownership are perfected on the date the lien notice and the certificate of ownership or manufacturer's statement of origin are received by the department of justice. On that date, the department of justice shall issue to the secured party a receipt evidencing the perfection. Perfection under this subsection constitutes constructive notice to subsequent purchasers or encumbrancers, from the date the lien notice is delivered to the department of justice, of the existence of the security interest.~~

~~————(15) Upon default under a chattel mortgage or conditional sales contract covering a snowmobile, the mortgagee or vendor has the same remedies as in the case of other personal property. In case of attachment of a snowmobile, all the provisions of 27-18-413, 27-18-414, and 27-18-804 are applicable, except that deposits must be made with the department of justice.~~

~~————(16) A conditional sales vendor or chattel mortgagee or assignee who fails to file a satisfaction of a chattel mortgage, assignment, or conditional sales contract within 15 days after receiving final payment is required to pay the department of justice the sum of \$1 for each day that the satisfaction is not filed.~~

~~————(17) Upon receipt of notice of any involuntary liens or attachments against the record of any snowmobile registered in this state, the department of justice shall within 24 hours mail to the owner, conditional sales vendor, mortgagee, or their assignee a notice showing the name and address of the lien claimant, the amount of the lien, the date of execution of the lien, and, in the case of attachment, the full title of the court, the action, and the name of the attorney for the plaintiff or the name of the attaching creditor, or both.~~

~~(18) It is not necessary to refile with the department of justice any instruments on file in the office of the county clerk and recorder on October 1, 1989.~~

~~(19) A fee of \$4 must be paid to the department of justice to file any security interest or other lien against a snowmobile. The \$4 fee must cover the cost of filing a satisfaction or release of the security interest and the cost of entering the satisfaction or release on the records of the department of justice and deleting the endorsement of the security interest from the face of the certificate of ownership. A fee of \$4 must be paid to the department of justice for issuing a certified copy of a certificate of ownership subject to a security interest or other lien on file with the department of justice or for filing an assignment of a security interest or other lien on file with the department of justice. All fees provided for in this section must be paid to the county treasurer for deposit in the state general fund in accordance with 15-1-504."~~

Section 22. Section 23-2-614, MCA, is amended to read:

"23-2-614. Exemptions. (1) (a) The provisions of 23-2-601 ~~through, 23-2-602, 23-2-611, 23-2-614, 23-2-615, 23-2-616 through 23-2-619, 23-2-621, 23-2-622, 23-2-626, 23-2-631 through 23-2-635, and 23-2-641 through~~ 23-2-644, with respect to registration, tax-paid decals, and certification of ownership, do not apply to:

(i) snowmobiles owned or used by the United States or another state or any agency or political subdivision ~~thereof, of another state;~~

(ii) ~~any a~~ snowmobile registered in a country other than the United States ~~and that is~~ to be temporarily used within this state for a period of not more than 30 days; ~~or~~

(iii) ~~to any a~~ snowmobile registered in another state of the United States ~~but that is~~ to be temporarily used within this state for not more than 30 days.

(b) Snowmobiles owned by the state of Montana or any agency or political subdivision ~~thereof of this state~~ are exempt only from the payment of fees and ~~shall~~ must otherwise comply with all the requirements of 23-2-601 ~~through, 23-2-602, 23-2-611, 23-2-614, 23-2-615, 23-2-616 through 23-2-619, 23-2-621, 23-2-622, 23-2-626, 23-2-631 through 23-2-635, and 23-2-641 through~~ 23-2-644.

(2) The provisions of 23-2-601 ~~through, 23-2-602, 23-2-611, 23-2-614, 23-2-615, 23-2-616 through 23-2-619, 23-2-621, 23-2-622, 23-2-626, 23-2-631 through 23-2-635, and 23-2-641 through~~ 23-2-644 with respect to registration, tax-paid decals, and certification of ownership do not apply to unregistered snowmobiles owned by nonresidents of the state of Montana who either:

(a) display visual proof that a nonresident temporary-use permit has been purchased; or

(b) use the snowmobile only in races and for not more than 30 days in the state. "Race" means an

organized competition on a predetermined course that is run according to accepted rules."

Section 23. Section 23-2-615, MCA, is amended to read:

"23-2-615. Nonresident temporary-use permits -- use of fees. (1) The requirements ~~pertaining to the~~ for a nonresident temporary-snowmobile-use permit are as follows:

(a) Application for the issuance of the permit must be made at locations and upon forms prescribed by the department. The forms must include but are not limited to:

- (i) the applicant's name and permanent address;
- (ii) the make, model, year, and serial number of the snowmobile; and
- (iii) an affidavit declaring the nonresidency of the applicant.

(b) Upon submission of the application and a fee of \$6, a nonresident temporary-snowmobile-use sticker must be issued. The sticker must be displayed in a conspicuous manner on the snowmobile.

(2) The temporary permit is valid for a consecutive 30-day period as designated by the permit.

(3) The permit is not proof of ownership, and a certificate of ~~ownership~~ title may not be issued.

(4) A nonresident temporary-snowmobile-use permit is not required for a snowmobile that qualifies as a racing snowmobile under 23-2-622.

(5) All money collected by payment of fees under this section must be remitted to the department of revenue and deposited in the state general fund.

(6) The failure to display the permit as required by this section or the making of false statements in obtaining the permit is a misdemeanor, punishable by a fine of not less than \$25 or more than \$100."

Section 24. Section 23-2-616, MCA, is amended to read:

"23-2-616. Registration and decals -- application and issuance -- use of certain fees. (1) Except for a snowmobile registered under 23-2-621, a snowmobile may not be operated on public lands by any person ~~in Montana~~ unless it has been registered and there is displayed in a conspicuous place on both sides of the cowl a decal as visual proof that the fee in lieu of property tax has been paid on it for the current year and the immediately previous year as required by 15-16-202.

(2) ~~(a) Application for registration must be made to the county treasurer upon forms to be furnished by the department of justice for this purpose, which may be obtained~~ A Montana resident who owns a snowmobile operated on public land shall register the snowmobile at the county treasurer's office in the county where the owner resides. The application must contain the following information:

- ~~_____ (a) the name and address of the owner;~~
- ~~_____ (b) the certificate of ownership number;~~
- ~~_____ (c) the make of the snowmobile;~~
- ~~_____ (d) the model name of the snowmobile;~~
- ~~_____ (e) the year of manufacture;~~
- ~~_____ (f) a statement evidencing payment of the fee in lieu of property tax as required by 15-16-202; and~~
- ~~_____ (g) other information that the department of justice may require.~~

(b) A county treasurer shall register a snowmobile if:

(i) as of the date that the snowmobile is to be registered, the owner delivers or has delivered an application for a certificate of title to the department, its authorized agent, or a county treasurer; or

(ii) the county treasurer has confirmed that the department of justice has an electronic record of title for the snowmobile as provided in 61-3-101.

(c) To register a snowmobile, the county treasurer shall update the electronic record of title maintained by the department of justice, by entering the fees paid and recording any changes to the record.

(3) ~~The application must be accompanied by~~ owner registering a snowmobile shall pay a decal-registration fee of \$6.50; and, if the snowmobile has previously been registered, ~~by~~ show the county treasurer the registration certificate receipt for the most recent year in which the snowmobile was registered. ~~The~~ Upon payment of the proper fees, including the fee in lieu of tax, the treasurer shall ~~sign the application and~~ issue a registration receipt that must contain information considered necessary by the department of justice and a listing of fees paid. The owner shall retain possession of the registration receipt until it is surrendered to the county treasurer for reregistration or to a purchaser or subsequent owner pursuant to a transfer of ownership.

(4) The county treasurer shall forward the ~~signed~~ application to the department of justice and shall issue to the applicant a decal in the style and design prescribed by the department of justice and of a different color than the preceding year, numbered in sequence.

(5) The county treasurer may not ~~accept any application~~ register a snowmobile under this section ~~until~~ unless the applicant has paid the decal-registration fee and the fee in lieu of property tax on the snowmobile for the current year and, if required, the immediately previous year as required by 15-16-202.

(6) All money collected from payment of decal-registration fees and all interest accruing from use of this money must be forwarded to the department of revenue, as provided in 15-1-504, for deposit in the state general fund.

(7) The county treasurer shall credit all fees in lieu of tax collected on snowmobiles to the state general

fund."

Section 25. Section 23-2-619, MCA, is amended to read:

"23-2-619. Dealer registration certificate -- use of fees -- temporary registration permit. (1) (a)

Unless the dealer is licensed under the provisions of 61-4-101, a dealer registration certificate must be issued in accordance with 23-2-601 through, 23-2-602, 23-2-611, 23-2-614, 23-2-615, 23-2-616 through 23-2-619, 23-2-621, 23-2-622, 23-2-626, 23-2-631 through 23-2-635, and 23-2-641 through 23-2-644.

(b) To qualify as a dealer, the applicant, when registering or renewing a registration, shall:

(i) complete an application:

(A) stating the name under which the business is to be conducted and the location of the premises (street address, city, county, and state) where records are kept, sales are made, and stock is displayed;

(B) stating the name, address, date of birth, and social security number of all owners or persons having an interest in the business, provided that in the case of a corporation, the names and addresses of the president and secretary are sufficient;

(C) identifying other dealerships owned by the applicant, identifying all persons in Montana or in another state having an interest in another dealership owned by the applicant, and disclosing whether the applicant or any other person with interest in a dealership owned by the applicant has been convicted of a felony; and

(D) stating the name and make of all snowmobiles handled and the name and address of the manufacturer, importer, or distributor with whom the applicant has a written franchise or sales agreement;

(ii) provide an affidavit certifying that the applicant has acquired and shall maintain liability insurance for any snowmobile offered for demonstration or loan to a customer;

(iii) execute a certificate to the effect that the applicant has a permanent building for the display and sale of snowmobiles at the location of the premises where sales are conducted;

(iv) execute a certificate to the effect that the applicant has a bona fide service department for the repair, service, and maintenance of snowmobiles; and

(v) execute a certificate to the effect that the applicant is a bona fide dealer in snowmobiles and that the dealer is recognized by a manufacturer, importer, or distributor as a dealer in snowmobiles.

(2) The dealer application must be accompanied by an application fee of \$5 and a registration fee of \$5. Upon receipt of the dealer application and payment of fees, the dealer must be issued two dealer snowmobile identification cards that must be carried by the dealer or the dealer's customer when demonstrating the dealer's snowmobiles.

(3) (a) A dealer shall file a bond in the amount of \$5,000.

(b) The bond must be conditioned that the applicant shall conduct business in accordance with the requirements of the law. The bond must run to the state of Montana, must be approved by the department and filed in its office, and must be renewed annually.

(c) A person who suffers loss or damage because of the unlawful conduct of a dealer registered under this section shall obtain a judgment from a court of competent jurisdiction prior to collecting on the bond. Before payment on the bond is required, the judgment must determine a specific loss or damage amount and conclude that the dealer's unlawful operation caused the loss or damage.

(4) The dealer shall have a principal place of business where the dealer maintains all business records and where the dealer displays and sells merchandise.

(5) An applicant for renewal of a snowmobile dealer registration shall certify that the applicant has sold five or more snowmobiles during the preceding year or pay an additional \$50 renewal registration fee or provide a copy of a written new snowmobile franchise or sales agreement that the applicant has with a manufacturer, importer, or distributor.

(6) Additional dealer snowmobile identification cards as required by need justified to the department of justice may be purchased by the dealer for a fee of \$2.

(7) Dealer registration certificates and identification cards expire on June 30 following the date of issuance.

(8) Prior to the delivery of a snowmobile to the purchaser, the dealer shall issue and affix to the snowmobile a temporary registration permit. The temporary registration permit expires 20 days after the date of issuance. The dealer shall keep a copy of the temporary registration permit for the dealer's records and shall send a copy of the temporary registration permit to the department of justice.

~~(8)~~(9) (a) The dealer application fees and all interest accruing from use of this money must be deposited in the state special revenue fund to the credit of the department, with one-half designated for use in enforcing the purposes of 23-2-601 through, 23-2-602, 23-2-611, 23-2-614, 23-2-615, 23-2-616 through 23-2-619, 23-2-621, 23-2-622, 23-2-626, 23-2-631 through 23-2-635, and 23-2-641 through 23-2-644 and one-half designated for use in the development, maintenance, and operation of snowmobile facilities.

(b) All money collected from dealer registration and renewal registration fees must be deposited in the general fund."

Section 26. Section 23-2-622, MCA, is amended to read:

"23-2-622. Registration of racing snowmobile not required. A snowmobile built or used exclusively for racing in sanctioned competitive events or organized races, including testing areas designated by the sponsoring entity, is exempt from the certificate of ownership title requirements of ~~23-2-614~~ [sections 5 through 11] and registration under [section 13] or 23-2-616."

Section 27. Section 23-2-631, MCA, is amended to read:

"23-2-631. Operation on public roads, streets, and highways. (1) A person may not operate a snowmobile upon a controlled access highway or facility at any time. Snowmobile operation is permitted on the roadway or shoulder of any public road or highway, state highway, county road, or city street located within the boundaries of any municipality only in the event that:

(a) the street, road, or highway is drifted or covered by snow to ~~such an~~ the extent that travel on the street, road, or highway by other motor vehicles is impractical or impossible;

(b) the operator has received permission or is otherwise authorized for that travel by the municipality in the case of town or city streets, the board of county commissioners for county roads, or the state highway patrol for all other highways; or

(c) operation has been authorized on municipal streets by a municipal ordinance.

(2) A snowmobile may make a direct crossing of a street or highway whenever the crossing is necessary to get to another authorized area of operation. The crossing must be made at an angle of approximately 90 degrees to the direction of traffic at a place where no obstruction prevents a quick and safe crossing. The snowmobile must make a complete stop before entering upon any part of the traffic way, and the operator shall yield the right-of-way to all oncoming traffic.

(3) A snowmobile may not be operated upon a public street or highway when permitted to do so by ~~23-2-601 through, 23-2-602, 23-2-611, 23-2-614, 23-2-615, 23-2-616 through 23-2-619, 23-2-621, 23-2-622, 23-2-626, 23-2-631 through 23-2-635, and 23-2-641 through~~ 23-2-644 unless equipped with at least one headlamp and one taillamp, which must be lighted at all times during operation, and unless equipped with a suitable braking device operable by either hand or foot.

(4) (a) Unless operation is otherwise allowed under subsection (4)(b) or (4)(c), the operator of a snowmobile who operates the snowmobile upon a public roadway, street, or highway when allowed to do so under the provisions of ~~23-2-601 through, 23-2-602, 23-2-611, 23-2-614, 23-2-615, 23-2-616 through 23-2-619, 23-2-621, 23-2-622, 23-2-626, 23-2-631 through 23-2-635, and 23-2-641 through~~ 23-2-644 must have in possession a license to drive a motor vehicle as required by the laws of the state of Montana.

(b) The operator of a snowmobile may operate the snowmobile upon a public roadway, street, or highway when allowed to do so under the provisions of 23-2-601 through, 23-2-602, 23-2-611, 23-2-614, 23-2-615, 23-2-616 through 23-2-619, 23-2-621, 23-2-622, 23-2-626, 23-2-631 through 23-2-635, and 23-2-641 through 23-2-644 if the operator:

(i) has in possession a certificate showing the successful completion of a Montana-approved snowmobile safety education course; and

(ii) is in the physical presence and under the supervision of a person who is 18 years of age or older.

(c) An operator who crosses a street, road, or highway, who operates a snowmobile upon a street, road, or highway that is drifted or covered with snow to ~~such an~~ the extent that travel on the street, road, or highway by other motor vehicles is impractical or impossible, or who operates a snowmobile in any other areas of the state where operation is lawfully permitted is not required to apply for or possess a driver's license under the laws of the state of Montana."

Section 28. Section 23-2-634, MCA, is amended to read:

"23-2-634. Regulation of snowmobile noise. (1) Except as provided in this section, ~~every~~ each snowmobile must be equipped at all times with noise-suppression devices, including an exhaust muffler in good working order and in constant operation. A snowmobile may not be modified by any person in any manner that will amplify or otherwise increase total noise emissions to a level greater than that emitted by the snowmobile as originally constructed, regardless of date of manufacture.

(2) ~~Every~~ Each person who owns or operates a snowmobile manufactured after June 30, 1972, but prior to June 30, 1975, shall maintain the machine in such a manner that it will not exceed a sound level limitation of 82 dbA measured at 50 feet.

(3) A snowmobile manufactured after June 30, 1975, except snowmobiles designated for competition purposes only, may not be sold or offered for sale unless that machine has been certified by the manufacturer as being able to conform to a sound level limitation of not more than 78 dbA measured at 50 feet. ~~Every~~ Each person who owns or operates a snowmobile manufactured after June 30, 1975, shall maintain the machine in ~~such~~ a manner so that it will not exceed a sound level limitation of 78 dbA measured at 50 feet.

(4) A manufacturer who certifies that a new snowmobile can comply with the noise limitation requirements of 23-2-601 through, 23-2-602, 23-2-611, 23-2-614, 23-2-615, 23-2-616 through 23-2-619, 23-2-621, 23-2-622, 23-2-626, 23-2-631 through 23-2-635, and 23-2-641 through 23-2-644 shall affix a permanent notice of that certification to every snowmobile offered for sale in the state of Montana.

(5) In certifying that a new snowmobile can comply with the noise limitation requirements of 23-2-601 through, 23-2-602, 23-2-611, 23-2-614, 23-2-615, 23-2-616 through 23-2-619, 23-2-621, 23-2-622, 23-2-626, 23-2-631 through 23-2-635, and 23-2-641 through 23-2-644, a manufacturer shall make the certification based upon measurements made in accordance with SAE recommended practice J192, as amended. The department, in enforcing the provisions of this section, shall make measurements of snowmobile noise in accordance with applicable practices outlined in the "Procedure for Sound Level Measurements of Snowmobiles" (January, 1969), as amended, used by the international snowmobile industry association or with other standards for measurement of sound level ~~as~~ that the department may adopt.

(6) This section does not apply to organized races or similar competitive events held on:

(a) private lands or waters, with the permission of the owner, lessee, or custodian of the land or waters;

or

(b) public lands or waters, with the consent of the public agency having the authority to grant consent."

Section 29. Section 23-2-641, MCA, is amended to read:

"23-2-641. Enforcement. (1) With respect to the sale of any new snowmobile that is subject to the provisions of 23-2-601 through, 23-2-602, 23-2-611, 23-2-614, 23-2-615, 23-2-616 through 23-2-619, 23-2-621, 23-2-622, 23-2-626, 23-2-631 through 23-2-635, and 23-2-641 through 23-2-644, the attorney general shall, upon the request of the department, sue for the recovery of the penalties provided in 23-2-642 and bring an action for a restraining order or temporary or permanent injunction against a person who sells or offers to sell a new snowmobile that does not satisfy the sound level limitations imposed by 23-2-601 through, 23-2-602, 23-2-611, 23-2-614, 23-2-615, 23-2-616 through 23-2-619, 23-2-621, 23-2-622, 23-2-626, 23-2-631 through 23-2-635, and 23-2-641 through 23-2-644.

(2) (a) The department is a criminal justice agency for the purpose of obtaining the technical assistance and support services provided by the board of crime control under the provisions of 44-4-301. Authorized officers of the department are granted peace officer status with the power:

(i) of search, seizure, and arrest;

(ii) to investigate activities in this state regulated by this part and rules of the department and the fish, wildlife, and parks commission; and

(iii) to report violations to the county attorney of the county in which they occur.

(b) Sheriffs and their deputies of the various counties of the state, the Montana highway patrol, authorized officers of the department, and the police of each municipality shall enforce the provisions of this part."

Section 30. Section 23-2-642, MCA, is amended to read:

"23-2-642. Penalties. (1) The failure to display a current decal indicating that the fee in lieu of property tax has been paid on the snowmobile for the current year during the time provided in ~~23-2-601 through 23-2-602, 23-2-611, 23-2-614, 23-2-615, 23-2-616 through 23-2-619, 23-2-621, 23-2-622, 23-2-626, 23-2-631 through 23-2-635, and 23-2-641 through 23-2-644~~ is a misdemeanor, punishable by a fine in an amount equal to five times the applicable fee in lieu of tax payable under 23-2-626.

(2) A person who violates any other provision of ~~23-2-601 through 23-2-602, 23-2-611, 23-2-614, 23-2-615, 23-2-616 through 23-2-619, 23-2-621, 23-2-622, 23-2-626, 23-2-631 through 23-2-635, and 23-2-641 through 23-2-644~~ or a rule adopted pursuant to those sections shall pay a civil penalty of not less than \$15 or more than \$500 for each separate violation. If the violation is willful, the person shall pay a civil penalty of not less than \$50 or more than \$1,000 for each separate violation.

(3) A manufacturer who certifies that a new snowmobile can meet the sound level limitations imposed by ~~23-2-601 through 23-2-602, 23-2-611, 23-2-614, 23-2-615, 23-2-616 through 23-2-619, 23-2-621, 23-2-622, 23-2-626, 23-2-631 through 23-2-635, and 23-2-641 through 23-2-644~~ is subject to the penalty provisions of subsection (2) if any machine so certified does not meet the appropriate sound level limitation. For the purposes of this section, ~~every~~ each sale of a new snowmobile that does not meet the sound level limitations imposed by ~~23-2-601 through 23-2-602, 23-2-611, 23-2-614, 23-2-615, 23-2-616 through 23-2-619, 23-2-621, 23-2-622, 23-2-626, 23-2-631 through 23-2-635, and 23-2-641 through 23-2-644~~ constitutes a separate violation."

Section 31. Section 23-2-644, MCA, is amended to read:

"23-2-644. Deposit of funds from fines and forfeitures. All fines and forfeitures collected under ~~23-2-601 through 23-2-602, 23-2-611, 23-2-614, 23-2-615, 23-2-616 through 23-2-619, 23-2-621, 23-2-622, 23-2-626, 23-2-631 through 23-2-635, and 23-2-641 through 23-2-644~~ relating to snowmobiles, except those collected by a justice's court, must be transmitted to the department of revenue for deposit in the state general fund."

Section 32. Section 23-2-801, MCA, is amended to read:

"23-2-801. Definitions. (1) As used in this part, ~~unless the context clearly indicates otherwise, the following definitions apply:~~

~~— (1) "Certificate of ownership" means a document issued by the department of justice as prima facie evidence of ownership as provided in 23-2-811.~~

~~(2) (a) "Off-highway vehicle"~~ "off-highway vehicle" means a self-propelled vehicle used for recreation or cross-country travel on public lands, trails, easements, lakes, rivers, or streams. The term includes but is not limited to motorcycles, quadricycles, dune buggies, amphibious vehicles, air cushion vehicles, and any other means of land transportation deriving motive power from any source other than muscle or wind.

~~(b)~~ (2) Off-highway vehicle does not include:

- (i) vehicles designed primarily for travel on, over, or in the water;
- (ii) snowmobiles; or
- (iii) except as provided in 23-2-804, vehicles otherwise ~~licensed~~ issued a certificate of title and registered under the laws of the state, unless the vehicle is used for off-road recreation on public lands."

Section 33. Section 23-2-804, MCA, is amended to read:

"23-2-804. Decal required. (1) Except as provided in 23-2-802, an off-highway vehicle may not be operated by any person for off-road recreation on public lands in Montana unless there is displayed in a conspicuous place a decal, in a form prescribed by the department of justice and issued by the county treasurer, as visual proof that the following fees have been paid for the current year:

- (a) (i) the fee in lieu of tax provided for in 23-2-803; and
- (ii) the registration fee provided for in 61-3-321; or
- (b) when the vehicle will be used as provided in this section, the registration and taxation fees for motorcycles and quadricycles subject to licensure under 61-3-321, as evidenced by presentation of an owner's certificate of registration and payment receipt. The county treasurer may confirm the registration status of a motorcycle or quadricycle by examining the current registration receipt for the vehicle or checking the electronic record of title for the vehicle.

(2) The decal must be serially numbered and have the expiration date of December 31 of the appropriate year printed on the decal."

Section 34. Section 23-2-814, MCA, is amended to read:

"23-2-814. Nonresident temporary-use permits. (1) An off-highway vehicle that is owned by a nonresident and that is not registered in another state of the United States or in another country may not be operated by a person in Montana unless a nonresident temporary-use permit is obtained.

(2) The requirements pertaining to a nonresident temporary-use permit for an off-highway vehicle are as follows:

(a) Application for the issuance of the permit must be made at locations and upon forms prescribed by the department of fish, wildlife, and parks. The forms must include but are not limited to:

- (i) the applicant's name and permanent address;
- (ii) the make, model, year, and serial number of the off-highway vehicle; and
- (iii) an affidavit declaring the nonresidency of the applicant.

(b) Upon submission of the application and a fee of \$5, a nonresident off-highway vehicle temporary-use sticker must be issued. The sticker must be displayed in a conspicuous manner on the off-highway vehicle. The sticker is the temporary-use permit.

(3) The temporary-use permit is valid for the calendar year designated on the permit.

(4) The permit is not proof of ownership, and a certificate of ~~ownership~~ title may not be issued.

(5) All money collected by payment of fees under this section must be transmitted to the department of revenue for deposit in the state general fund.

(6) Failure to display the permit as required by this section or making false statements in obtaining the permit is a misdemeanor and is punishable by a fine of not less than \$25 or more than \$100. All fines collected under this section must be transmitted to the department of revenue for deposit in the state general fund."

Section 35. Section 23-2-817, MCA, is amended to read:

"23-2-817. Registration fee -- application and issuance -- disposition. (1) Each off-highway vehicle is subject to an annual registration fee of \$2.

(2) The county treasurer shall collect the annual fee when the fee in lieu of tax is collected.

(3) Application for registration must be made to the county treasurer of the county in which the owner resides, on a form furnished by the department of justice for that purpose. The application must contain:

- (a) the name and home mailing address of the owner;
- (b) the certificate of ~~ownership~~ title number;
- (c) the name of the manufacturer of the off-highway vehicle;
- (d) the model number or name;
- (e) the year of manufacture;
- (f) a statement evidencing payment of the fee in lieu of property tax; and
- (g) such other information ~~as that~~ as the department of justice may require.

(4) If the off-highway vehicle was previously registered, the application must be accompanied by the registration certificate for the most recent year in which it was registered. Upon payment of the registration fee,

the county treasurer shall sign the application and issue a registration receipt, which must contain the information considered necessary by the department of justice and a listing of the fees paid. The owner shall retain possession of the registration receipt until it is surrendered to the county treasurer for reregistration or to a purchaser or subsequent owner pursuant to a transfer of ownership.

(5) All registration fees collected must be forwarded to the department of justice and deposited in the general fund."

Section 36. Section 23-2-818, MCA, is amended to read:

"23-2-818. Dealer registration certificate -- temporary registration permit. (1) (a) Unless the dealer is licensed under the provisions of 61-4-101, a dealer may not sell off-highway vehicles unless the dealer has first obtained a dealer registration certificate from the department of justice under the provisions of this section.

(b) To qualify as a dealer the applicant, when registering or renewing a registration, shall:

(i) complete an application:

(A) stating the name under which the business is to be conducted and the location of the premises (street address, city, county, and state) where records are kept, sales are made, and stock is displayed;

(B) stating the name, address, date of birth, and social security number of all owners or persons having an interest in the business, provided that in the case of a corporation, the names and addresses of the president and secretary are sufficient;

(C) identifying other dealerships owned by the applicant, identifying all persons in Montana or in another state having an interest in another dealership owned by the applicant, and disclosing whether the applicant or any other person with interest in a dealership owned by the applicant has been convicted of a felony; and

(D) stating the name and make of all off-highway vehicles handled and the name and address of the manufacturer, importer, or distributor with whom the applicant has a written franchise or sales agreement;

(ii) provide an affidavit certifying that the applicant has acquired and shall maintain liability insurance for any off-highway vehicle offered for demonstration or loan to a customer;

(iii) execute a certificate to the effect that the applicant has a permanent building for the display and sale of off-highway vehicles at the location of the premises where sales are conducted;

(iv) execute a certificate to the effect that the applicant has a bona fide service department for the repair, service, and maintenance of off-highway vehicles; and

(v) execute a certificate to the effect that the applicant is a bona fide dealer in off-highway vehicles and that the dealer is recognized by a manufacturer, importer, or distributor as a dealer in off-highway vehicles.

(2) The dealer application for registration or renewal of registration must be accompanied by an application or renewal fee of \$5 and a registration fee of \$5. To qualify for the fees in this subsection, the applicant for renewal shall certify that the applicant has sold three or more off-highway vehicles during the preceding year. Upon receipt of the dealer application or renewal and payment of fees, the dealer must be issued two dealer off-highway identification cards to be carried by the dealer or the dealer's customer when demonstrating the dealer's off-highway vehicles. Additional dealer off-highway vehicle identification cards may be purchased by the dealer from the department of justice for a fee of \$2 each.

(3) (a) A dealer shall file a bond in the amount of \$5,000.

(b) The bond must be conditioned that the applicant shall conduct business in accordance with the requirements of the law. The bond must run to the state of Montana, must be approved by the department and filed in its office, and must be renewed annually.

(c) A person who suffers loss or damage because of the unlawful conduct of a dealer registered under this section shall obtain a judgment from a court of competent jurisdiction prior to collecting on the bond. Before payment on the bond is required, the judgment must determine a specific loss or damage amount and conclude that the dealer's unlawful operation caused the loss or damage.

(4) The dealer shall have a principal place of business where the dealer maintains all business records and where the dealer displays and sells merchandise.

(5) An applicant for renewal of an off-highway vehicle dealer registration who does not qualify under subsection (2) shall:

(a) pay an additional \$50 renewal registration fee; and

(b) provide a copy of a new off-highway vehicle franchise or sales agreement that the applicant has with a manufacturer, importer, or distributor.

(6) Dealer registration certificates and identification cards expire on December 31 following the date of issuance.

(7) Prior to delivery of an off-highway vehicle to a purchaser, the dealer shall issue and affix to the off-highway vehicle a temporary registration permit, as defined in [section 3]. The dealer shall keep a copy of the temporary registration permit for the dealer's records and shall send a copy of the temporary registration permit to the department of justice.

~~(7)~~(8) (a) The dealer application fees and all interest accruing from use of this money must be deposited in the general fund to be used by the department of justice for the administration of this part.

(b) All dealer registration fees and renewal fees collected must be deposited in the state general fund."

Section 37. Section 30-9A-311, MCA, is amended to read:

"30-9A-311. Perfection of security interests in property subject to certain statutes, regulations, and treaties. (1) Except as otherwise provided in subsection (4), the filing of a financing statement is not necessary or effective to perfect a security interest in property subject to:

(a) a statute, regulation, or treaty of the United States whose requirements for a security interest's obtaining priority over the rights of a lien creditor with respect to the property preempt 30-9A-310(1);

(b) the certificate of ~~ownership~~ title provisions of Title 23 or ~~Title~~ 61; or

(c) a certificate of title statute of another jurisdiction that provides for a security interest to be indicated on the certificate of title as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the property.

(2) Compliance with the requirements of a statute, regulation, or treaty described in subsection (1) for obtaining priority over the rights of a lien creditor is equivalent to the filing of a financing statement under this chapter. Except as otherwise provided in 30-9A-313 and 30-9A-316(4) and (5) and subsection (4) of this section for goods covered by a certificate of title, a security interest in property subject to a statute, regulation, or treaty described in subsection (1) may be perfected only by compliance with those requirements, and a security interest so perfected remains perfected notwithstanding a change in the use or transfer of possession of the collateral.

(3) Except as otherwise provided in 30-9A-316(4) and (5) and subsection (4) of this section, duration and renewal of perfection of a security interest perfected by compliance with the requirements prescribed by a statute, regulation, or treaty described in subsection (1) are governed by the statute, regulation, or treaty. In other respects the security interest is subject to this chapter.

(4) During any period in which collateral subject to a statute specified in subsection (1)(b) is inventory held for sale or lease by a person or leased by that person as lessor and that person is in the business of selling goods of that kind, this section does not apply to a security interest in that collateral created by that person."

Section 38. Section 31-1-816, MCA, is amended to read:

"31-1-816. Title loan requirements -- liability of borrower. (1) Any licensed title lender may engage in the business of making loans secured by a certificate of title subject to the provisions of this part.

(2) Every title loan must be reduced to writing in a title loan agreement. Each title loan agreement must provide that:

(a) the title lender agrees to make a loan of money to the borrower and that the borrower agrees to give the title lender a security interest in unencumbered titled personal property owned by the borrower;

- (b) the borrower consents to the title lender keeping possession of the certificate of title;
 - (c) the borrower has the exclusive right to redeem the certificate of title by repaying the loan of money in full and by complying with the title loan agreement for an agreed period of time;
 - (d) (i) the title lender may renew the title loan for additional 30-day periods beyond the original term provided that beginning with the sixth extension or continuation, and for each subsequent extension or continuation, the borrower must reduce the principal amount by at least 10% of the original principal amount of the loan; and
 - (ii) if the borrower fails to reduce the principal amount as required by subsection (2)(d)(i), the title lender may at its option:
 - (A) declare outstanding principal and any finance charges due and payable; or
 - (B) solely for the purpose of calculating the finance charge, reduce the amount of the principal balance by 10%, with the understanding that that portion of the principal is still owed by the borrower but that portion of the loan may not accrue interest or finance charges after that date;
 - (e) when the certificate of title is redeemed, the title lender shall release its security interest in the titled personal property and return the personal property certificate of title to the borrower;
 - (f) (i) upon failure of the borrower to redeem the certificate of title at the end of the original 30-day agreement period or at the end of any agreed-upon 30-day renewal or subsequent renewals, the borrower shall deliver the titled personal property to the title lender at the location specified in the title loan agreement; and
 - (ii) the borrower shall deliver the titled personal property to the title lender in substantially the same condition that it was in at the time that the borrower entered into the loan, minus normal wear and tear;
 - (g) if the borrower fails to deliver the titled personal property to the title lender, the title lender must be allowed to take possession of the titled personal property;
 - (h) upon obtaining possession of the titled personal property, the title lender is authorized to sell the titled personal property and to convey to the buyer good title, subject to the waiting periods provided for in 31-1-820; and
 - (i) a borrower who does not redeem a pledged certificate of title is not personally liable to the title lender to repay principal, interest, or expenses incurred in connection with the title loan and that the title lender shall look solely to the titled personal property for satisfaction of the amounts owed under the title loan agreement.
- (3) The security interest provided for in subsection (2)(a) is not perfected unless it is filed in accordance with ~~23-2-611~~ or 61-3-103.
- (4) Any borrower who obtains a title loan from a title lender under false pretenses by hiding or not

disclosing the existence of a valid prior lien or security interest affecting the titled personal property is personally liable to the title lender for the full amount stated in the title loan agreement, including interest and expenses incurred by the title lender in connection with the loan."

Section 39. Section 40-5-248, MCA, is amended to read:

"40-5-248. Lien against real and personal property -- effect of lien -- interest -- warrant for distraint. (1) There is a support lien on the real and personal property of an obligor:

(a) when the department has entered a final decision in a contested case under this chapter that finds the obligor owes a sum certain debt either to the department or to an obligee, or both; or

(b) upon registration under 40-5-271 of a support order that includes finding that the obligor owes a sum certain amount of delinquent support.

(2) A support lien is for the amount required to satisfy:

(a) the sum certain debt shown in a final decision in a contested case under this chapter or the sum certain support debt included in any support order registered under 40-5-271;

(b) interest claimed under this section; and

(c) any fees that may be due under 40-5-210.

(3) A support lien has the priority of a secured creditor from the date the lien is perfected as provided by this section; however, the lien is subordinate to:

(a) any prior perfected lien or security interest;

(b) a mortgage, the proceeds of which are used by an obligor to purchase real property; or

(c) any perfected purchase money security interest, as described in 30-9A-301.

(4) Support liens remain in effect until the delinquency upon which the lien is based is satisfied or until the applicable statute of limitations expires, whichever occurs first.

(5) The lien applies to all real and personal property owned by the obligor if it can be located in the state. The lien applies to all real and personal property that the obligor can afterward acquire. Except as provided in subsections (5)(a) and (5)(b), the department may not impose a lien under this section upon a self-sufficiency trust established pursuant to Title 53, chapter 18, part 1, or upon the assets of a self-sufficiency trust established pursuant to Title 53, chapter 18, part 1.

(a) The department may impose a lien under this section upon a self-sufficiency trust or upon the assets of a self-sufficiency trust established pursuant to Title 53, chapter 18, part 1, if the department is required by federal law to recover or collect from the trust or its assets as a condition of receiving federal financial

participation for the child support enforcement program or for temporary assistance for needy families, as defined in 53-4-201.

(b) To the extent otherwise permitted by this section, the department is not precluded from asserting a claim or imposing a lien upon real or personal property prior to transfer of the property to the trust. If the department imposes a lien upon property prior to transfer to a self-sufficiency trust, any transfer of the property to the trust is subject to the lien.

(6) The department shall keep a record of support liens asserted under this section in the registry of support orders established by 40-5-271.

(7) A support lien is perfected:

(a) as to real property, upon filing a notice of support lien with the clerk of the district court in the county or counties in which the real property is or may be located at the time of filing or at any time in the future;

(b) as to motor vehicles or other items for which a certificate of ~~ownership~~ title is issued by the department of justice, upon filing a notice of support lien with the department of justice in accordance with the provisions of Titles 23 and 61;

(c) as to all other personal property, upon filing a notice of support lien in the place required to perfect a security interest under 30-9A-301. The county clerk and recorder or the secretary of state, as appropriate, shall cause the notice of support lien to be marked, held, and indexed as if the notice of support lien were a financing statement within the meaning of the Uniform Commercial Code.

(8) A buyer, in the ordinary course of business, who buys an obligor's personal property for value and who buys in good faith and without knowledge of the support lien takes the property free of the support lien.

(9) (a) The department may charge interest on the support lien at the rate of 1% per month.

(b) Interest accrues at the close of the business day on the last day of each month and is calculated by multiplying the unpaid balance of the lien, including prior accrued interest existing at the end of the day, by the applicable rate of interest.

(c) A provision of this section may not be construed to require the department to maintain interest balance due accounts. The department may waive interest if waiver would facilitate the collection of the debt.

(d) Interest under this subsection (9) is in addition to and not in substitution for any other interest accrued or accruing under any other provision of law.

(10) (a) Upon receiving payment in full of the amount of the lien plus interest and fees, if any, the department shall take all necessary steps to release the support lien.

(b) Upon receiving partial payment of the support lien or if the department determines that a release or

partial release of the lien will facilitate the collection of support arrearages, the department may release or partially release the support lien. The department may release the support lien if it determines that the lien is unenforceable.

(11) A support lien under this section is in addition to any other lien created by law.

(12) A support lien under this section may not be discharged in bankruptcy.

(13) Support liens provided for by this section may be enforced or collected through the warrant for distraint provided for by 40-5-247."

Section 40. Section 61-1-102, MCA, is amended to read:

"61-1-102. Motor vehicle. (1) "Motor vehicle" means:

(a) means a vehicle propelled by its own power and designed or used to transport persons or property upon the highways of the state;

(b) ~~For~~ for the purpose of chapter 3, ~~the term also~~ includes trailers and semitrailers;

(c) ~~For~~ for the purpose of chapter 3, parts 1 and 2, ~~the term also~~ includes campers, as defined in 61-1-129, motorboats and personal watercraft, as defined in 23-2-502, sailboats, as defined in 23-2-502, that are 12 feet in length or longer, and snowmobiles, as defined in 23-2-601.

(2) The term does not include a bicycle as defined in 61-1-123."

Section 41. Section 61-1-509, MCA, is amended to read:

"61-1-509. Certificate of ownership title. "Certificate of ~~ownership title~~" means the certificate paper record issued by the department to the transferee upon a transfer of ownership of a or by the appropriate agency of another jurisdiction that establishes a verifiable record of ownership between an identified person or persons and the motor vehicle specifically described in the record and that provides notice of a perfected security interest in the motor vehicle."

Section 42. Section 61-3-101, MCA, is amended to read:

"61-3-101. Duties of department -- records. (1) (a) The department shall ~~keep a~~ create and maintain a central registry of electronic files that includes an electronic record of title as specified in this section ~~of all motor vehicles, trailers, and semitrailers of every kind, of certificates of registration and ownership of those vehicles, and of all manufacturers and dealers in~~ for motor vehicles for which:

(i) an application for a certificate of title has been received by the department, its authorized agent, or

a county treasurer;

(ii) a certificate of title has been issued by the department; or

(iii) a registration, security interest, or lien transaction has been recorded by the department.

(b) The central registry of electronic files described in subsection (1) must include an electronic record of registration for each vehicle registered in this state:

(i) for which the certificate of title was issued by another jurisdiction and that was registered in another jurisdiction; or

(ii) for which a certificate of title has not been issued or is not required.

(2) The electronic record of title for a motor vehicle must show contain the following information:

(a) the name of the owner, the residence address by street or rural route, the town, and the county and the mailing address if different from the residence address of the owner and:

(i) if the owner is the holder of a driver's license or identification card issued by the department or by a motor vehicle agency of another jurisdiction, the owner's driver's license or identification card number and the issuing jurisdiction; or

(ii) if the owner is a corporation, the registered agent's name and, if the agent is the holder of a driver's license or identification card, the agent's driver's license or identification card number and the issuing jurisdiction;

(b) the name and address of the conditional sales vendor, mortgagee, or other lienholder and the amount due under the contract or lien; a description of the motor vehicle, including, as pertinent to the motor vehicle:

~~(c)~~(i) the manufacturer of the vehicle;

~~(d)~~(ii) the manufacturer's designation of the style of the vehicle;

~~(e)~~(iii) the identifying number;

~~(f)~~(iv) the year of manufacture and the odometer reading at the time of the transfer of ownership;

~~(g)~~(v) the character of the motive power and the shipping weight of the vehicle as shown by the manufacturer;

~~(h)~~(vi) the distinctive license number assigned to the vehicle, if any;

~~(i)~~(vii) if a truck or trailer, the number of tons capacity or GVW if imprinted on the manufacturer's identification plate the gross vehicle weight and gross vehicle weight rating, as determined by the manufacturer, or, for a trailer operating interstate, the declared weight;

~~(j) except as provided in 61-3-103, the name and complete address of any holder of a perfected security interest in the vehicle;~~

(viii) the unique transaction record number, when available and assigned by the department, for each

transaction pertaining to the vehicle and the date of each transaction;

(ix) any brand required under state law or any brand carried forward from a certificate of title surrendered from another jurisdiction;

(x) if the vehicle has been or is currently registered in this state, the distinctive license plate number or certificate number assigned to the vehicle and a record of all fees and local option taxes, if applicable, paid for the current and preceding registration periods; and

~~(k)(xi)~~ other information that may be required for registration or may from time to time be found desirable.

~~(3) The department shall file applications for registration received by it from county treasurers and register the vehicles and the vehicle owners as follows:~~

~~—— (a) under the distinctive license number assigned to the vehicle by the county treasurer;~~

~~—— (b) alphabetically under the name of the owner;~~

~~—— (c) numerically under make and identifying number of the vehicle; and~~

~~—— (d) under another index of registration as the department considers expedient~~ The electronic record of registration for a motor vehicle must contain, at a minimum, the following information:

(a) the name, residence, and mailing address of the owner and the driver's license or identification card data required in subsections (2)(a)(i) and (2)(a)(ii);

(b) the same data that is required under subsection (2)(b) for the electronic record of title; and

(c) any other data consider to be pertinent by the department.

~~(4) The department shall determine the amount of fees, including local option taxes or fees, to be collected at the time of registration for each light vehicle subject to a registration fee under 61-3-560 through 61-3-562 and for each bus, truck having a manufacturer's rated capacity of more than 1 ton, and truck tractor subject to a fee in lieu of tax under 61-3-528 and 61-3-529. The county treasurer shall collect the registration fee, other appropriate fees, and local option taxes or fees, if applicable, on each motor vehicle at the time of its registration.~~

~~(5) Vehicle registration records and indexes and driver's license records and indexes may be maintained by electronic recording and storage media.~~

~~—— (6) In the case of dealers, the records must show the information contained in the application for a dealer's, wholesaler's, or auto auction license, as required by chapter 4, parts 1 and 2, of this title, as well as the distinctive license number assigned to the dealer.~~

~~(7)(4)~~ In order to prevent an accumulation of unneeded records and files, regardless of any other statutory requirements, the department may destroy all records and files that relate to vehicles that have not been

registered within the preceding 4 years and that do not have an active lien.

~~(8)~~(5) Subject to the provisions of Title 61, chapter 11, part 5, ~~department~~ vehicle records maintained by the department must be open to inspection during reasonable business hours, and the department shall furnish any information from the records, except personal information and highly restricted personal information, as defined in 61-11-503, upon payment by the applicant of the cost of the information requested. Prior to providing the information, the department shall require the applicant to provide identification. The department may not disclose personal information or highly restricted personal information except as permitted or required under 61-11-507, 61-11-508, or 61-11-509."

Section 43. Section 61-3-103, MCA, is amended to read:

"61-3-103. (Temporary) Filing of security interests -- perfection -- rights -- procedure -- fees. (1)

~~(a)~~ Except as provided in ~~61-3-109~~ subsection (2), the department, its authorized agent, or a county treasurer shall, upon payment of the fee required by subsection (5), enter a ~~may not file any~~ voluntary security interest or lien ~~unless it is accompanied by or specified in the application for a certificate of ownership of the vehicle encumbered. If the approved notice form is transmitted to the department, the security agreement or other lien instrument that creates the security interest must be retained by the secured party. A copy of the security agreement is sufficient as a lien notice if it contains the name and address of the debtor and the secured party, the complete vehicle description, and the amount of the lien and is signed by the debtor. The department shall file voluntary security interests and liens by entering the name and address of the secured party upon the face of the certificate of ownership. Involuntary liens must be filed against the record of the vehicle encumbered. The department shall mail a statement certifying to the filing of a security interest or lien to the secured party. The department shall mail the certificate of ownership to the owner at the address given on the certificate; however, if the transfer of ownership and filing of the security interest are paid for by a creditor or secured party, the department shall return the certificate of ownership to the county treasurer in the county in which the vehicle is to be registered. The owner of a motor vehicle is the person entitled to operate and possess the motor vehicle.~~ against the electronic record of title for a motor vehicle upon receipt of a written acknowledgment by a vehicle owner of a voluntary security interest or lien on a form required by the department. The entry may be made if:

(i) the person is applying for a certificate of title and the manufacturer's certificate of origin or a certificate of title is being surrendered; or

(ii) a transfer of ownership is not sought.

(b) After the voluntary security interest or lien has been entered on the electronic record of title for the

vehicle, the department, its authorized agent, or a county treasurer shall issue a transaction summary receipt to the owner and, if requested, to the secured party or lienholder, showing the date that the security interest or lien was perfected.

(c) A voluntary security interest or lien is perfected on the date that the department, its authorized agent, or a county treasurer receives the written acknowledgment of the voluntary security interest or lien from the owner of the vehicle.

(d) Unless a person applying for a certificate of title requests issuance of a certificate of title under 61-3-201, the department may not record a voluntary security interest or lien on the face of a certificate of title.

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

(3) Whenever a security interest or lien is filed against the electronic record of title for a motor vehicle that is subject to two security interests previously perfected under this section and the applicant has requested issuance of a certificate of title under 61-3-201, the department shall endorse on the face of the certificate of ownership, "NOTICE. This motor vehicle is subject to additional security interests on file with the Department of Justice." Other information regarding the additional security interests ~~need~~ is not required to be endorsed on the certificate.

~~(4) Satisfactions or statements of release filed with the department under this chapter must be retained by it for a period of 8 years after receipt, after which they may be destroyed.~~

~~———(5) Except as provided in 61-3-109 and subsection (6) of this section, a voluntary security interest or lien is perfected on the date that the lien notice and the certificate of ownership or manufacturer's statement of origin are delivered to the county treasurer. On that date, the county treasurer shall issue to the secured party a receipt evidencing the perfection. Perfection under this section constitutes constructive notice to subsequent purchasers or encumbrancers, from the date of delivery of the lien notice to the county treasurer, of the existence of the security interest.~~

~~———(6) Except as provided in 61-3-109, voluntary security interests or lien filings that do not require transfer of ownership are perfected on the date that the lien notice and the certificate of ownership or manufacturer's statement of origin are received by the department. On that date, the department shall issue to the secured party a receipt evidencing the perfection. Perfection under this subsection constitutes constructive notice to subsequent purchasers or encumbrancers, from the date that the lien notice is delivered to the department, of the existence of the security interest.~~

~~(7)~~(4) Upon default under a chattel mortgage or conditional sales contract covering a motor vehicle, the

mortgagee or vendor has the same remedies as in the case of other personal property. In case of attachment of motor vehicles, all the provisions of 27-18-413, 27-18-414, and 27-18-804 are applicable except that deposits must be made with the department.

~~(8)(5)~~ A conditional sales vendor or chattel mortgagee or assignee secured party or lienholder who has a perfected security interest in a vehicle and who fails to file a satisfaction of a chattel mortgage, assignment, or conditional sales contract the security interest or lien within 45 21 days after receiving final payment is required to pay the department the sum of \$4 \$25 for each day that the person secured party or lienholder fails to file the satisfaction.

~~(9)(6)~~ Upon receipt of Within 24 hours after receiving notice of any involuntary liens or attachments against the record of any motor vehicle registered in this state, the department shall within 24 hours mail to the owner, conditional sale vendor, mortgagees, or assignees of the owner, conditional sale vendor, or mortgagees or any secured party or lienholder of record a notice showing the name and address of the lien claimant, the amount of the lien, the date of execution of the lien, and, in the case of attachment, the full title of the court and the action and the names of the attorneys for the plaintiff and attaching creditor.

~~(10)~~ It is not necessary to refile with the department any instruments on file in the offices of the county clerk and recorders at the time that this law takes effect.

(7) (a) This section does not prevent a secured party or lienholder from assigning the secured party's or lienholder's interest in a motor vehicle, for which a certificate of title is issued under this chapter, to any other person without the consent of and without affecting the interest of the holder of the certificate of title.

(b) If a secured party assigns all or part of the party's interest in a motor vehicle for which a certificate of title is issued under this chapter, the secured party assigning the interest shall file a copy of the assignment with the department and the department shall record the assignment in the department's records.

~~(11)(8)~~ (a) A fee of \$8 must be paid to the department to file any security interest or other lien against a motor vehicle. The \$8 fee includes the cost of filing a satisfaction or release of the security interest and also covers the cost of entering and, upon the subsequent satisfaction or release, of removing the security interest or lien from the electronic record of title on the records of the department and of deleting the endorsement of the security interest from the face of the certificate of ownership. A fee of \$4 must be paid to the department for issuing a certified copy of a certificate of ownership subject to a security interest or other lien on file in the office of the department or for filing an assignment of any security interest or other lien on file with the department. All fees provided for in this section must be paid to the county treasurer.

(b) Beginning January 1, 2002, and ending June 30, 2011, the fee is \$8. Of the \$8 fee, \$4 must be

deposited in the state general fund in accordance with 15-1-504. The remaining \$4 must be forwarded to the state treasurer for deposit in the motor vehicle information technology system account provided for in 61-3-550.

(c) Beginning July 1, 2011, the fee is \$4 and must be deposited in the state general fund. (Terminates June 30, 2008--sec. 2, Ch. 260, L. 1999.)

~~———— **61-3-103. (Effective July 1, 2008) Filing of security interests -- perfection -- rights -- procedure -- fees.** (1) The department may not file any voluntary security interest or lien unless it is accompanied by or specified in the application for a certificate of ownership of the vehicle encumbered. If the approved notice form is transmitted to the department, the security agreement or other lien instrument that creates the security interest must be retained by the secured party. A copy of the security agreement is sufficient as a lien notice if it contains the name and address of the debtor and the secured party, the complete vehicle description, amount of lien, and is signed by the debtor. The department shall file voluntary security interests and liens by entering the name and address of the secured party upon the face of the certificate of ownership. Involuntary liens must be filed against the record of the vehicle encumbered. The department shall mail a statement certifying to the filing of a security interest or lien to the secured party. The department shall mail the certificate of ownership to the owner at the address given on the certificate; however, if the transfer of ownership and filing of the security interest are paid for by a creditor or secured party, the department shall return the certificate of ownership to the county treasurer where the vehicle is to be registered. The owner of a motor vehicle is the person entitled to operate and possess the motor vehicle.~~

~~———— (2) A security interest in a motor vehicle held as inventory by a dealer licensed under chapter 4 of this title must be perfected in accordance with Title 30, chapter 9A.~~

~~———— (3) Whenever a security interest or lien is filed against a motor vehicle that is subject to two security interests previously perfected under this section, the department shall endorse on the face of the certificate of ownership, "NOTICE. This motor vehicle is subject to additional security interests on file with the Department of Justice." Other information regarding the additional security interests need not be endorsed on the certificate.~~

~~———— (4) Satisfactions or statements of release filed with the department under this chapter must be retained by it for a period of 8 years after receipt, after which they may be destroyed.~~

~~———— (5) Except as provided in subsection (6), a voluntary security interest or lien is perfected on the date the lien notice and the certificate of ownership or manufacturer's statement of origin are delivered to the county treasurer. On that date, the county treasurer shall issue to the secured party a receipt evidencing the perfection. Perfection under this section constitutes constructive notice to subsequent purchasers or encumbrancers, from the date of delivery of the lien notice to the county treasurer, of the existence of the security interest.~~

~~————(6) Voluntary security interests or lien filings that do not require transfer of ownership are perfected on the date the lien notice and the certificate of ownership or manufacturer's statement of origin are received by the department. On that date, the department shall issue to the secured party a receipt evidencing the perfection. Perfection under this subsection constitutes constructive notice to subsequent purchasers or encumbrancers, from the date the lien notice is delivered to the department, of the existence of the security interest.~~

~~————(7) Upon default under a chattel mortgage or conditional sales contract covering a motor vehicle, the mortgagee or vendor has the same remedies as in the case of other personal property. In case of attachment of motor vehicles all the provisions of 27-18-413, 27-18-414, and 27-18-804 are applicable except that deposits must be made with the department.~~

~~————(8) A conditional sales vendor or chattel mortgagee or assignee who fails to file a satisfaction of a chattel mortgage, assignment, or conditional sales contract within 15 days after receiving final payment is required to pay the department the sum of \$1 for each day that the person fails to file such satisfaction.~~

~~————(9) Upon receipt of notice of any involuntary liens or attachments against the record of any motor vehicle registered in this state, the department shall within 24 hours mail to the owner, conditional sale vendor, mortgagees, or assignees of any owner, conditional sale vendor, or mortgagees a notice showing the name and address of the lien claimant, amount of the lien, date of execution of lien, and in the case of attachment the full title of the court and the action and the name of the attorneys for the plaintiff and attaching creditor.~~

~~————(10) It is not necessary to refile with the department any instruments on file in the offices of the county clerk and recorders at the time this law takes effect.~~

~~————(11) A fee of \$8 must be paid to the department to file any security interest or other lien against a motor vehicle. The \$8 fee must include and cover the cost of filing a satisfaction or release of the security interest and also the cost of entering the satisfaction or release on the records of the department and deleting the endorsement of the security interest from the face of the certificate of ownership. A fee of \$4 must be paid to the department for issuing a certified copy of a certificate of ownership subject to a security interest or other lien on file in the office of the department or for filing an assignment of any security interest or other lien on file with the department. All fees provided for in this section must be paid to the county treasurer. Of the \$8 fee, \$4 must be deposited in the state general fund in accordance with 15-1-504. The remaining \$4 must be forwarded to the state treasurer for deposit in the motor vehicle information technology system account provided for in 61-3-550. (Terminates June 30, 2011--sec. 9, Ch. 394, L. 2001.)~~

~~————**61-3-103. (Effective July 1, 2011) Filing of security interests -- perfection -- rights -- procedure -- fees.** (1) The department may not file any voluntary security interest or lien unless it is accompanied by or~~

specified in the application for a certificate of ownership of the vehicle encumbered. If the approved notice form is transmitted to the department, the security agreement or other lien instrument that creates the security interest must be retained by the secured party. A copy of the security agreement is sufficient as a lien notice if it contains the name and address of the debtor and the secured party, the complete vehicle description, amount of lien, and is signed by the debtor. The department shall file voluntary security interests and liens by entering the name and address of the secured party upon the face of the certificate of ownership. Involuntary liens must be filed against the record of the vehicle encumbered. The department shall mail a statement certifying to the filing of a security interest or lien to the secured party. The department shall mail the certificate of ownership to the owner at the address given on the certificate; however, if the transfer of ownership and filing of the security interest are paid for by a creditor or secured party, the department shall return the certificate of ownership to the county treasurer where the vehicle is to be registered. The owner of a motor vehicle is the person entitled to operate and possess the motor vehicle.

~~————(2) A security interest in a motor vehicle held as inventory by a dealer licensed under chapter 4 of this title must be perfected in accordance with Title 30, chapter 9A.~~

~~————(3) Whenever a security interest or lien is filed against a motor vehicle that is subject to two security interests previously perfected under this section, the department shall endorse on the face of the certificate of ownership, "NOTICE. This motor vehicle is subject to additional security interests on file with the Department of Justice." Other information regarding the additional security interests need not be endorsed on the certificate.~~

~~————(4) Satisfactions or statements of release filed with the department under this chapter must be retained by it for a period of 8 years after receipt, after which they may be destroyed.~~

~~————(5) Except as provided in subsection (6), a voluntary security interest or lien is perfected on the date the lien notice and the certificate of ownership or manufacturer's statement of origin are delivered to the county treasurer. On that date, the county treasurer shall issue to the secured party a receipt evidencing the perfection. Perfection under this section constitutes constructive notice to subsequent purchasers or encumbrancers, from the date of delivery of the lien notice to the county treasurer, of the existence of the security interest.~~

~~————(6) Voluntary security interests or lien filings that do not require transfer of ownership are perfected on the date the lien notice and the certificate of ownership or manufacturer's statement of origin are received by the department. On that date, the department shall issue to the secured party a receipt evidencing the perfection. Perfection under this subsection constitutes constructive notice to subsequent purchasers or encumbrancers, from the date the lien notice is delivered to the department, of the existence of the security interest.~~

~~————(7) Upon default under a chattel mortgage or conditional sales contract covering a motor vehicle, the~~

mortgagee or vendor has the same remedies as in the case of other personal property. In case of attachment of motor vehicles all the provisions of 27-18-413, 27-18-414, and 27-18-804 are applicable except that deposits must be made with the department.

———(8) A conditional sales vendor or chattel mortgagee or assignee who fails to file a satisfaction of a chattel mortgage, assignment, or conditional sales contract within 15 days after receiving final payment is required to pay the department the sum of \$1 for each day that the person fails to file such satisfaction.

———(9) Upon receipt of notice of any involuntary liens or attachments against the record of any motor vehicle registered in this state, the department shall within 24 hours mail to the owner, conditional sale vendor, mortgagees, or assignees of any owner, conditional sale vendor, or mortgagees a notice showing the name and address of the lien claimant, amount of the lien, date of execution of lien, and in the case of attachment the full title of the court and the action and the name of the attorneys for the plaintiff and attaching creditor.

———(10) It is not necessary to refile with the department any instruments on file in the offices of the county clerk and recorders at the time this law takes effect.

———(11) A fee of \$4 must be paid to the department to file any security interest or other lien against a motor vehicle. The \$4 fee must include and cover the cost of filing a satisfaction or release of the security interest and also the cost of entering the satisfaction or release on the records of the department and deleting the endorsement of the security interest from the face of the certificate of ownership. A fee of \$4 must be paid to the department for issuing a certified copy of a certificate of ownership subject to a security interest or other lien on file in the office of the department or for filing an assignment of any security interest or other lien on file with the department. All fees provided for in this section must be paid to the county treasurer for deposit in the state general fund in accordance with 15-1-504."

NEW SECTION. Section 44. Certificate of title -- transaction summary receipt -- prima facie evidence. A certificate of title or transaction summary receipt issued by, or under the authority of, the department is prima facie evidence of the facts appearing on the certificate of title or transaction summary receipt.

Section 45. Section 61-3-106, MCA, is amended to read:

"61-3-106. Report of stolen and recovered motor vehicles -- accessibility -- insurance fraud and theft reporting -- immunity. (1) It ~~shall be~~ is the duty of the sheriff of ~~every~~ each county of the state and of the chief of police or commissioner of police of ~~every~~ each city to make an immediate entry regarding each vehicle theft or recovery into the state automated stolen vehicle file maintained by the ~~law enforcement network system~~

~~(LENS) department on the state's criminal justice information system.~~ Failure on the part of any officer ~~shall be considered to be~~ to make the immediate entry is considered misfeasance in office and ~~shall constitute~~ constitutes grounds for removal. Upon entry of ~~such the~~ information, ~~LENS the state's criminal justice information system~~ and the national crime information center must be allowed immediate access to the state automated stolen vehicle file. ~~It shall also be the duty of LENS to~~ The department shall file reports of stolen and recovered motor vehicles reported to it from other states.

(2) The state automated stolen vehicle file must be made available to the secretary of state or other proper official in each state of the United States through access to the national crime information center. ~~Before issuing a certificate of ownership, the department shall check the vehicle identification number on the motor vehicle to be registered against the state automated stolen vehicle file.~~

(3) Upon written request to an insurer by an authorized governmental agency or upon an insurer's own initiative to notify a specific lienholder, an insurer or an agent authorized by an insurer to act on its behalf shall release to the requesting agency or lienholder relevant information in the insurer's possession relating to any specific motor vehicle theft or motor vehicle insurance fraud.

(4) (a) Except as otherwise provided by law, information furnished pursuant to this section is privileged and may not become part of a public record. The evidence or information is not subject to a subpoena duces tecum in a civil or criminal proceeding unless the court determines after reasonable notice to the parties listed in subsection (4)(b) and a hearing that the public interest and any ongoing investigation by the parties listed in subsection (4)(b) will not be jeopardized by compliance with the subpoena duces tecum.

(b) The notice required by subsection (4)(a) must be sent to an insurer, an agent authorized by an insurer to act on its behalf, an authorized governmental agency that has an interest in the information, and a specific lienholder.

(5) An authorized governmental agency provided with information pursuant to this section may release or provide the information to any other authorized governmental agency.

(6) An insurer, an agent authorized by an insurer to act on its behalf, or an employee of an insurer or agent is not subject to civil or criminal liability in any cause of action for releasing or receiving information under this section.

(7) As used in this section, the following definitions apply:

(a) "Authorized governmental agency" means any ~~duly~~ constituted criminal investigative department or agency of the United States; the state department of justice; the state auditor's office; a peace officer of the state or a political subdivision of the state; or a prosecuting attorney of any state, of any political subdivision of any

state, or of the United States or any district of the United States.

(b) "Relevant information" includes but is not limited to:

(i) insurance policy information related to any motor vehicle theft or motor vehicle insurance fraud under investigation, including an application for a policy;

(ii) available policy premium payment records;

(iii) the history of previous claims made by the insured; and

(iv) information relating to the investigation of any motor vehicle theft or motor vehicle insurance fraud, including statements of any person, proof of loss and notice of loss, and any information that an insurer knows or reasonably believes reveals or may reveal the identity of a person who it has reason to believe committed a criminal or fraudulent act relating to a motor vehicle theft or motor vehicle insurance claim or has knowledge of an act that has not been reported to an authorized governmental agency.

(c) "Specific lienholder" means a person or firm that holds a security interest in a motor vehicle involved in a specific motor vehicle theft or motor vehicle insurance fraud."

Section 46. Section 61-3-107, MCA, is amended to read:

"61-3-107. Identification number for trailers, campers, and other vehicles. (1) A trailer, semitrailer, housetrailer, or camper that does not have a manufacturer's or other identifying number ~~thereon~~ on the trailer, semitrailer, housetrailer, or camper must be assigned an identification number by the department.

(2) The department may not issue a certificate of ownership or a certificate of title or reissue a certificate of ownership or a certificate of title covering a vehicle on which the identification number has been altered, removed, obliterated, defaced, omitted, or is otherwise absent unless the owner or other person lawfully in possession of the vehicle files an application with the department, accompanied by a fee of \$5. The application must be on a form provided by the department and must contain information required by the department for the assignment of a special identification number for a vehicle. Upon receipt of the application and if the department is satisfied that the applicant is entitled to the assignment of an identification number, the department shall designate a special identification number for the vehicle. The department shall note the special identification number on the application and on records to be kept by the department. This assigned identification number must be stamped or securely attached in a conspicuous position on the vehicle in the manner and form prescribed by the department.

(3) ~~In a case where~~ If the true identity of a vehicle can be established by restoring the original manufacturer's serial number or other distinguishing numbers or identification marks, the department may not

assign a special identification number and shall replace the vehicle's identification mark by duplicating the manufacturer's full numeric or alphanumeric identification sequence. The department may replace an identification mark only after conducting an inquiry to determine that ownership of the vehicle bearing a restored identification mark has been lawfully transferred to the applicant. The applicant shall apply for and the department shall replace the identification mark on the vehicle as required under subsection (2).

(4) Upon receipt by the department of a certificate of inspection completed by a peace officer or authorized member of the department verifying that the identification number has been stamped or securely attached in a conspicuous position upon the vehicle, accompanied by an application for a certificate of ownership or a certificate of title and the required fee, the department shall use the number as the numeric or alphanumeric identification mark for the vehicle in any certificate of ownership or a certificate of title that may be issued."

Section 47. Section 61-3-109, MCA, is amended to read:

"61-3-109. ~~(Temporary)~~ Electronic search title, lien filing, and registration. (1) The department shall develop and implement a pilot program allowing to allow:

(a) electronic transmission of data by the department's authorized agent or a county treasurer to or from the department in lieu of the transmission of paper documents;

(b) substantiation of electronic record transactions performed by the department, its authorized agent, or a county treasurer;

(c) the search of electronic search of motor vehicle titles, electronic filing and perfection of liens on motor vehicles, and electronic records of title and registration of motor vehicles by the department, its agents, and county treasurers;

(d) electronic filing, perfection, and release of security interests or liens of record; and

(e) certification and audit by the department of its authorized agents.

(2) The department shall adopt rules to implement the pilot program. The rules must include procedures designed to constitute constructive notice of electronically filed and perfected liens and electronically registered ~~titles~~ maintained ownership records to subsequent purchasers, ~~or encumbrancers secured parties, or lienholders~~ from the date of a lien's perfection or title registration transfer of ownership. ~~(Terminates June 30, 2008--sec. 2, Ch. 260, L. 1999.)"~~

Section 48. Section 61-3-201, MCA, is amended to read:

"61-3-201. ~~Transfer of interest~~ Certificate of title required -- ~~cancellation of erroneous certificate~~

of ownership or registration exclusions. ~~(1) Upon a transfer of any interest in a motor vehicle registered under the provisions of this chapter, the person whose interest is to be transferred shall sign the certificate of ownership issued for the vehicle in the appropriate space provided, and the signature must be acknowledged before the county treasurer, a deputy county treasurer, an elected official authorized to acknowledge signatures, an employee of the department, or a notary public.~~

~~————(2) Within 20 calendar days after endorsement, the transferee shall forward both the endorsed certificate of ownership with the odometer mileage statement required under 61-3-206 and the certificate of registration, together with the information required under 61-3-202, to the county treasurer, who shall forward them to the department. The department may not issue a certificate of ownership or certificate of registration until the outstanding certificates are surrendered to that office or their loss is established to its reasonable satisfaction. Failure to make application within the 20-day grace period subjects the transferee to a penalty of \$10. The county treasurer shall collect the penalty at the time of registration and forward the penalty fee to the department of revenue for deposit in the state general fund. The penalty is in addition to the fees otherwise provided by law. If the transferee does not make application within 25 days, a creditor or secured party may pay the fees for the transfer of title and filing of security interest or lien in order to have title transferred to the transferee and have the security interest or lien filed. The creditor or secured party is not liable for the penalty, registration fees, or taxes. The department shall return the certificate of title to the county treasurer as provided in 61-3-103(1). When the certificate of ownership is returned by the department to the county treasurer, the treasurer shall hold the certificate of ownership until the vehicle is properly registered.~~

~~————(3) In the event of a transfer by operation of law of any interest in a motor vehicle as upon inheritance, devise, or bequest, order in bankruptcy or insolvency, execution sale, repossession upon default in the performance of the terms of a lease or executory sales contract, or otherwise than by voluntary act of the person whose title or interest is transferred, the executor, administrator, receiver, trustee, sheriff, or other representative or successor in interest of the person whose interest is transferred shall forward to the department an application for a certificate of ownership in the form required by the department, together with a verified or certified statement of the transfer of interest. The statement must set forth the reason for the involuntary transfer, the interest transferred, the name of the person to whom the interest is to be transferred, the process of procedure effecting the transfer, and other information requested by the department. Evidence and instruments otherwise required by law to effect a transfer of legal or equitable title to or an interest in chattels must be furnished with the statement. If the department is satisfied that the transfer is regular and that all formalities required by law have been complied with, it shall send to the owner, conditional sales vendor, lessor, mortgagee, and other lienor, as~~

~~shown by its records, notice of the intended transfer and, not less than 5 days after sending notice, shall issue a new certificate of ownership and certificate of registration to the transferee. The notice required by this section is complied with by deposit in the U.S. mail of the notice, postage prepaid, addressed to the person at the respective address shown on its records:~~

~~———(4) When the vehicle certificate of ownership that is involuntarily transferred is not registered in this state, the procedure in subsection (3) must be followed in applying for a new certificate of ownership and certificate of registration. However, in lieu of the statement required in subsection (3), the department may accept an affidavit of repossession on the form provided by the state in which a lien has been perfected and the department need not send notice of intended transfer and shall issue a new certificate of ownership and a new certificate of registration to the person entitled to the certificates:~~

~~———(5) (a) If the owner of one or more motor vehicles, trailers, semitrailers, or housetrailers registered under this chapter and not exceeding a combined value of \$15,000 dies without leaving other property necessitating the procuring of letters of administration or letters testamentary, the surviving spouse or other heir unless the property is by will otherwise bequeathed may secure transfer of the decedent's certificate of ownership and the certificate of registration for the vehicle:~~

~~———(b) The person seeking transfer of the certificate of ownership shall file an affidavit with the department setting forth the fact of survivorship and the name and address of any other heirs and other facts as are necessary under subsection (5)(a) to entitle the affiant to a transfer:~~

~~———(c) The department is authorized to transfer the certificate of ownership and certificate of registration, subject to all security interests shown by its records, upon receipt of an affidavit showing that the affiant is entitled to a transfer under the provisions of subsection (5)(a):~~

~~———(6) Subsection (5) does not prevent a secured party from assigning the secured party's interest in a motor vehicle registered under the provisions of this chapter to any other person without the consent of and without affecting the interest of the holder of the certificate of ownership and certificate of registration. Upon any assignment by a secured party of the secured party's security interest in any motor vehicle registered under this chapter, a copy of the assignment must be filed with the department and a record of the assignment must be made in its records:~~

(1) Except as provided in subsection (2), the owner of a motor vehicle that is in this state and for which a certificate of title has not been issued by or an electronic record of title has not been created by the department shall apply to the department, its authorized agent, or a county treasurer for a certificate of title for the motor vehicle.

(2) The following vehicles are exempt from the requirements of this part:

(a) a vehicle owned by the United States, unless the vehicle is registered in this state;

(b) a vehicle that is:

(i) owned by a manufacturer, a dealer, a wholesaler, or an auto auction; and

(ii) held for sale, even though incidentally moved on the highway, used for purposes of testing or demonstration, or used solely by a manufacturer for testing;

(c) a vehicle owned by a nonresident of this state;

(d) a vehicle regularly engaged in the interstate transportation of person or property and:

(i) for which a currently effective certificate of title has been issued in another state or jurisdiction; or

(ii) that is properly registered under the provisions of Title 61, chapter 3, part 7;

(e) a vehicle moved solely by human or animal power;

(f) an implement of husbandry;

(g) special mobile equipment;

(h) a self-propelled wheelchair or tricycle used by a person with a disability; or

(i) a dolly or converter gear.

~~(7)~~(3) The certificate of ~~ownership~~ title is valid until canceled by the department upon a transfer of any interest shown in the certificate of title, and annual renewal is not needed.

~~(8) (a) Upon its determination that a certificate of ownership or a registration receipt contains an error or that the applicant has paid the required fees and taxes with an insufficient funds check and if the department has been notified of that fact by the county attorney, the department may cancel the certificate of ownership or receipt and, in the case of an error, issue a replacement for the erroneous certificate or receipt if the owner has returned the certificate or receipt to be canceled. If the owner fails to return to the department the certificate of ownership, the registration receipt, or the license plate, the department shall direct a peace officer or department employee to secure and return the certificate, receipt, or license plate to the department.~~

~~(b) Any person who fails to return a certificate of ownership or a registration receipt that contains an error or that has been canceled by the department because of an insufficient funds check, as provided in subsection (8)(a), after receiving actual notice of the department's demand for the return of the certificate or receipt, as required by subsection (8)(a), is guilty of a misdemeanor and upon conviction may be fined an amount not to exceed \$500."~~

Section 49. Section 61-3-202, MCA, is amended to read:

"61-3-202. Certificate of ownership title -- issuance -- contents -- joint ownership --~~inspection--~~ fees. ~~(1) Upon completion of the application for certificate of ownership, on forms furnished by the department, the county treasurer shall forward one copy of the application to the department, which shall enter the information contained in the application upon the corresponding records of its office and, except as provided in 61-3-103(1) and 61-3-201(2) concerning applications by creditors or secured parties, shall furnish the applicant a certificate of ownership subject to the provisions of 61-3-103.~~

~~(2)(1) The A certificate of ownership shall title issued by the department must contain upon the face thereof:~~

~~(a) the date issued;~~

~~(b) the name and mailing and residence address of the owner or the names and addresses of joint owners;~~

~~(c) the mileage disclosed by the transferor when ownership of the vehicle was transferred, including a notation that the record mileage is actual, not actual, or exceeds mechanical limits;~~

~~(c)(d) except as provided in 61-3-103, the name and complete address of any holder of a perfected security interest in the registered vehicle each secured party and lienholder, in the order of priority and perfection or, if the application was based on a surrendered certificate of title, in the order that the names and addresses are shown on the certificate of title;~~

~~(d) a description of the registered vehicle, including the year built and vehicle identification number;~~

~~—— (e) except as provided in 61-3-103, the filing date of any lien against such motor vehicle; and~~

~~(e) the title number assigned to the vehicle;~~

~~(f) the name of the jurisdiction in which the vehicle owner resides; the words "certificate of title"; the vehicle identification number; the year, make, and model of the vehicle; and any required or carried-forward brands;~~

~~(g) the unique transaction record number, if available and assigned by the department; and~~

~~(f)(h) such other statement of facts as may be determined by any other data that the department prescribes.~~

~~(2) A certificate of title issued by the department is valid until canceled by the department upon:~~

~~(a) a transfer, in the electronic record, of title of any ownership interest shown in the certificate of title;~~

~~(b) notice received by the department of the surrender of the certificate of title to a motor vehicle title issuing agency of another jurisdiction for an issuance of a title in that jurisdiction;~~

~~(c) the issuance of a duplicate certificate of title; or~~

(d) a determination by the department that the certificate of title contains a substantial error or that the person who requested issuance of the certificate of title paid the required fees and taxes with an insufficient funds check.

(3) (a) Whenever the conditions described in subsection (2)(d) occur, the department shall:

(i) give prompt written notice of the cancellation of the certificate of title to any owner, secured party, or lienholder of record; and

(ii) stop any change to the electronic record of title.

(b) The action taken by the department under subsection (3)(a) prevents the transfer of any ownership interest until the error is corrected or the fees and taxes have been paid.

~~(3)(4) When~~ If the names and addresses of more than one owner ~~who are members of the same immediate family~~ are listed on the certificate of ownership title, joint ownership with right of survivorship, and not as tenants in common, is presumed.

~~(4) Upon receipt of the application, the department shall recheck the application. If there is any error in the application, it may be returned to the owner or to the county treasurer to effectively secure the correction of such error, who shall return the same to the department.~~

~~(5) The certificate of ownership shall contain a notice to the department of a transfer of interest of the owner and such other statements as may be determined by the department.~~

~~(6) A salvage vehicle for which a certificate of ownership is sought must be inspected for the vehicle identification number to authenticate the identity of the vehicle before a certificate of ownership can be issued. The inspection may not attest to the roadworthiness or safety condition of the vehicle and must be performed by department employees or peace officers designated by the department.~~

~~(7) The department may contract with a person or entity for use of a facility as a regional inspection site for salvage vehicles.~~

~~(8) To defray the cost of the vehicle inspection program, the department shall collect a fee of \$18.50 for the inspection of each salvage vehicle for which a certificate of ownership is sought. The fee must be distributed as follows:~~

~~(a) A portion of the inspection fee for each salvage vehicle must be remitted by the department to the state treasurer for deposit in the general fund.~~

~~(b) A portion of the inspection fee for each salvage vehicle must be remitted by the department to the inspection site that has contractually permitted the use of its facility for the inspection.~~

~~(9) (a) An authorized inspector may seize and hold a vehicle:~~

- ~~_____ (i) the inspector has probable cause to believe is stolen;~~
- ~~_____ (ii) on which a motor number or vehicle identification number has been defaced, altered, removed, covered, destroyed, or obliterated; or~~
- ~~_____ (iii) that does not conform with the vehicle identification number on the certificate of ownership.~~
- ~~_____ (b) A seized vehicle may be held until the identity of the vehicle is established and arrangements are made for its lawful disposition. An authorized inspector may use any means necessary to identify a vehicle by its vehicle identification number or numbers.~~

~~(10) The department may not issue a certificate of ownership for a vehicle until the identity of the vehicle is established.~~

~~(11) The department may adopt rules for the implementation and administration of the vehicle inspection program."~~

Section 50. Section 61-3-203, MCA, is amended to read:

"61-3-203. Fee for original certificate of ownership and transfer of registration title -- disposition.

~~A charge person applying for a certificate of title shall pay a fee of \$5 must be made for issuance of an original certificate of ownership of title, and for a transfer of registration, which The fee must be collected by the county treasurer or by an authorized agent of the department at the time of application. An additional fee of \$2 must be paid for light vehicles, trucks and buses weighing less than 1 ton, and logging trucks. The fees must be deposited in the state general fund."~~

Section 51. Section 61-3-204, MCA, is amended to read:

"61-3-204. Lost certificates Replacement certificate of title -- application. ~~(1) In the event any If a certificate of ownership title is lost, stolen, destroyed, mutilated, or becomes illegible; or if the owner wants to update personal information on the electronic record of title or have a replacement certificate of title issued with updated information, the owner shall immediately make application for and obtain, as shown on the electronic record of title, may apply for and request the department to issue a duplicate thereof, upon furnishing replacement certificate of title. The application must include satisfactory evidence of such the facts requiring the replacement certificate of title and upon payment of be accompanied by a fee of \$3 \$5. Revenue from this fee must be deposited in the general fund.~~

~~(2) Each replacement certificate of title issued by the department must contain the following statement: "This replacement voids any previously issued title."~~

Section 52. Section 61-3-205, MCA, is amended to read:

"61-3-205. Transfer of ownership of vehicles by insurance company. (1) When an insurance company or its adjuster has taken possession of a motor vehicle as a result of settling an insurance claim and transfers ownership of the motor vehicle, it shall deliver to the transferee at the time of transfer a certificate of ownership title signed and acknowledged by the registered owner or owners before the county treasurer, a deputy county treasurer, or a notary public.

(2) If the certificate of ownership title names one or more holders of a perfected security interest in the motor vehicle, the insurance company or its adjuster shall also secure and deliver to the transferee a release from the secured party of the security interest."

Section 53. Section 61-3-206, MCA, is amended to read:

"61-3-206. Odometer disclosure requirements on transfer of vehicle -- dealer to preserve record.

(1) Except as provided in subsection (3), before executing any transfer of ownership document relating to a motor vehicle, each seller of a motor vehicle shall record on the certificate of ownership title the odometer reading at the time of transfer or, if the certificate of ownership title does not provide for the recording of the odometer reading, furnish to the purchaser a written statement that is signed by the seller, who shall also print the seller's name on the written statement, and that contains the following information:

- (a) the odometer reading at the time of transfer;
- (b) the date of transfer;
- (c) the seller's name and current address;
- (d) the purchaser's name and current address;
- (e) the vehicle year, make, model, body style, and identification number;
- (f) one of the following statements or certification:
 - (i) a certification by the seller that, to the best of the seller's knowledge, the odometer reading reflects the actual miles or kilometers the vehicle has been driven;
 - (ii) if the seller knows that the odometer reading reflects the amount of mileage in excess of the designed mechanical odometer limit of 99,999 miles or kilometers, the seller shall include a statement to that effect; or
 - (iii) if the seller knows that the odometer reading differs from the number of miles or kilometers the vehicle has actually traveled and that the difference is greater than that caused by odometer calibration error, the seller shall include a statement that the odometer reading is not the actual mileage and should not be relied upon.

(2) The purchaser shall acknowledge receipt of the disclosure statement by signing it and printing the

purchaser's name on the disclosure statement.

(3) The seller of the following types of motor vehicles need not disclose the odometer reading of the vehicle as required in subsection (1):

- (a) a motor vehicle that is 10 years old or older;
- (b) a vehicle that is not self-propelled;
- (c) a new motor vehicle transferred between dealers or wholesalers prior to its first retail sale, unless the vehicle has been used as a demonstrator;
- (d) a vehicle having a gross weight rating of more than 16,000 pounds; or
- (e) a vehicle sold directly by the manufacturer to an agency of the United States.

(4) A dealer or wholesaler licensed under chapter 4 of this title shall create a record of the information required in subsection (1) and shall maintain and preserve that record for at least 5 years after the date of sale of the motor vehicle to which the information pertains."

Section 54. Section 61-3-207, MCA, is amended to read:

"61-3-207. Mobile home or housetrailer -- transfer of interest. (1) Upon a transfer of any interest in a mobile home or housetrailer under the provisions of this chapter, the application for the transfer must be made through the county treasurer's office in the county in which the mobile home or housetrailer is located at the time of the transfer. The county treasurer may not accept the application unless all taxes, interest, and penalties that have been assessed on the mobile home or housetrailer have been paid in full.

(2) When a mobile home or housetrailer is sold under contract or under conditions that title is not immediately conveyed, the parties to the transaction shall immediately file with the county clerk and recorder a notice of intention to transfer title. The notice must indicate the name of the party who is responsible for payment of taxes upon the mobile home or housetrailer after the transfer. The clerk and recorder shall immediately notify the department of revenue of the information in the notice. The penalty provisions of ~~61-3-204(2)~~ [section 9] do not apply if the notice of intent to transfer is filed with the county clerk and recorder within 20 days after the transfer."

Section 55. Section 61-3-208, MCA, is amended to read:

"61-3-208. Affidavit and bond for certificate of title. (1) If an applicant for a ~~vehicle~~ certificate of title cannot provide the department with ~~a the certificate of title transferred that assigns the prior owner's interest in the vehicle~~ to the applicant, the department may issue a certificate of title ~~for the vehicle if the applicant furnishes~~

an affidavit in a form prescribed by the department if subsection (2) is complied with.

(2) (a) The applicant shall submit an affidavit in a form prescribed by the department that must be signed and sworn to before an officer authorized to administer oaths and affirmations. The affidavit must accompany the application for the certificate of title and include must:

~~(a)(i) include~~ the facts and circumstances through which the applicant acquired ownership and possession of the vehicle;

~~(b)(ii) information as required by the department to enable it to determine what disclose~~ security interests, liens, ~~and or~~ encumbrances, if any, ~~that are known to the applicant and that~~ are outstanding against the vehicle;

~~(c) the date and the amount secured by the security interests, liens, and encumbrances, if any; and~~

~~(d)(iii) a statement state~~ that the applicant has the right to have a certificate of title issued.

(b) The application must satisfy one of the following conditions:

(i) The vehicle for which the application is being made must be a boat, personal watercraft, sailboat 12 feet in length or longer, or a snowmobile, and the loss of the certificate of title must be established by the applicant to the department's satisfaction.

(ii) The applicant shall certify in the affidavit that the value of the vehicle for which the application is made is \$500 or less as indicated by

~~(3) If after examination of the application, affidavit, and any other evidence the department determines that a certificate of title for the vehicle should be issued to the applicant, the department shall require the applicant to file with the department a good and sufficient bond before issuing the certificate of title. The bond must be:~~

~~—— (a) in an amount equal to the average trade-in or wholesale value of the vehicle as determined by the applicable national appraisal guide for the vehicle as of January 1 for the year in which the application for certificate of title is made. When or, if a national appraisal guide is not available for a vehicle, the department shall determine an alternative value for the vehicle. according to the applicant's knowledge and belief.~~

~~(b)(iii) The applicant shall provide a bond, in a form prescribed by the department, issued by a surety company authorized to do business in this state, in an amount equal to the value of the vehicle for which the application is being made, as determined by the surety company. The bond is conditioned to indemnify a prior owner, lienholder, subsequent purchaser, secured creditor, or encumbrancer of the motor vehicle and any respective successors in interest against expenses, losses, or damages, including reasonable attorney fees, caused by the issuance of the certificate of title or by a defect in or undisclosed security interest upon the right, title, and interest of the applicant in the vehicle; and~~

~~—— (c) issued by a surety company authorized to do business in the state.~~

~~(4)~~(3) Any interested person has a right of action to recover on the bond furnished under this section for a breach of its conditions, but the aggregate liability of the surety to all persons may not exceed the amount of the bond.

~~(5)~~(4) Unless the department has been notified of a pending action to recover the bond furnished under this section, the department shall return the bond at the earlier of:

- (a) 3 years from the date of issuance of the certificate of title; or
- (b) the date of surrender of the valid certificate of title to the department if the vehicle is no longer ~~registered~~ required to have a certificate of title in this state."

Section 56. Section 61-3-210, MCA, is amended to read:

"61-3-210. Definitions. As used in this part, the following definitions apply:

(1) "Cab" means the passenger compartment of a common truck or pickup truck. It is a unit of construction that includes the top or roof and the cowl and may or may not include glass, instrumentation, the steering column, and a seat or seats.

(2) "Center structure" includes the section of either a unibody or frame-type passenger vehicle that consists of a unit of sheet metal that extends from the firewall to the back of the rear seat or the centerline of the rear wheels. The structure may comprise the roof, side and rear window posts, cowl panel, dash panel, floor pans, doors, and rocker panels if two or more of these parts are assembled together as one unit.

(3) "Component part" means the front-end assembly, center structure, or tail section of an automobile, the cab of a truck, the bed of a 1-ton or lighter truck, the frame of a vehicle, or any part of a vehicle that contains a vehicle identification number or a derivative of a vehicle identification number.

(4) "Frame" means the structure that supports the automobile body and other external component parts.

(5) "Front-end assembly" includes the hood, right front and left front fenders, grill, bumper, and radiator supports if two or more of these parts are assembled together as one unit forward of the firewall.

(6) "Salvage certificate" means a certificate of ~~ownership~~ title issued by the department for a salvage vehicle that may be used to retitle the vehicle.

(7) "Salvage vehicle" means a vehicle damaged by collision, fire, flood, accident, trespass, or other occurrence to the extent that the owner, an insurer, or other person acting on behalf of the owner determines that the cost of parts and labor makes it uneconomical to repair the vehicle.

(8) "Salvage vehicle purchaser" means a person, other than an insurer, who purchases or otherwise obtains possession of a salvage vehicle.

(9) "Tail section" includes the floor pan, right rear and left rear quarter panels, deck lid, upper rear and lower rear panels, and rear bumper if two or more of these parts are assembled together as one unit.

(10) "Vehicle identification number" means the number, letters, or combination of numbers and letters assigned by the manufacturer, by the department, or in accordance with the laws of another state or country for the purpose of identifying the vehicle or a component part of the vehicle."

Section 57. Section 61-3-211, MCA, is amended to read:

"61-3-211. Surrender of certificate of ownership title -- issuance of salvage certificate -- salvage retitling requirements. (1) An insurer acquiring ownership of a vehicle that is less than 5 years of age that ~~he~~ the insurer determines to be a salvage vehicle shall surrender the certificate of ~~ownership~~ ownership title to the department within 15 days after acquiring the certificate ~~of title~~ of title. If the insurer has not sold the salvage vehicle prior to the time of surrendering the certificate of ~~ownership~~ ownership title, the insurer shall apply for a salvage certificate on a form prescribed by the department. If the certificate of ~~ownership~~ ownership title names one or more holders of a perfected security interest in the 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 ~~ownership~~ ownership title and a salvage certificate application from an insurer, 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 a salvage vehicle within the 15-day period established in subsection (1) prior to surrendering the certificate of ~~ownership~~ ownership 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 clear title and lien release. Prior to disposing of the salvage vehicle, the salvage vehicle purchaser shall apply for a salvage certificate by completing the salvage receipt and submitting it to the department. The insurer shall deliver a copy of the salvage receipt with the surrendered certificate of ~~ownership~~ ownership title to the department. Upon receipt of the certificate of ~~ownership~~ ownership title from the insurer and the application from the salvage vehicle purchaser, the department shall issue a salvage certificate to the salvage vehicle purchaser that is prima facie evidence of ownership.

(4) If an insurer determines that a salvage vehicle will remain with the owner after an agreed settlement, the insurer shall notify the department of the settlement on a form prescribed by the department. Upon receipt

of the notice, the department may require the owner to surrender the certificate of ownership title in compliance with this part, regardless of whether ownership of the salvage vehicle was obtained in a jurisdiction not requiring the surrender of the certificate of ownership title or a comparable ownership document.

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

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

(7) A salvage vehicle owned by or in the inventory of a motor vehicle wrecking facility on October 1, 1991, is exempt from the provisions of this section if the owner of the facility has complied with the provisions of 75-10-513(2)."

Section 58. Section 61-3-212, MCA, is amended to read:

"61-3-212. Retitling salvage vehicles -- penalty. (1) Prior to operating a salvage vehicle on the roads and highways of this state, the owner shall present the vehicle and the salvage certificate, if one has been issued, or the certificate of ownership title, the appropriate receipts or bills of sale establishing ownership, and the source of component parts used to rebuild the vehicle to a department employee or designated peace officer for inspection ~~at a regional inspection site authorized under 61-3-202(7), as provided in [section 12]~~. An owner may obtain a 72-hour temporary registration permit from the department or its designee for the purpose of moving a salvage vehicle to and from the designated inspection site.

(2) (a) The inspector shall inspect the vehicle to verify the identity of the vehicle.

(b) The inspector shall verify that the component parts used to rebuild the vehicle are evidenced by traceable receipts or bills of sale and that there are no indications that the vehicle or any of its parts are stolen. Documentation provided by the owner or employee of a wrecking facility licensed under the provisions of Title 75, chapter 10, part 5, is prima facie evidence of the facts stated in the documentation.

(3) Following inspection and prior to operating the vehicle on the roads and highways of this state, the owner shall apply for a new certificate of ownership title by submitting the application, the salvage certificate, receipts or bills of sale, and a copy of the inspection report to the department.

(4) Upon receipt of the application, required documentation, and payment of the fee ~~for a salvage vehicle~~ required in ~~61-3-202(8)~~ [section 12(3)], the department shall issue a new certificate of ownership title with the words "rebuilt salvage" on the face of the certificate of title.

(5) A person failing to comply with the provisions of this part is guilty of a misdemeanor and upon conviction shall be fined an amount not to exceed \$500. The salvage vehicle purchaser shall produce the salvage certificate upon request of a public official legally entitled to request the certificate. A person may not operate or use a salvage vehicle on the roads or highways of this state except when a temporary registration permit has been issued as provided in subsection (1)."

Section 59. Section 61-3-303, MCA, is amended to read:

"61-3-303. ~~Application for registration~~ Registration -- process -- fees. (1) Each owner of A Montana resident who owns a motor vehicle operated or driven upon the public highways of this state shall ~~for each~~ register the motor vehicle ~~owned, except as otherwise provided in this section,~~ file in the office of the county treasurer in the county where the owner permanently resides ~~at the time of making the application~~ or, if the vehicle is owned by a corporation or used primarily for commercial purposes, in ~~the taxing jurisdiction of the~~ county where the vehicle is permanently assigned ~~an application for registration or reregistration on a form prescribed by the department.~~ The application must contain:

~~—— (a) the name and address of the owner, giving the county, school district, and town or city within whose corporate limits the motor vehicle is taxable, if taxable, or within whose corporate limits the owner's residence is located if the motor vehicle is not taxable;~~

~~—— (b) the name and address of the holder of any security interest in the motor vehicle;~~

~~—— (c) a description of the motor vehicle, including make, year model, engine or serial number, manufacturer's model or letter, gross weight, declared weight on all trucks for which the manufacturer's rated capacity is 1 ton or less, and type of body and, if a truck, the manufacturer's rated capacity;~~

~~—— (d) the declared weight on all trailers operating intrastate, except travel trailers or trailers and semitrailers registered as provided in 61-3-711 through 61-3-733;~~

~~—— (e) a space in which the person registering the vehicle may indicate the person's desire to donate \$1 or more to promote awareness and education efforts for procurement of organ and tissue donations for anatomical gifts; and~~

~~—— (f) other information that the department may require.~~

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

(i) as of the date that the vehicle 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

(ii) the county treasurer confirms that the department has an electronic record of title for the vehicle as

provided under 61-3-101.

(b) To register a vehicle, the county treasurer shall update the electronic record of title maintained by the department under 61-3-101 by entering the fees paid and recording any changes to the recorded data.

(3) (a) A county treasurer shall register a motor vehicle 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 vehicle 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 for which the new owner cannot present the previously issued certificate of title only as authorized by the department under 61-3-342.

(4) The department or the county treasurer shall determine the amount of fees, including local option taxes or fees, to be collected at the time of registration for each light vehicle subject to a registration fee under 61-3-560 through 61-3-562 and for each bus, truck having a manufacturer's rated capacity of more than 1 ton, and truck tractor subject to a fee in lieu of tax under 61-3-529. The county treasurer shall collect the registration fee, other appropriate fees, and local option taxes or fees, if applicable, on each motor vehicle at the time of its registration.

~~(2)~~(5) A person who files an application for registration or reregistration of seeks to register a motor vehicle, except of a mobile home or a manufactured home as those terms are defined in 15-1-101(1), shall ~~upon the filing of the application~~ pay to the county treasurer:

(a) the registration fee, as provided in 61-3-311 and 61-3-321 or 61-3-456;

(b) except as provided in 61-3-456 or unless it has been previously paid, the motor vehicle fees in lieu of tax or registration fees under 61-3-560 through 61-3-562 imposed against the vehicle for the current year of registration and the immediately previous year; and

(c) a donation of \$1 or more if the person has indicated on the application 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.

~~(3)~~(6) The application may not be accepted by the county treasurer may not issue a registration receipt or license plates for the vehicle to the owner unless the owner makes the payments required by subsection ~~(2)~~ (5) accompany the application. Except as provided in 61-3-560 through 61-3-562, the department may not assess or impose and the county treasurer may not collect taxes or fees for a period other than:

(a) the current year; and

(b) the immediately previous year if the vehicle was not registered or operated on the highways of the state, regardless of the period of time since the vehicle was previously registered or operated.

~~(4)(7)~~ The department may make full and complete investigation of the registration status of the vehicle. ~~An applicant for registration or reregistration shall submit proof from appropriate records of the proper county at the request of the department. A person seeking to register a motor vehicle under this section shall provide additional information to support the registration to the department, if requested.~~

~~(5)(8)~~ Revenue that accrues from the voluntary donation provided in subsection ~~(2)(e)~~ (5)(c) must be forwarded by the respective county treasurer 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."

Section 60. Section 61-3-311, MCA, is amended to read:

"61-3-311. ~~Time for making application~~ Registration -- annual renewal -- time periods. (1) Registration must be renewed annually, and ~~license~~ registration fees must be paid annually. Except as provided in 61-3-313 through 61-3-316, 61-3-318, 61-3-526, and 61-3-721, all registrations expire on December 31 of the year in which they are issued and ~~application for registration or reregistration must be filed with~~ must be renewed annually upon payment of all required fees to the county treasurer or the department's agent not later than February 15 of each year. If the ownership of a motor vehicle is transferred during the registration year, the new owner shall apply for a certificate of title and register the motor vehicle ~~must be reregistered and relicensed~~ as provided by ~~statute~~ this chapter.

(2) The department, its authorized agent, or a county treasurer may not renew the registration of a vehicle whose ownership has been transferred and that was originally registered under the provisions of 61-3-342(3), unless:

(a) the previously issued certificate of title has been surrendered to the department, its 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 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 61. Section 61-3-312, MCA, is amended to read:

"61-3-312. Renewal of registration -- exceptions -- grace period. (1) Except as provided in 61-3-314,

61-3-318, 61-3-526, and 61-3-721, the registration of a vehicle ~~registration~~ under this chapter expires on December 31 of each year and must be renewed annually upon ~~application and~~ payment of ~~license~~ registration fees as provided in 61-3-303 and 61-3-321. The renewal takes effect on January 1 of each year. ~~The certificate of~~ A registration receipt is valid only during the registration year for which it is issued.

(2) The owner of a vehicle registered under the provisions of this section may operate the vehicle between January 1 and February 15 without displaying the registration ~~certificate~~ decals of the current year if, during the period, the owner displays upon the vehicle the number plates or plate assigned for the previous year."

Section 62. Section 61-3-317, MCA, is amended to read:

"61-3-317. New registration required for transferred vehicle -- grace period -- penalty -- display of proof of purchase. (1) Except as otherwise provided in this section, the new owner of a transferred motor vehicle has a grace period of 20 calendar days from the date of purchase to make application for a certificate of title and pay the registration fees, fees in lieu of tax and other fees required by part 5 of this chapter, and local option taxes, if applicable, unless the fees and taxes have been paid for the year or for the 24-month period as provided in 61-3-315, as if the vehicle were being registered for the first time in that registration year.

(2) If the motor vehicle was not purchased from a licensed motor vehicle dealer as provided in this chapter, it is not a violation of this chapter or any other law for the purchaser to operate the vehicle upon the streets and highways of this state without a ~~certificate of current~~ registration receipt or registration decal during the 20-day period, ~~provided that if~~ at all times during that period, a ~~vehicle purchase sticker in a form prescribed and furnished by the department~~ temporary registration permit, obtained from the county treasurer or a law enforcement officer as authorized by the department, ~~reciting the date of purchase~~ is clearly displayed in the rear window of the motor vehicle or, if a durable placard has been issued for the vehicle, the placard is attached to the rear of the vehicle.

(3) Registration and license fees collected under 61-3-321 are not required to be paid when a license plate is transferred under 61-3-335 and this section.

(4) Failure to make application for a certificate of title within the time provided in this section subjects the purchaser to a penalty of \$10. The penalty must be collected by the county treasurer at the time of registration and is in addition to the fees otherwise provided by law. The penalty must be deposited in the state general fund."

Section 63. Section 61-3-322, MCA, is amended to read:

"61-3-322. Certificates of registration Registration receipts -- issuance. (1) Upon completion of the

~~application for registration on forms furnished by the department, the county treasurer shall file one copy in the treasurer's office and issue to the applicant two copies of the application marked "Owner's Certificate of Registration and Payment Receipt", one of which must be marked "file copy"~~ registration process, the county treasurer shall issue a registration receipt to the owner of the vehicle.

(2) ~~The certificate of registration receipt must contain upon the face of the certificate the information described in 61-3-202(2) the name and address of the vehicle owner, the license plate number assigned to the vehicle, sufficient information to identify the registered vehicle and determine its registration date and period of registration, and any additional information required by rule.~~

(3) ~~The registration receipt, a photostatic copy of the receipt acknowledged by the county treasurer or a deputy county treasurer, a notarized photostatic copy, or a duplicate furnished by the department must at all times be carried in the vehicle to which it refers or must be carried by the person driving or in control of the vehicle, who shall display it upon demand of a police peace officer or any officer or employee of the department or the transportation department.~~

~~(4) The county treasurer shall daily forward to the department one copy of all applications for registration received that day.~~

~~(5) It is not necessary for the county treasurer to segregate the amount of taxes or fees for state, county, school district, and municipal purposes in the receipt."~~

Section 64. Section 61-3-342, MCA, is amended to read:

"61-3-342. Temporary window sticker registration permit -- validity -- expiration. (1) Any purchaser of a motor vehicle who is unable to fully complete the process of applying for a Montana certificate of title at the time he makes application for registration or reregistration of the vehicle because the previously issued certificate of ownership title is lost, in the possession of third parties, or in the process of reissuance in this state or elsewhere, or subject to a disputed, preexisting security interest may, upon making affidavit to that effect upon a form prescribed by the department and upon the payment of all applicable registration fees and taxes, plus an additional fee of \$2 to be collected by the county treasurer and remitted to the department, obtain a temporary registration permit from the county treasurer, ~~of the county in which the vehicle is to be registered~~ a temporary window sticker of such size, color, and design as the department may prescribe, to be validated The temporary registration permit, when issued by the county treasurer, is valid for a period of 60 days from the date of issuance. The purchaser, upon displaying the sticker on the upper left-hand corner of the rear window of the motor vehicle temporary registration permit in the manner prescribed by the department, may operate the vehicle during the

period ~~for which the window sticker has been validated~~ stated in the temporary registration permit without displaying the ~~registration certificate or~~ number plates or plate for the current year. The county treasurer may not sell, and ~~no a~~ person may not purchase, more than one 60-day temporary ~~window sticker~~ registration permit for any vehicle, the ownership of which has not changed since the issuance of the previous 60-day ~~window sticker~~ temporary registration permit.

~~(2) A vehicle for which an application for title cannot be completed may not be registered by the county treasurer nor may license plates for the vehicle be issued by the county treasurer until the completed certificate of ownership or application for title is presented for the purpose of transferring ownership.~~

~~(3)~~(2) In the event The department may authorize the county treasurer to extend the previously issued temporary registration permit for an additional 60-day period if:

(a) an unusual circumstance prevents the owner of a vehicle from presenting the certificate of ownership title within the 60-day period permitted under subsection (1);

(b) the owner may apply to the motor vehicle division for an extended temporary window sticker on an application form provided by the division. The form must be accompanied by the title application requests, on a form prescribed by the department, an extension of the time for which the temporary registration permit is valid and pays a \$10 fee.

~~(4)~~(3) Upon receipt of an application for an extended temporary window sticker and title as designated in subsection (3), the motor vehicle division or the county treasurer, with the authorization of the motor vehicle division, may issue an extended temporary window sticker, valid for an additional 60 days, upon payment of a fee of \$10 that must be deposited in the general fund. At the end of the extended 60-day period or in the event the request for extension is rejected by the department for cause, the owner may obtain a certificate of ownership by the method provided the expiration of the second 60-day temporary registration permit, if the purchaser still cannot present the previously issued certificate of title, properly assigned to the purchaser by the prior owner, or if a dispute remains as to any preexisting, perfected security interests created by the prior owner or the owner's assignee, the department may authorize the county treasurer to register the vehicle and advise the purchaser that the registration will not be renewed at the end of the registration period, unless:

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

(b) the purchaser complies with the requirements of in 61-3-208."

Section 65. Section 61-3-411, MCA, is amended to read:

"61-3-411. Registration of a motor vehicle owned and operated solely as a collector's item. (1)

An owner of a motor vehicle that is more than 30 years old and that is used solely as a collector's item and not for general transportation purposes may file with the department an application for the registration of the motor vehicle. The application must be sworn to before an officer authorized to administer oaths. The application must state:

- (a) the name and address of the owner;
- (b) the name and address of the person from whom purchased;
- (c) the make, the gross weight, the year and number of the model, and the manufacturer's identification number and serial number of the motor vehicle; and
- (d) that the vehicle is owned and operated solely as a collector's item and not for general transportation purposes.

(2) Upon receipt of the application for registration and payment of the registration ~~fee~~ fees, including fees in lieu of tax, the department shall file the application and register the motor vehicle in the manner specified in ~~61-3-404~~ 61-3-303 and, unless the applicant chooses to exercise the option allowed in 61-3-412, shall deliver to the applicant:

(a) for a motor vehicle manufactured in 1933 or earlier, two license plates bearing the inscription "Pioneer--Montana" and the registration number; or

(b) for a motor vehicle manufactured in 1934 or later and more than 30 years old, two license plates bearing the inscription "Vintage--Montana" and the registration number.

(3) The year of issuance may not be shown on the plates.

(4) Annual renewal of the registration of a motor vehicle registered under this section is not required, and the registration is valid as long as the vehicle is in existence and owned by the initial registrant. Upon sale of the motor vehicle, the purchaser shall renew the registration and pay a license renewal fee of \$10 for a vehicle weighing more than 2,850 pounds and \$5 for a vehicle weighing 2,850 pounds or less."

Section 66. Section 61-3-412, MCA, is amended to read:

"61-3-412. Display of original Montana license plates on collector's item vehicle -- definition -- validation. (1) As used in this section, "original Montana license plate" means a license plate issued according to the provisions of 61-3-331; section 53-116, R.C.M. 1947; section 1759.1, R.C.M. 1935; or section 1759, R.C.M. 1921; whichever section was effective during the year of the manufacture of the motor vehicle on which the license plate is authorized to be displayed.

(2) Notwithstanding the provisions of 61-3-332, the department shall authorize the owner of a motor vehicle registered as provided in 61-3-411 to display original Montana license plates, with validation as required in subsection (3), after:

(a) payment of the fee required in subsection (5);

(b) inspection by a highway patrol officer of the original Montana license plate to be displayed on the motor vehicle and, upon payment of a \$5 fee, receipt of the highway patrol officer's certification that the officer has determined that the license plate is legible and meets the requirements of subsection (1); and

(c) receipt of an application by the owner of the motor vehicle as provided for in 61-3-411.

(3) If the owner of a vehicle registered under the provisions of 61-3-314 meets the requirements of subsection (2), the department shall:

(a) file the application and register information on the motor vehicle in the manner prescribed in ~~61-3-404~~ 61-3-303; and

(b) issue a validating decal inscribed with:

(i) a unique number; and

(ii) the letter:

(A) "P" to designate vehicles described in 61-3-411(2)(a); or

(B) "V" to designate vehicles described in 61-3-411(2)(b).

(4) The owner of the motor vehicle shall permanently affix the validating decal to the windshield of the collector's item motor vehicle or, if a windshield does not exist, to another prominent and visible position on the vehicle.

(5) The owner of the motor vehicle shall pay to the department with the application required under this section a one-time special collector's item motor vehicle license fee of \$20."

Section 67. Section 61-3-456, MCA, is amended to read:

"61-3-456. Registration of motor vehicle owned and operated by Montana resident on active military duty stationed outside Montana. (1) As an incentive for military service, an owner of a motor vehicle who is a Montana resident who entered active military duty from Montana and who is stationed outside Montana may file with the department an application for the registration of the motor vehicle. The application must be sworn to before an officer authorized to administer oaths. The application must state:

(a) the name and address of the owner;

(b) the make, the gross weight, the year and number of the model, and the manufacturer's identification

number and serial number of the motor vehicle; and

(c) that the vehicle is owned and operated by a Montana resident who meets the qualifications of subsection (1) and is on active military duty and stationed outside Montana.

(2) The registration fee for a motor vehicle registered under subsection (1) is as provided in 61-3-311 and 61-3-321.

(3) A vehicle registered under this section is not subject to:

(a) the taxes described in ~~61-3-303(2)(b)~~ 61-3-303(5)(b);

(b) assessment under 15-8-202 or 61-3-503, the fee in lieu of tax under 61-3-529, or the registration fee under 61-3-560 through 61-3-562; or

(c) any of the fees provided in part 5 of this chapter."

Section 68. Section 61-3-518, MCA, is amended to read:

"61-3-518. Application for camper certificate of ownership title. A person applying for a certificate of ownership title of a camper shall furnish proof of ownership in the form of a notarized bill of sale or a conditional sales contract."

Section 69. Section 61-3-519, MCA, is amended to read:

"61-3-519. Grace period for registration and payment of fee -- penalty for failure to pay fee. (1) Unless the fee in lieu of tax provided in 61-3-523 for the year has been paid, the purchaser of a new camper has 20 days from the date of purchase to apply for the camper decal, as provided in 61-3-524, and to pay the fee, as if the fee on the camper were being imposed for the first time in that registration year. The purchaser may operate or transport a camper on the highways of Montana without a decal during the 20-day period if the operator of the camper or of the vehicle upon which the camper is transported has in the operator's possession a 20-day ~~certificate~~ temporary registration permit issued by a dealer, if the camper was purchased from a dealer, or a ~~vehicle purchase certificate~~ temporary registration permit issued pursuant to 61-3-317 or other evidence of purchase of the camper.

(2) A purchaser who fails to make application and pay the fee within the time provided in subsection (1) is subject to a penalty of \$10, which must be collected by the county treasurer when the tax is paid and ~~must be~~ is in addition to the fees otherwise provided by law."

Section 70. Section 61-3-562, MCA, is amended to read:

"61-3-562. Permanent registration -- transfer of vehicle ownership -- rules. (1) (a) The owner of a light vehicle 11 years old or older subject to the registration fee, as provided in 61-3-561, may permanently register the vehicle upon payment of a \$50 registration fee, the applicable registration and license fees under 61-3-321, and an amount equal to five times the applicable fees imposed for each of the following:

- (i) junk vehicle disposal fees under 15-1-122(3)(a);
- (ii) weed control fees under 15-1-122(3)(b);
- (iii) the former county motor vehicle computer fees under 61-3-511;
- (iv) the local option vehicle tax or flat fee on vehicles under 61-3-537;
- (v) if applicable, license plate fees under 61-3-332 and renewal fees for personalized plates under 61-3-406;
- (vi) if applicable, the amateur radio operator license plate fee under 61-3-422;
- (vii) if applicable, the annual scholarship donation fee under 61-3-465; and
- (viii) senior citizens and persons with disabilities transportation services fees as provided in 61-3-321(6).

(b) A person who permanently registers a vehicle as provided in subsection (1)(a) shall pay an additional \$2 fee at the time of registration for deposit in the state general fund. The department shall pay from the general fund an amount equal to the \$2 fee collected under this subsection (1)(b) from each motor vehicle registration to the pension trust fund for payment of supplemental benefits provided for in 19-6-709.

(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 vehicle that is permanently registered under this section is not subject to additional fees under 61-3-561 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:

- (a) distribute the \$50 registration fee collected under this section as provided in 61-3-509;
- (b) once each month, remit to the department of revenue the amounts collected under this section, other than the local option vehicle tax or flat fee, for the purposes of 61-3-321(3) and 61-10-201. The county treasurer shall retain the local option vehicle tax or flat fee.

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

(b) Upon transfer of a vehicle registered under this section to a new owner, the new owner shall apply for a certificate of ~~ownership title~~ under 61-3-201 and file an application for registration under 61-3-303. (Subsection (1)(b) terminates on occurrence of contingency--sec. 24, Ch. 191, L. 2001.)"

Section 71. Section 61-3-603, MCA, is amended to read:

"61-3-603. Penalty for alteration or forgery of certificate of ownership or certificate of title -- ~~or assignment thereof.~~ Any ~~A~~ person who alters or forges or causes to be altered or forged any motor vehicle certificate of ownership or certificate of title or any assignment ~~thereof~~ of a certificate of ownership or certificate of title or who holds or uses any such certificate or assignment knowing it ~~to have~~ that the certificate has been altered or forged is guilty of a felony, ~~and upon~~ Upon a conviction ~~thereof~~ of a violation of this section, the offender is subject to a fine of not more than \$5,000, ~~or to imprisonment in any penal institution within the state for a period of not more than 10 years, or both, in the discretion of the court.~~"

Section 72. Section 61-3-701, MCA, is amended to read:

"61-3-701. Foreign Out-of-state vehicles used in gainful occupation to be registered -- reciprocity.
 (1) Before a ~~foreign licensed~~ motor vehicle that is registered in another jurisdiction may be operated on the highways of this state for hire, compensation, or profit or before the owner or user of the vehicle uses the vehicle if the owner or user is engaged in gainful occupation or business enterprise in the state, including highway work, the owner of the vehicle shall register the vehicle at the office of ~~apply to~~ a county treasurer ~~for registration upon an application form furnished by~~ or an authorized agent of the department. Upon satisfactory evidence of ownership submitted to the county treasurer or the department's authorized agent and the payment of fees in lieu of taxes or registration fees, if appropriate, as required by 15-8-201, 15-8-202, 15-24-301, 61-3-529, 61-3-537, or 61-3-560 and 61-3-561, the treasurer or authorized agent shall enter the vehicle for registration purposes only on the electronic registry maintained by the department under 61-3-101 ~~shall accept the application for registration and shall collect the regular license fee required for the vehicle.~~

(2) Upon payment of the fees or taxes, the treasurer or the department's authorized agent shall issue to the applicant ~~a copy of the certificate entitled "Owner's Certificate of Registration and Payment Receipt" and forward a duplicate copy of the certificate to the department.~~ The treasurer shall at the same time issue to the applicant vehicle owner a registration receipt and the proper license plates or other identification markers, ~~which~~ The license plates or identification markers must at all times be displayed upon the vehicle when operated or driven upon roads and highways of this state during the effective registration period of the license indicated on

the receipt.

(3) The registration receipt does not constitute evidence of ownership but must be used only for registration purposes. A Montana certificate of ownership title may not be issued for ~~this type of registration a~~ vehicle registered under this section.

(4) This section is not applicable to a vehicle covered by a valid and existing reciprocal agreement or declaration entered into under ~~the provisions of the laws of Montana~~ law."

Section 73. Section 61-4-104, MCA, is amended to read:

"61-4-104. Record of purchase or sale. A dealer or wholesaler licensed under 61-4-101 shall keep a book or record of the purchases, sales or exchanges, or receipts for the purpose of sale of used vehicles and a description of the vehicles, together with the name and address of the seller, of the purchaser, and of the alleged owner or other person from whom each vehicle was purchased or received or to whom it was sold or delivered, as the case may be. The description in the case of motor vehicles must also include the vehicle identification number and engine number, if any, and must include a statement that a number has been obliterated, defaced, or changed if that has occurred. In the case of a trailer, semitrailer, or special mobile equipment, the record must include the manufacturer's number and other numbers or identification marks that appear on the trailer, semitrailer, or special mobile equipment. The dealer or wholesaler must also have ~~a duty an~~ an assigned certificate of ownership or certificate of title from the owner of the motor vehicle to the dealer or wholesaler from the time the motor vehicle is delivered to the dealer or wholesaler until it has been disposed of by the dealer or wholesaler. It is a violation of this part for a dealer or wholesaler to fail to take assignment of all certificates of ownership, certificates of title, or manufacturer's certificates of origin for vehicles acquired by the licensee or to fail to assign the certificate of ownership, certificate of title, or manufacturer's certificate of origin for vehicles sold. All records required to be kept in accordance with this section, in addition to the required retention of odometer disclosure information under 61-3-206(4), must be physically located and maintained within the building referred to in 61-4-101. An authorized representative of the department, upon presentation of the representative's credentials, may inspect and have access to and copy any records required under this chapter."

Section 74. Section 61-4-111, MCA, is amended to read:

"61-4-111. Used motor vehicles -- transfer to and from dealers. (1) A licensed dealer, broker, or wholesaler who intends to resell a used motor vehicle and who operates the vehicle only for demonstration purposes:

(a) is exempt from registration under 61-3-201(2) when applying for a certificate of ownership title; and

(b) may transfer or receive ownership of a motor vehicle by use of a dealer reassignment section on a certificate of ownership title; ~~however~~ However, when the allotted number of dealer reassignment sections on a certificate of ownership title has been completed, ownership of the vehicle may not be transferred until an application for a certificate of ownership title has been submitted by the dealer to the department and a new certificate of ownership title has been issued.

(2) Upon the transfer of a used motor vehicle to a person other than a licensed dealer, broker, or wholesaler, the following acts are required of the dealer on or before the times set forth in this subsection:

(a) Prior to delivery of the vehicle to the purchaser, the dealer shall issue a temporary registration permit for the vehicle and affix the temporary registration permit to ~~the rear window of the vehicle~~ a 20-day permit in a form to be manner prescribed by the department and containing ~~the name and address of the purchaser, date of sale, name and address of the dealer, and a description of the vehicle, including its serial number.~~ The temporary registration permit issued by the dealer is valid for 20 days from the date of issuance. There must be imprinted on the temporary registration permit in bold letters the following statement: "IT IS UNLAWFUL TO PLACE LICENSE PLATES UPON THIS VEHICLE UNTIL REGISTERED AT THE OFFICE OF THE COUNTY TREASURER". ~~One~~ Unless a durable license plate style placard is issued, one copy of the temporary registration permit must be delivered by the dealer to the county treasurer in the manner prescribed in subsection (2)(b), and a copy must be retained by the dealer for the dealer's file. If a durable placard is issued, the dealer shall create and retain the relevant records as prescribed by the department. It is unlawful for the dealer to issue more than one 20-day temporary registration permit ~~per~~ for each vehicle sale.

(b) Within 4 working days following the date of delivery of the vehicle, the dealer shall forward to the county treasurer of the county where the purchaser resides:

(i) the assigned certificate of ownership and certificate of registration title or, if a certificate of title for the vehicle has not been issued in this state, a copy of the then-current registration receipt or certificate ~~(if the certificates are then in the dealer's possession), with an application for registration;~~

(ii) an application for a certificate of title executed by the new owner in accordance with the provisions of [section 10] and 61-3-322; and

(iii) a copy of the temporary registration permit affixed to the vehicle by the dealer. ~~The department, upon receipt of the documents from the county treasurer, together with the conditional sales contract or other lien, if any, shall issue a new certificate of ownership and certificate of registration, together with a statement of any conditional sales contract, mortgage, or other lien as provided in 61-3-202.~~

(c) Transmission of the documents by the dealer to the county treasurer may be accomplished either by personal delivery or by first-class mail, in which event they are considered to have been delivered at the time of mailing.

~~(e)~~(d) If the dealer is unable to forward the certificate of ~~ownership title~~ or, if applicable, registration receipt certificate of registration within the time set forth in subsection (2)(b) because the certificate of title is lost, is in the possession of third parties, or is in the process of reissuance in this state or elsewhere, the dealer shall comply in all other respects with the provisions of subsection (2)(b) and shall forward the missing document or documents to the county treasurer, either personally or by first-class mail, within 3 days after receipt.

(3) Upon compliance by the dealer with the requirements in this section, title to the motor vehicle is considered to have passed to the purchaser as of the date of the delivery of the vehicle to the purchaser by the dealer, and the dealer has no further liability or responsibility with respect to the processing of registration.

(4) Upon receipt from the county treasurer of the documents required under subsection (2), the department shall:

(a) update the electronic record of the title maintained by the department under 61-3-101; or

(b) issue a certificate of title, if requested under, [section 5(2)(f)]; and

(c) comply with the applicable provisions of Title 61, chapter 3, parts 1 through 3.

~~(4)~~(5) For purposes of this section, "motor vehicle" includes a trailer as defined in 61-1-111."

Section 75. Section 61-4-112, MCA, is amended to read:

"61-4-112. New motor vehicles -- transfers by dealers. (1) When a motor vehicle dealer transfers a new motor vehicle to a purchaser or other recipient, the dealer shall:

(a) issue and affix a temporary registration permit, as prescribed in 61-4-111(2)(a), for transfers of used motor vehicles and retain a copy of the temporary registration permit or, if a durable license-plate style placard is issued, affix the placard and create and retain all other relevant records prescribed by the department;

(b) within 4 working days following the date of delivery of the new motor vehicle, forward to the county treasurer of the county where the purchaser or recipient resides:

(i) one copy of the temporary registration permit issued under subsection (1)(a) or a copy of the information described in the records concerning a placard;

(ii) an application for a certificate of title with a notice of security interest, if any, executed by the purchaser or recipient; and

(iii) a ~~statement~~ manufacturer's certificate of origin that shows that the vehicle has not previously been

registered or owned, except as otherwise provided in this section, by any person, ~~firm, corporation, or association~~ other than a new motor vehicle dealer holding a franchise or distribution agreement from a new car manufacturer, distributor, or importer.

(2) Upon receipt from the county treasurer of the documents required under subsection (1), the department shall issue a certificate of ~~ownership and certificate of registration, together with a statement of lien as provided in 61-3-202~~ title, if requested under [section 5(2)(f)], and otherwise comply with the provisions of Title 61, chapter 3, parts 1 through 3, as applicable."

Section 76. Section 61-4-120, MCA, is amended to read:

"61-4-120. Application for auto auction license -- general regulations. (1) A person, ~~firm, association, or corporation~~ that takes possession of a motor vehicle owned by another person through consignment, bailment, or any other arrangement for the purpose of selling the motor vehicle to the highest bidder when all buyers are licensed motor vehicle dealers, wholesalers, or wrecking facilities shall file by mail or otherwise in the office of the department a verified application for licensure as an auto auction. The application must be made in the following manner:

(a) Each application and all of the information contained in it must be verified by the department or an authorized representative of the department on a form to be furnished by the department for that purpose. The application must provide the following information:

(i) the name in which the business is to be conducted and the location of premises, including street address, city, county, and state, where records are kept, sales are made, and motor vehicle stock is displayed as an established place of business that displays a sign indicating the firm name and that vehicles are offered for sale. The letters on the sign must be clearly visible and readable to the major avenue of traffic at a minimum distance of 150 feet.

(ii) the name and address of all owners or persons having an interest in the business. In the case of a corporation, the names and addresses of the president and secretary are sufficient.

(iii) a statement that the applicant is authorized to auction used motor vehicles, recreational vehicles, trailers, semitrailers, special mobile equipment, motorcycles, and quadricycles under one license. A licensed auto auction may not auction a new motor vehicle except when authorized by a new motor vehicle manufacturer, importer, distributor, or representative, for the purpose of conducting a closed-factory fleet sale to dispose of new motor vehicles by the franchisor (manufacturer, distributor, or importer) to franchisee purchasers when the purchasers are licensed new motor vehicle dealers purchasing new motor vehicle line-makes authorized by their

respective franchise, sales, or distributor agreements. An auto auction licensed under the provisions of this section shall notify and update the department with current fleet sale agreements between the auto auction and franchisor. An auto auction may not conduct a factory fleet sale unless authorized or appointed by a franchisor licensed under part 2 of this chapter.

(b) Each application must be accompanied by a bond of \$35,000 and must be conditioned that the applicant shall conduct business in accordance with the requirements of the law. All bonds must run to the state of Montana, must be approved by the department and filed in its office, and must be renewed annually.

(2) An auto auction's license must be renewed and paid for annually to the department, and an application for relicensure must be filed by January 1 of each year. The fee required for each first-time applicant is \$500 and for subsequent renewal applications is \$100 each year. Upon receipt of a properly completed application, fee, and bond, the department shall issue the auto auction license and assign an auto auction license number for each applicant in a manner determined by the department. Auto auctions dealing in motor vehicles may sell only to licensed dealers and wholesalers.

(3) Auto auctions that are licensed under this section and that hold a current license number may issue temporary registration permits, which may be displayed and used by a buyer to operate an unregistered vehicle purchased from the auto auction. The temporary registration permit is valid for a period of 72 hours from the time of purchase and may be used only for the purpose of driving or transporting a vehicle from the auction premises to the purchaser's established place of business or point of destination. Temporary registration permits must be on a form prescribed by the department and must contain the name, address, and license number of the purchaser, the date of sale, the name, address, license number, and authorized signature of the auto auction, and a description of the vehicle, including its serial number. The department shall collect a fee of \$10 from the auto auction for each temporary registration permit, and the auto auction may charge a vehicle purchaser no more than \$10 for the issuance of each temporary registration permit to offset the cost of the temporary registration permit. It is unlawful for the auto auction to issue more than one temporary registration permit ~~per~~ for each vehicle sale.

(4) A licensed auto auction may apply for and may be authorized by the department to purchase and use license plates of a type and amount approved by the department, upon payment of a fee to the department to offset the cost of production. Licensed auto auctions may use the license plates to transport inventory vehicles from a point of storage or a point of delivery in this state to the auto auction's place of business, for road testing authorized vehicles, or for moving vehicles for purposes of repairing, painting, upholstering, polishing, and related activities. One license plate is required to be conspicuously displayed on the rear of the vehicle. Auto auctions

may appoint designated persons, ~~partnerships, corporations,~~ service stations, or repair garages to use the license plate only when conducting work for the auto auction involving repairing, painting, upholstering, polishing, or performing similar types of work upon a vehicle. Upon application for an auto auction license, the applicant, if requesting the license plates, shall submit a sworn affidavit on a form prescribed by the department, listing each authorized person designated by the auction to use the license plates. The auto auction is responsible for reporting any changes to the affidavit within 72 hours after the amendment has occurred. An auto auction licensed under the provisions of this section is liable for the proper use of the license plates, which may not be used for private purposes. The department may revoke an auto auction's 72-hour temporary registration permit and license plate privileges if an auction issues, authorizes the use of, or uses a temporary registration permit or the license plate in violation of the provisions of this section.

(5) (a) Each auto auction shall keep a book or record, in a form and manner subject to approval by the department, of the purchases, sales, or exchanges or the receipts for the purpose of sale of any motor vehicle, a properly completed copy of a temporary registration permit issued to a vehicle purchaser, the date of title transfer, and a description of the motor vehicle, together with the name and address of the seller, the purchaser, and the alleged owner or other person from whom the motor vehicle was purchased or received or to whom it was sold or delivered. The description in the case of a motor vehicle must include:

- (i) the vehicle identification number and engine number, if any; and
- (ii) a statement that a number has been obliterated, defaced, or changed, if it has.

(b) An auto auction licensed under this section shall validate the sale of a motor vehicle through its auction by stamping its name and license number upon the certificate of ~~ownership title~~ title at a location on the ~~front or back of the~~ certificate of title, at the margin in the assignment section as executed between the transferor and transferee. An auto auction's stamp must be legible and may not interfere with the information recorded on the certificate of title between the transferor and transferee. If the certificate of ~~ownership title~~ title lacks adequate space for the auto auction to place its stamp, the auction may provide the transferee a copy of the auction invoice bearing the:

- (i) name and license number of the auction, along with an indication of the vehicle year, make, model, and identification number;
 - (ii) name, address, and signature of the transferor;
 - (iii) name, license number, and signature of the transferee; and
 - (iv) date the vehicle was sold through the auction.
- (c) The invoice must be attached to the certificate of ~~ownership title~~ title and must be presented to the

department with any application for title.

(d) An auto auction shall retain, for 5 years, odometer disclosure information, including the name of the owner on the date the auto auction took possession of the motor vehicle, the name of the buyer, the vehicle identification number, and the odometer reading on the date the auto auction took possession of the motor vehicle. The odometer information may be retained in any way that is systematically retrievable and is not required to be maintained on any special disclosure form. The information may be part of the auction receipt or invoice or be maintained as a portion of a computer database or manual file. An auto auction that executes a transfer of ownership as an agent on behalf of a seller or buyer is liable for providing an odometer disclosure statement for the seller or an odometer disclosure acknowledgment for the buyer under the provisions of 61-3-206."

Section 77. Section 61-4-121, MCA, is amended to read:

"61-4-121. Twenty-day permit -- limitation on issuance and transfer -- violation -- penalty. (1) (a) A dealer may not issue more than one 20-day temporary registration permit under 61-4-111 or 61-4-112 ~~per~~ for each vehicle sale.

(b) A dealer may not transfer 20-day temporary registration permits to another dealer unless the dealer:

- (i) notifies the department within 3 days of the transfer;
- (ii) identifies to the department the dealer to whom any temporary registration permits have been transferred;
- (iii) informs the department of the date of the transfer and the quantity and serial numbers of the transferred temporary registration permits.

(2) A dealer who violates the provisions of subsection (1) is subject to revocation of the privilege to issue 20-day temporary registration permits for a period of time determined by the department."

Section 78. Section 61-12-406, MCA, is amended to read:

"61-12-406. Issuing certificate of ownership title. The department shall issue a certificate of ownership title upon presentation by the purchaser of the certificate of sale and payment of the fees required by law."

Section 79. Section 75-10-512, MCA, is amended to read:

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

books or files in which are kept a record and description of every junk vehicle obtained by it, together with the name and address of the person from whom the vehicle was purchased.

(2) This record must also contain:

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

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

(c) the make of the vehicle;

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

(e) the date purchased;

(f) the disposition of the vehicle.

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

Section 80. Section 75-10-513, MCA, is amended to read:

"75-10-513. Disposal of junk vehicles -- fees and records. (1) When a motor vehicle wrecking facility submits a junk vehicle to the disposal program, it shall pay a disposal fee of \$2 for each vehicle submitted, and the vehicle is then the property of the state.

(2) Quarterly, each motor vehicle wrecking facility shall mail to the department of justice, on a form approved by the department of justice, a list of all junk vehicles received by the motor vehicle wrecking facility during the quarter, stating the year, make, and complete identification number of each vehicle. If a certificate of ~~ownership title~~ is received for a junk vehicle on the list, that certificate of ~~ownership title~~ must accompany the list. The department of justice shall issue a receipt for the certificate of ~~ownership title~~ if requested by the licensed facility, and the receipt may serve as an instrument for reclaiming the certificate of ~~ownership title~~ if the vehicle is rebuilt.

(3) A motor vehicle graveyard shall submit to the department the records, documents, and other information concerning junk vehicles received by it that are required by rules of the department."

NEW SECTION. Section 81. Repealer. Sections 23-2-508, 23-2-509, 23-2-510, 23-2-520, 23-2-612, 23-2-613, 23-2-620, 23-2-810, 23-2-811, 23-2-812, 23-2-813, and 61-3-105, MCA, and section 4, Chapter 90, Laws of 1997, section 2, Chapter 260, Laws of 1999, and section 9, Chapter 394, Laws of 2001, are repealed.

NEW SECTION. Section 82. Codification instruction. (1) [Sections 1 through 4] are intended to be codified as an integral part of Title 61, chapter 1, and the provisions of Title 61, chapter 1, apply to [sections 1 through 4].

(2) [Sections 5 through 13] are intended to be codified as an integral part of Title 61, chapter 3, part 2, and the provisions of Title 61, chapter 3, part 2, apply to [sections 5 through 13].

(3) [Section 44] is intended to be codified as an integral part of Title 61, chapter 3, part 4, and the provisions of Title 61, chapter 3, part 4, apply to [section 44].

NEW SECTION. Section 83. Effective date. [This act] is effective January 1, 2004.

NEW SECTION. Section 84. Applicability -- retroactive applicability. (1) Except as provided in subsection (2), [this act] applies to motor vehicle certificates of title and registrations on or after January 1, 2004.

(2) [Section 41] applies retroactively, within the meaning of 1-2-109, to security interests filed before [the effective date of this act].

- END -

