

HOUSE BILL NO. 31  
INTRODUCED BY D. KOTTEL  
BY REQUEST OF THE DEPARTMENT OF JUSTICE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING NEW VEHICLE WARRANTY LAWS BY INCREASING THE WEIGHT LIMIT FOR TRUCKS EXEMPT FROM THE DEFINITION OF "MOTOR VEHICLE" FROM 10,000 POUNDS TO 15,000 POUNDS; INCREASING CONSUMER AND MANUFACTURER ARBITRATION FILING FEES; AMENDING SECTIONS 61-4-501 AND 61-4-517, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

**Section 1.** Section 61-4-501, MCA, is amended to read:

**"61-4-501. Definitions.** For purposes of this part, the following definitions apply:

(1) "Collateral charge" means all governmental charges, including but not limited to sales tax, property tax, license and registration fees, and fees in lieu of tax.

(2) "Consumer" means the purchaser, other than for purposes of resale, of a motor vehicle that has not been brought into nonconformity as the result of abuse, neglect, or unauthorized modifications or alterations by the purchaser, any person to whom the motor vehicle is transferred during the duration of an express warranty applicable to the motor vehicle, or any other person entitled by the terms of the warranty to the benefits of its provisions.

(3) "Incidental damage" means incidental and consequential damage as defined in 30-2-715.

(4) "Manufacturer" has the meaning applied to that word in 61-4-201.

(5) (a) "Motor vehicle" means a vehicle, including the nonresidential portion of a motor home, propelled by its own power, designed primarily to transport persons or property upon the public highways, and sold or registered in this state.

(b) The term does not include:

(i) a truck with ~~40,000~~ 15,000 pounds or more gross vehicle weight rating; or

(ii) components, systems, fixtures, appliances, furnishings, accessories, and features that are designed, used, and maintained primarily for residential purposes.

(6) "Reasonable allowance for use" is an amount directly attributable to use of the motor vehicle by the

consumer and any previous consumers prior to the first written notice of the nonconformity to the manufacturer or its agent and during any subsequent period when the motor vehicle is not out of service because of nonconformity. The reasonable allowance for use must be computed by multiplying the total contract price of the motor vehicle by a fraction having as its denominator 100,000 and having as its numerator the number of miles that the motor vehicle traveled prior to the manufacturer's acceptance of its return.

(7) "Warranty period" means the period ending 2 years after the date of the original delivery to the consumer of a new motor vehicle or during the first 18,000 miles of operation, whichever is earlier."

**Section 2.** Section 61-4-517, MCA, is amended to read:

**"61-4-517. Implementation of arbitration.** (1) A consumer may initiate a request for arbitration by filing a notice with the department. The consumer shall file, on a form prescribed by the department, any information considered relevant to the resolution of the dispute and shall return the form, along with a ~~\$50~~ \$100 filing fee, within 5 days after receiving the form. The form must offer the consumer the choice of presenting any subsequent testimony orally or in writing, but not both.

(2) The department shall determine whether the complaint alleges the violation of any applicable warranty under this part. If the department determines that a complaint does not allege a warranty violation, it shall refund the filing fee.

(3) Upon acceptance of a complaint, the department shall notify the manufacturer of the filing of a request for arbitration and shall obtain from the manufacturer, on a form prescribed by the department, any information considered relevant to the resolution of the dispute. The manufacturer shall return the form within 15 days of receipt, with a filing fee of ~~\$250~~ \$750.

(4) Fees collected under this section must be deposited in a special revenue account for the use of the department in administering this part.

(5) The manufacturer's fee provided in subsection (3) is due only if the department's arbitration procedures are used."

NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

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