

HOUSE BILL NO. 90  
INTRODUCED BY G. MACLAREN  
BY REQUEST OF THE DEPARTMENT OF JUSTICE

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE DEBT LIMIT UNDER THE MUNICIPAL FINANCE CONSOLIDATION ACT; INCREASING THE LOAN TO THE DEPARTMENT OF JUSTICE FOR THE MOTOR VEHICLE INFORMATION TECHNOLOGY SYSTEM; EXTENDING BY 5 YEARS THE TERM OF THE LOAN AND THE TEMPORARY INCREASE IN FEES FOR SECURITY INTEREST FILINGS AND CERTIFICATES OF TITLE TO REPAY THE LOAN; APPROPRIATING AN ADDITIONAL \$6 MILLION FROM THE CAPITAL PROJECTS FUND TO THE DEPARTMENT OF JUSTICE FOR THE INFORMATION TECHNOLOGY SYSTEM; AUTHORIZING THE CREATION OF STATE DEBT; AMENDING SECTIONS 17-5-1608, 17-5-2001, 61-3-103, 61-3-203, 61-3-204, AND 61-3-550, MCA; REPEALING SECTION 15, CHAPTER 562, LAWS OF 2003, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

**Section 1.** Section 17-5-1608, MCA, is amended to read:

**"17-5-1608. Limitations on amounts.** The board may not issue any bonds or notes that cause the total outstanding indebtedness of the board under this part, except for bonds or notes issued to fund or refund other outstanding bonds or notes or to purchase registered warrants or tax or revenue anticipation notes of a local government as defined in 7-6-1101, to exceed ~~\$120~~ \$126 million."

**Section 2.** Section 17-5-2001, MCA, is amended to read:

**"17-5-2001. (Temporary) Loans to state agencies.** (1) An agency responsible for the procurement and provision of vehicles, automated systems, and equipment using an enterprise fund or an internal service fund, as described in 17-2-102, is authorized to enter into contracts, loan agreements, or other forms of indebtedness payable over a term not to exceed 7 years for the purpose of financing the cost of the vehicles and equipment and to pledge to the repayment of the indebtedness the revenue of the enterprise fund or internal service fund if:

- (a) the term of the indebtedness does not exceed the useful life of the items being financed; and
- (b) at the time that the indebtedness is incurred, the projected revenue of the fund, based on the fees

and charges approved by the legislature and other available fund revenue, will be sufficient to repay the indebtedness over the proposed term and to maintain the operation of the enterprise.

(2) (a) The department of justice is authorized to enter into contracts, loan agreements, or other forms of indebtedness with the board of investments for an amount not to exceed ~~\$22.5~~ \$28.5 million, payable over a term not to exceed ~~10~~ 15 years, for financing the cost of an information technology system for the production and maintenance of motor vehicle title and registration records and driver's license records.

(b) For purposes of the financing of the motor vehicle information technology system, loans are payable from the money in the motor vehicle information technology system account as provided in 61-3-550. The term of the indebtedness may not exceed the useful life of the items being financed. At the time that the loan is made, the projected revenue of the motor vehicle information technology system account, based upon the fees approved by the legislature, must be sufficient to repay the indebtedness over the proposed term.

~~(3) (a) The department of justice is authorized to enter into contracts, loan agreements, or other forms of indebtedness with the board of investments for an amount not to exceed \$1,120,000, payable over a term not to exceed 7 years, for the acquisition of video gambling automated accounting and reporting system data collection units:~~

~~———— (b) The loan is payable from the department of justice's annual appropriation from the general fund.~~

~~———— (c) The term of the indebtedness may not exceed the useful life of the items being financed. At the time that the loan is made, the department of justice's base budget appropriation from the general fund must be sufficient to repay the indebtedness with respect to the video gambling data collection units over the proposed term of the loan.~~

~~———— (d) The loan is subject to the risk of nonappropriation.~~

~~———— (4) (a)(3) (a)~~ If bonds are not issued for the project authorized in 15-1-140, the department of revenue is authorized to enter into contracts, loan agreements, or other forms of indebtedness with the board of investments for an amount not to exceed \$17 million, payable over a term not to exceed 7 years, for the acquisition of a replacement system for the process oriented integrated system (POINTS) computer system.

(b) The loan is payable from the department of revenue's appropriation.

(c) The loan is subject to the risk of nonappropriation. (Terminates June 30, 2011--sec. 18, Ch. 597, L. 2003.)

**17-5-2001. (Effective July 1, 2011) Loans to state agencies.** (1) An agency responsible for the procurement and provision of vehicles, automated systems, and equipment using an enterprise fund or an internal service fund, as described in 17-2-102, is authorized to enter into contracts, loan agreements, or other forms of

indebtedness payable over a term not to exceed 7 years for the purpose of financing the cost of the vehicles and equipment and to pledge to the repayment of the indebtedness the revenue of the enterprise fund or internal service fund if:

(a) the term of the indebtedness does not exceed the useful life of the items being financed; and

(b) at the time that the indebtedness is incurred, the projected revenue of the fund, based on the fees and charges approved by the legislature and other available fund revenue, will be sufficient to repay the indebtedness over the proposed term and to maintain the operation of the enterprise.

(2) (a) The department of justice is authorized to enter into contracts, loan agreements, or other forms of indebtedness with the board of investments for an amount not to exceed ~~\$22.5~~ \$28.5 million, payable over a term not to exceed ~~40~~ 15 years, for financing the cost of an information technology system for the production and maintenance of motor vehicle title and registration records and driver's license records.

(b) For purposes of the financing of the motor vehicle information technology system, loans are payable from the money in the motor vehicle information technology system account as provided in 61-3-550. The term of the indebtedness may not exceed the useful life of the items being financed. At the time that the loan is made, the projected revenue of the motor vehicle information technology system account, based upon the fees approved by the legislature, must be sufficient to repay the indebtedness over the proposed term.

~~(3) (a) The department of justice is authorized to enter into contracts, loan agreements, or other forms of indebtedness with the board of investments for an amount not to exceed \$1,120,000, payable over a term not to exceed 7 years, for the acquisition of video gambling automated accounting and reporting system data collection units:~~

~~———(b) The loan is payable from the department of justice's annual appropriation from the general fund:~~

~~———(c) The term of the indebtedness may not exceed the useful life of the items being financed. At the time that the loan is made, the department of justice's base budget appropriation from the general fund must be sufficient to repay the indebtedness with respect to the video gambling data collection units over the proposed term of the loan.~~

~~———(d) The loan is subject to the risk of nonappropriation. (Terminates June 30, 2013--sec. 15, Ch. 562, L. 2003.)~~

~~———**17-5-2001. (Effective July 1, 2013) Loans to state agencies.** (1) An agency responsible for the procurement and provision of vehicles, automated systems, and equipment using an enterprise fund or an internal service fund, as described in 17-2-102, is authorized to enter into contracts, loan agreements, or other forms of indebtedness payable over a term not to exceed 7 years for the purpose of financing the cost of the vehicles and~~

equipment and to pledge to the repayment of the indebtedness the revenue of the enterprise fund or internal service fund if:

~~\_\_\_\_\_ (a) the term of the indebtedness does not exceed the useful life of the items being financed; and~~

~~\_\_\_\_\_ (b) at the time that the indebtedness is incurred, the projected revenue of the fund, based on the fees and charges approved by the legislature and other available fund revenue, will be sufficient to repay the indebtedness over the proposed term and to maintain the operation of the enterprise:~~

~~\_\_\_\_\_ (2) (a) The department of justice is authorized to enter into contracts, loan agreements, or other forms of indebtedness with the board of investments for an amount not to exceed \$4.5 million, payable over a term not to exceed 10 years, for financing the cost of an information technology system for the production and maintenance of motor vehicle title and registration records and driver's license records.~~

~~\_\_\_\_\_ (b) For purposes of the financing of the motor vehicle information technology system, loans are payable from the money in the motor vehicle information technology system account as provided in 61-3-550. The term of the indebtedness may not exceed the useful life of the items being financed. At the time that the loan is made, the projected revenue of the motor vehicle information technology system account, based upon the fees approved by the legislature, must be sufficient to repay the indebtedness over the proposed term:~~

~~\_\_\_\_\_ (3) (a) The department of justice is authorized to enter into contracts, loan agreements, or other forms of indebtedness with the board of investments for an amount not to exceed \$1,120,000, payable over a term not to exceed 7 years, for the acquisition of video gambling automated accounting and reporting system data collection units:~~

~~\_\_\_\_\_ (b) The loan is payable from the department of justice's annual appropriation from the general fund:~~

~~\_\_\_\_\_ (c) The term of the indebtedness may not exceed the useful life of the items being financed. At the time that the loan is made, the department of justice's base budget appropriation from the general fund must be sufficient to repay the indebtedness with respect to the video gambling data collection units over the proposed term of the loan.~~

~~\_\_\_\_\_ (d) The loan is subject to the risk of nonappropriation."~~

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

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

upon receipt of a written acknowledgment by a motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile 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 motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile, 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 motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile.

(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, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile 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, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile 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 title, "NOTICE. This vehicle is subject to additional security interests on file with the Department of Justice." Other information regarding the additional security interests is not required to be endorsed on the certificate.

(4) Upon default under a chattel mortgage or conditional sales contract covering a motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile, the mortgagee or vendor has the same remedies as in the case of other personal property. In case of attachment of motor vehicles, trailers, semitrailers, pole trailers, campers, motorboats, personal watercraft, sailboats, or snowmobiles, 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.

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

(6) Within 24 hours after receiving notice of any involuntary liens or attachments against the record of any motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile registered in this state, the department shall mail to the owner 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.

(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, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile, 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, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile 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.

(8) (a) A fee must be paid to the department to file any security interest or other lien against a motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile. The fee 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.

(b) Beginning January 1, 2002, and ending June 30, ~~2014~~ 2016, 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 for deposit in the motor vehicle information technology system account provided for in 61-3-550.

(c) Beginning July 1, ~~2014~~ 2016, the fee is \$4 and must be deposited in the state general fund.

(9) (a) A UNTIL JUNE 30, 2018, A fee of \$10 must be paid to the department by a vehicle owner if, following satisfaction or release of a security interest and its removal from the department's records, the motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile owner requests issuance of a new certificate of title without the security interest or lien shown on the face of the title. BEGINNING JULY 1, 2018, THE FEE FOR A NEW CERTIFICATE OF TITLE UNDER THIS SUBSECTION IS \$5.

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

~~(c) Beginning July 1, 2018, the \$10 \$5 fee must be deposited in the state general fund. (Subsection (9) terminates June 30, 2013--sec. 15, Ch. 562, L. 2003.)"~~

**Section 4.** Section 61-3-203, MCA, is amended to read:

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

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

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

~~(2)(b)~~ (b) The amount of \$5 of the fee imposed pursuant to subsection ~~(4)~~ (1)(a) must be forwarded to the department for deposit in the motor vehicle information technology system account provided for in 61-3-550, and the remaining amount must be deposited in the state general fund.

(2) Beginning July 1, 2018, THE FEE IMPOSED IN SUBSECTION (1)(A)(I) IS \$5 AND THE FEE IMPOSED IN SUBSECTION (1)(A)(II) IS \$7 AND all fees paid pursuant to this section must be deposited in the state general fund."

**Section 5.** Section 61-3-204, MCA, is amended to read:

**"61-3-204. Replacement certificate of title -- application.** (1) (a) If a certificate of 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, as shown on the electronic record of title, may apply for and request the department to issue a replacement certificate of title. The application must include satisfactory evidence of the facts requiring the replacement certificate of title and be accompanied by a fee of \$10.

~~(b) Of the \$10 fee~~ Until June 30, 2018, \$5 of the fee must be deposited in the state general fund in accordance with 15-1-504, and the remaining \$5 must be deposited in the motor vehicle information technology system account provided for in 61-3-550.

(c) Beginning July 1, 2018, THE FEE FOR A REPLACEMENT CERTIFICATE OF TITLE IS \$5 AND the entire fee must be deposited in the state 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 6.** Section 61-3-550, MCA, is amended to read:

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

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

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

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

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

(b) payment of costs directly incurred in the creation and support of the new motor vehicle information technology system. ~~(Terminates June 30, 2013--sec. 15, Ch. 562, L. 2003.)~~

~~—————61-3-550. (Effective July 1, 2013) Motor vehicle information technology system account. (1) There is a motor vehicle information technology system account in the state special revenue fund provided for in 17-2-102.~~

~~—————(2) Fees received by the department of revenue pursuant to 61-3-103 must be deposited in the account.~~

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

~~—————(a) repaying any indebtedness or loan incurred for the creation of a new information technology system for motor vehicles; or~~

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

NEW SECTION. Section 7. Appropriation. There is appropriated from the capital projects fund to the department of justice \$6 million for the motor vehicle information technology system described in 17-5-2001.

NEW SECTION. Section 8. Repealer. Section 15, Chapter 562, Laws of 2003, is repealed.



NEW SECTION. **SECTION 9. TWO-THIRDS VOTE REQUIRED.** BECAUSE [SECTION 2] INCREASES THE AMOUNT THAT THE DEPARTMENT OF JUSTICE CAN BORROW FROM THE BOARD OF INVESTMENTS TO FINANCE THE COST OF THE MOTOR VEHICLE TECHNOLOGY SYSTEM, AUTHORIZING THE CREATION OF STATE DEBT, ARTICLE VIII, SECTION 8, OF THE MONTANA CONSTITUTION REQUIRES A VOTE OF TWO-THIRDS OF THE MEMBERS OF EACH HOUSE OF THE LEGISLATURE FOR PASSAGE.

NEW SECTION. **Section 10. Effective date.** [This act] is effective July 1, 2007.

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