



AN ACT GENERALLY REVISING MOTOR VEHICLE LAWS AND DEALER LICENSE REQUIREMENTS; REVISING VEHICLE REGISTRATION FEES; MODIFYING RECORD STORAGE REQUIREMENTS; MODIFYING BUSINESS TRANSFER REQUIREMENTS FOR DEALERS, BROKERS, AUTO AUCTIONS AND WHOLESALERS; EXPANDING LIEN PAYMENT REQUIREMENT FOR DEALERS; MODIFYING AUTO AUCTION ANNUAL REPORTS; MODIFYING DEALER ANNUAL REPORTS; REQUIRING WHOLESALERS TO PROVIDE NEW LICENSE APPLICATIONS AFTER CERTAIN BUSINESS CHANGES; REQUIRING BROKERS TO PROVIDE NEW LICENSE APPLICATIONS AFTER CERTAIN BUSINESS CHANGES; AMENDING SECTIONS 61-3-224, 61-4-101, 61-4-106, 61-4-110, 61-4-120, 61-4-124, 61-4-125, AND 61-4-127, MCA; AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. Section 61-3-224, MCA, is amended to read:

"61-3-224. Temporary registration permit -- authority to adopt rules -- issuance -- placement -- fees. (1) The department may adopt rules governing the issuance of temporary registration permits. The rules must specify the purposes for which a temporary registration permit may be issued, including but not limited to issuance to:

(a) a Montana resident who acquires a new or used motor vehicle, trailer, semitrailer, pole trailer, motorboat, sailboat that is 12 feet in length or longer, snowmobile, or off-highway vehicle for operation of the vehicle or vessel prior to titling and registration of the vehicle or vessel under this chapter;

(b) the owner of a salvage vehicle or a vehicle requiring a state-assigned vehicle identification number in order to move the vehicle to and from a designated inspection site prior to applying for a new certificate of title under 61-3-107 or 61-3-212;

(c) the owner of a motor vehicle, trailer, semitrailer, or pole trailer registered in this state for operation of the vehicle while awaiting production and receipt of special or duplicate license plates ordered for the vehicle under this chapter;

(d) a nonresident of this state who acquires a motor vehicle, trailer, semitrailer, or pole trailer in this state for operation of the vehicle prior to its titling and registration under the laws of the nonresident's jurisdiction of residence;

(e) a dealer licensed in another state who brings a motor vehicle or trailer designed and used to apply fertilizer to agricultural lands into the state for special demonstration in this state;

(f) a financial institution located in Montana for a prospective purchaser to demonstrate a motor vehicle that the financial institution has obtained following repossession;

(g) an insurer or its agent to move a motor vehicle or trailer to auction following acquisition of the vehicle by the insurer as a result of the settlement of an insurance claim;

(h) a nonresident owner to temporarily operate a quadricycle or motorcycle designed for off-road recreational use on the highways of this state when the quadricycle or motorcycle designed for off-road recreational use is equipped for use on the highways as prescribed in chapter 9 but the quadricycle or motorcycle designed for off-road recreational use is not registered or is only registered for off-road use in the nonresident's home state; or

(i) a new owner of a motor vehicle, trailer, semitrailer, pole trailer, motorboat, sailboat that is 12 feet in length or longer, snowmobile, or off-highway vehicle for which the new owner cannot, due to circumstances beyond the new owner's control, surrender a previously assigned certificate of title.

(2) (a) The department, an authorized agent, or a county treasurer may issue a temporary registration permit for any purpose authorized under the rules adopted by the department.

(b) An authorized agent or a county treasurer may issue a temporary registration permit without use of the department-approved electronic interface only if authorized by the department.

(3) A person, using a department-approved electronic interface, may issue a temporary registration permit for any purpose authorized under the rules adopted by the department.

(4) A temporary registration permit issued under this section must contain the following information:

(a) a temporary plate 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 motor vehicle, trailer, semitrailer, pole trailer, motorboat, personal watercraft, sailboat, or snowmobile, including year, make, model, and vehicle identification number, the name of the person from whom ownership of the motor vehicle, trailer, semitrailer, pole trailer,

motorboat, personal watercraft, sailboat, or snowmobile was transferred, the name, mailing address, and residence address of the person to whom ownership of the motor vehicle, trailer, semitrailer, pole trailer, motorboat, personal watercraft, sailboat, or snowmobile has been transferred, and the date of issuance.

(5) A temporary registration permit for:

(a) a motor vehicle, trailer, semitrailer, or pole trailer must be plainly visible and firmly attached to the rear exterior of the vehicle where a license plate is required to be displayed; and

(b) a motorboat, a sailboat that is 12 feet in length or longer, a snowmobile, or an off-highway vehicle must be plainly visible and firmly attached to the vehicle or vessel.

(6) (a) Except as provided in 61-3-431 and subsections (6)(b) and (6)(c) of this section, a \$19.50 fee is imposed upon issuance of a temporary registration permit by the department, an authorized agent, or a county treasurer. The fee must be paid by the owner of the vehicle or vessel and collected by the department, the authorized agent, or a county treasurer ~~upon issuance of the temporary registration permit~~ when the vehicle is registered.

(b) Except as provided in 61-3-431, a fee of \$24.50 is imposed and must be paid upon issuance of a temporary registration permit by:

(i) the department, an authorized agent, or a county treasurer to a nonresident of this state who acquires a vehicle or vessel in this state or who registers for temporary use in this state a quadricycle or motorcycle designed for off-road recreational use; or

(ii) a person who issued a temporary registration permit using a department-approved electronic interface.

(c) A fee of \$24 is imposed and must be paid upon issuance of a temporary registration permit for a 90-day temporary registration permit as provided in 61-3-303(3)(b).

(7) The fees imposed under this section, upon collection, must be forwarded to the state and deposited as follows:

(a) \$16.50 from each permit fee collected pursuant to subsection (6) in the state special revenue account established in 44-10-204; and

(b) the remainder in the motor vehicle electronic commerce operating account provided for in 61-3-118.

(8) If a temporary registration permit is issued under this section to a person to whom ownership of a vehicle or vessel has been transferred, the permitholder shall title and register the vehicle or vessel in this or another jurisdiction before the ownership of the vehicle or vessel may be transferred to another person."

Section 2. Section 61-4-101, MCA, is amended to read:

"61-4-101. Types of licenses and terms -- common application -- bonds -- zoning. (1) Except as provided in 61-4-120 and 61-4-125, a person may not engage in the business of buying, selling, exchanging, accepting on consignment, or acting as a broker of a motor vehicle, trailer, travel trailer, semitrailer, pole trailer, motorcycle, quadricycle, motorboat, personal watercraft, snowmobile, off-highway vehicle, or special mobile equipment that is not registered in the person's name unless the person is the holder of a license issued by the department under this part.

(2) (a) The department may issue a new dealer's license, a used dealer's license, a broker's license, an auto auction license, or a wholesaler license to any person it determines is qualified to hold the license under the provisions of this section.

(b) A new dealer's license authorizes the holder to sell:

(i) any new motor vehicle, new power sports vehicle, or new trailer that is covered under a franchise agreement between the holder and the manufacturer, importer, or distributor of the line of vehicle or trailer offered for sale; and

(ii) any used motor vehicle, used power sports vehicle, or used trailer.

(c) A used dealer license authorizes the holder to sell any used motor vehicle, used power sports vehicle, or used trailer.

(d) A broker's license authorizes the holder to negotiate the purchase, sale, or exchange of a motor vehicle, power sports vehicle, or trailer from a dealer or another person upon behalf of a client when the broker does not store, display, or take ownership of the motor vehicle, power sports vehicle, or trailer being purchased, sold, or exchanged.

(e) Except as provided in 61-4-120, an auto auction license authorizes the holder to take possession of a used vehicle owned by another person through consignment, bailment, or any other arrangement and to sell to the highest bidder when all bidders are licensed vehicle dealers, wholesalers, or wrecking facilities.

(f) A wholesaler license authorizes the holder to sell used vehicles to a new or used vehicle dealer, an auto auction, or another wholesaler.

(3) Dealer license expiration dates must be staggered throughout the year.

(4) Subject to the provisions of 61-4-120, 61-4-124, and 61-4-125, a license issued by the department

is valid until:

(a) voluntarily returned to the department for surrender and cancellation upon the cessation of the licensee's business operations; or

(b) suspended or revoked for a violation of this chapter or any other laws relating to the sale of motor vehicles, power sports vehicles, or trailers.

(5) (a) An applicant for a new dealer's license, a used dealer's license, a broker's license, an auto auction license, or a wholesaler license shall submit a written application to the department. The application must be signed by the applicant and contain a verification by the applicant, under penalty of law, that the information contained in the application is true and correct. Any information provided in the license application process is subject to independent verification by the department or an authorized representative of the department.

(b) After examining a license application and conducting an investigation necessary to verify the information contained in the application and if the department is satisfied that the applicant qualifies for the issuance of a license under the provisions of this chapter, the department may issue the license. The department may refuse, after examination and investigation, to issue a license to an applicant who is not qualified for licensure or whose prior financial or other activities or criminal record, as determined by the department:

(i) poses a threat to the effective regulation of dealers, wholesalers, or auto auctions;

(ii) poses a threat to the public interest of the state; or

(iii) creates a danger of illegal or deceptive practices being used in the conduct of the proposed dealership, wholesaler, or auto auction.

(6) To be qualified for licensure, an applicant shall provide to the department the following information:

(a) the name under which the applicant intends to conduct business and the applicant's name, the street address and, if different, mailing address for the business, and customer identification number;

(b) the name, date of birth, and social security number of any person who:

(i) possesses or will possess an ownership interest in the business for which the license is sought;

(ii) is a corporate officer or the managing member of a business entity applying for the license; or

(iii) is or will be designated by the applicant to manage or oversee the applicant's business;

(c) for each person subject to the provisions of subsection (6)(b), information concerning whether the person has:

(i) an ownership interest in a vehicle dealership, an auto auction, or a wholesaler business in Montana

or any other state and, if so, the name and address of each dealership, auto auction, or wholesaler; and

(ii) been found guilty of, or pleaded guilty to, a felony in this or any other jurisdiction and, if so, shall provide a summary of the conduct resulting in the felony charge, including the dates of the conduct and any court proceedings pertaining to the conduct and the name and address of any court in which the matter was heard;

(d) the name, address, and telephone number of the insurance carrier from whom the applicant has acquired general liability insurance, naming the department as a certificate holder of the policy, and the name, address, and telephone number of the local insurance agent for the carrier and the applicant's policy number. The insurance must cover any motor vehicle bearing dealer or demonstrator license plates and any motorboat, snowmobile, or off-highway vehicle displaying a dealer's identification card that is offered for demonstration or loan to a customer or otherwise operated by a customer in the regular course of the applicant's business and must be for a minimum of 1 year;

(e) the geographic location of the physical lot or lots upon which vehicles will be displayed for sale, if applicable, and of a permanent nonresidential building, with no more than three other wholesale, broker, auction, or retail vehicle dealers in the same building or at the same location, that will be maintained to store the actual physical or electronic records resulting from the purchase, sale, trade, or consignment of vehicles for which licensure is sought. An applicant may use more than one location to display vehicles for sale if the maximum distance between each display lot does not exceed 200 feet and if the distance between a display lot and the building in which vehicle sales records are stored does not exceed 1,000 feet.

(f) for each geographic location specified in the application, evidence of the applicant's compliance with applicable local land use planning, zoning, and business permitting requirements, if any. Evidence of compliance may be documented by means of a written verification of compliance signed by the authorized representative of the local land use planning or zoning board or the local business-permitting agency.

(g) a diagram or plat showing the geographic location, lot dimensions, if applicable, and building and sign placement for the applicant's proposed established place of business, along with two or more photographs of the geographic location, building premises, and sign, as prescribed by the department;

(h) if the applicant is seeking a new motor vehicle dealer's license:

(i) the name and address of the manufacturer, importer, or distributor with whom the applicant has a written new motor vehicle, power sports vehicle, or trailer franchise or sales agreement, the term of the agreement, and the name and make of all motor vehicles, power sports vehicles, or trailers to be handled by the

applicant;

(ii) the geographic location or locations, specified in writing, upon which the applicant will provide and maintain a permanent building to display and sell new motor vehicles, power sports vehicles, or trailers and offer and maintain a bona fide service department for the repair, service, and maintenance of the motor vehicles, power sports vehicles, or trailers; and

(iii) verification that the applicant otherwise meets the requirements of part 2 of this chapter.

(7) If an applicant wants to maintain more than one established place of business, the applicant shall file a separate license application for each proposed place of business and otherwise qualify for licensure at each place separately.

(8) Each application under this section must be accompanied by the following fees:

(a) for a new or used dealer's license, a broker's license, or a wholesaler's license, \$30; and

(b) for an auto auction license, the fee provided for in 61-4-120.

(9) (a) Except as provided in subsection (9)(b), an applicant for a dealer's license, broker's license, wholesaler's license, or auto auction license shall also file with the application a bond of \$50,000.

(b) An applicant whose business will be restricted to the sale of motorcycles or quadricycles shall file a bond of \$15,000. An applicant whose business will be restricted to the sale of motorboats, personal watercraft, snowmobiles, or off-highway vehicles, other than motorcycles originally equipped for use on the highway, shall file a bond of \$5,000.

(c) All bonds must be conditioned that the applicant shall conduct the business in accordance with the requirements of the law. All bonds must be approved by the department, must be filed in its office, and must be renewed annually."

Section 3. Section 61-4-106, MCA, is amended to read:

"61-4-106. Transfer of license. A registered dealer, broker, auto auction, or wholesaler who sells or disposes of the dealer's, broker's, auto auction's, or wholesaler's entire business to another person ~~may have the dealer's or wholesaler's certificate of registration transferred to the purchaser upon filing or seeks to change the applicant's name, ownership interest in the business, corporate officer or managing member of the business entity, or a person designated by the applicant to manage or oversee the applicant's business shall file~~ with the department a statement containing the name of the registered dealer, broker, auto auction, or wholesaler, the

number under which the business is registered, the name of the purchaser, and the location of the place of business sold. Upon the filing of the statement, ~~accompanied by~~ and a new license application form as originally required under 61-4-101, along with a filing fee of \$2, the department shall note upon the registration record of the dealer or wholesaler the change of ownership. A certificate of registration may not be transferred unless the entire business of the dealer or wholesaler holding the certificate of registration is sold and disposed of, and a certificate of registration may not be transferred to any person other than the purchasers of the business examine the license application of the purchaser as required under 61-4-101."

Section 4. Section 61-4-110, MCA, is amended to read:

"61-4-110. Obligation of dealer to pay off liens on motor vehicles accepted in trade or consignment -- duties of dealer and secured party. (1) (a) If a dealer accepts a motor vehicle in trade or purchase from a ~~retail customer as part of the sale of another motor vehicle~~ and there is an outstanding loan balance owing on the traded or purchased motor vehicle, the dealer shall remit payment to the secured party to whom the balance on the traded or purchased motor vehicle is owed in an amount sufficient to satisfy the perfected security interest on the traded or purchased motor vehicle by the earlier of the following dates:

(i) 21 days from the date of acceptance of the motor vehicle in trade; or

(ii) 15 days from the date of the receipt by the dealer of payment in full from the sale of the traded motor vehicle.

(b) If a dealer accepts a motor vehicle from an owner for sale upon consignment and there is an outstanding loan balance owing on the consigned motor vehicle, the dealer shall remit payment to the secured party to whom the balance on the consigned motor vehicle is owed in an amount sufficient to satisfy the perfected security interest on the consigned motor vehicle within 15 days from the date of the receipt by the dealer of payment in full for sale of the consigned motor vehicle.

(2) A secured party who has been paid in full by a dealer in accordance with the terms of this section shall forward to the department a properly executed release within:

(a) 15 business days after the business day on which the funds are received when the funds are in cash, cashier's check, certified check, teller's check, or other certified source of funds;

(b) 18 business days after the business day on which the funds are received when the funds are in the form of a check drawn on a local originating depository institution; or

(c) 21 business days after the business day on which the funds are received when the funds are in the form of a check drawn on a nonlocal originating depository institution.

(3) For purposes of this section, "business day" means a weekday, excluding any weekday upon which a legal holiday falls."

Section 5. Section 61-4-120, MCA, is amended to read:

"61-4-120. Auto auction -- restrictions -- annual report -- issuance, use, and fees for demonstrator plates. (1) (a) An auto auction may not sell used motor vehicles by retail sale.

(b) An auto auction licensed under this part may auction a new motor vehicle only if the auto auction is 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.

(2) (a) On or before the 15th day of the month prior to the dealer license expiration month, an auto auction shall submit an annual report, in a form or manner prescribed by the department, to the department to advise the department of any changes that may have occurred in that calendar year affecting the information originally filed under 61-4-101. ~~The report must contain information concerning owner identity, other ownership interests, felony conduct, general liability insurance status, surety bond filings, and any other relevant information requested by the department. The fee required for each first-time applicant is \$500, and when the annual report is filed in subsequent years, it must be accompanied by a filing fee of \$100.~~

(b) If an auto auction seeks to change the applicant's name, ownership interest in the business, corporate officer or managing member of the business entity, or a person designated by the applicant to manage or oversee the applicant's business, the auto auction shall also provide a new license application form as originally required under 61-4-101 and the department shall examine the license application as required under 61-4-101.

(3) An auto auction that is an authorized agent may issue a temporary registration permit to a person

who buys a motor vehicle, power sports vehicle, or trailer at the auction, pursuant to 61-3-224. Within 30 days following the date of delivery of the motor vehicle, power sports vehicle, or trailer, the auto auction shall provide the purchaser with the assigned certificate of title or, if a certificate of title for the motor vehicle, power sports vehicle, or trailer has not been issued in this state, a copy of the then-current registration receipt or the certificate and any related documents for each motor vehicle, power sports vehicle, or trailer. It is unlawful for the auto auction to issue more than one temporary registration permit for each motor vehicle, power sports vehicle, or trailer sale.

(4) (a) Upon the issuance of an auto auction license and payment of a \$5 fee for each plate, the department shall furnish to the auto auction one or more demonstrator plates that may be used to transport inventory motor vehicles to and from a point of storage or a point of delivery in this state and to and from the auto auction's place of business, for road testing authorized motor vehicles, or for moving motor 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 motor vehicle.

(b) Auto auctions may appoint designated persons, 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 motor vehicle.

(c) When applying for license plates, an auto auction 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 change has occurred.

(d) 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 temporary registration permit and license plate privileges if an auto auction issues, authorizes the use of, or uses a temporary registration permit or an auto auction license plate in violation of the provisions of this section.

(5) (a) An auto auction licensed under this section shall validate the sale of a motor vehicle, a power sports vehicle, or a trailer through its auction by stamping its name and license number upon the certificate of title at a location on 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 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 year, make, model, and identification number of the motor vehicle, power sports vehicle, or trailer;
 - (ii) name, address, and signature of the transferor;
 - (iii) name, license number, and signature of the transferee; and
 - (iv) date the motor vehicle was sold through the auction.
- (b) The invoice must be attached to the certificate of title and must be presented to the department with any application for title."

Section 6. Section 61-4-124, MCA, is amended to read:

"61-4-124. Annual report -- filing fees -- grace period for dealer and demonstrator plates -- restrictions imposed upon failure to file. (1) On or before the 15th day of the month prior to the dealer license expiration month, a dealer shall submit an annual report, in a form or manner prescribed by the department, to the department to advise the department of any changes ~~concerning owner identity, other ownership interests, felony conduct, general liability insurance status, and surety bond filings, as originally required under 61-4-101, that may have occurred in that calendar year~~ that may have occurred in that calendar year affecting the information originally filed under 61-4-101 and to provide any other relevant information requested by the department.

(2) (a) The department may require a dealer to submit one or more current photographs of the dealer's established place of business or the signage for the business with the dealer's annual report.

(b) If a dealer seeks to change the applicant's name, ownership interest in the business, corporate officer or managing member of the business entity, or a person designated by the applicant to manage or oversee the applicant's business, the dealer shall also provide a new license application form as originally required under 61-4-101 and the department shall examine the license application as required under 61-4-101.

~~(b)~~(c) If a dealer seeks to change the geographic location of the dealer's established place of business, the dealer shall also provide information concerning local land use planning, zoning, and business permitting compliance, if applicable, and a diagram or plat for the proposed location, consistent with the requirements of 61-4-101.

(3) Except as provided in subsection (4)(c), the annual report must be accompanied by a \$30 filing fee.

(4) (a) Except as provided in subsections (4)(b) and (4)(c), a used dealer shall also certify, under penalty

of law, to the retail sale of 12 or more used motor vehicles, power sports vehicles, or trailers during the calendar year for which the annual report is filed. A used dealer licensed for less than a full calendar year in the year for which the report is filed shall certify, under penalty of law, to the retail sale of an average of at least one used motor vehicle, power sports vehicle, or trailer for each calendar month or portion of a calendar month that the license was in effect.

(b) (i) A used dealer who cannot certify, under penalty of law, to the number of retail sales required under subsection (4)(a) in a calendar year for which the report is filed must pay a fee of \$25 in addition to the filing fee required in subsection (3).

(ii) A used dealer who is also a qualified tow truck operator, as defined in 61-8-903, and who, in the dealer's annual report, cannot certify, under penalty of law, to the retail sale of five or more used motor vehicles, power sports vehicles, or trailers during the calendar year for which the report is filed shall pay a fee of \$25 in addition to the filing fee required in subsection (3).

(iii) A dealer licensed as a motor vehicle wrecking facility under Title 75, chapter 10, part 5, is exempt from the minimum retail sales reporting requirements of this subsection (4).

(5) A dealer whose annual report is received by the department on or before the 15th day of the month prior to the dealer license expiration month may display or use dealer or demonstrator plates or identification cards assigned and registered until the dealer license expiration date.

(6) On or after the first day following the dealer license expiration date, the department:

(a) may not renew dealer or demonstrator plates or identification cards for a dealer who has not filed the annual report and paid the fees due under this section;

(b) may not issue or transfer a title under the provisions of 61-4-111(1) to or from a dealer who has not filed the annual report and paid the fees due under this section; ~~and~~

(c) may not allow issuance of a temporary registration permit under the provisions of 61-3-224 for a dealer who has not filed the annual report and paid the fees due under this section; and

~~(e)(d)~~ shall initiate an administrative action under the provisions of 61-4-105(2) to revoke the dealer's license unless the dealer voluntarily surrenders the license, along with any previously assigned dealer and demonstrator plates or identification cards, to the department for cancellation."

Section 7. Section 61-4-125, MCA, is amended to read:

"61-4-125. Wholesaler restrictions -- demonstrator plates -- annual report. (1) The retail sale of used vehicles by a wholesaler is prohibited.

(2) Wholesalers may not be issued or use dealer plates, as provided in 61-4-102. However, a wholesaler may be issued demonstrator plates, as provided in 61-4-129, for use on any type of motor vehicle or trailer that a wholesaler is authorized to sell. To the extent not inconsistent with this section, use of wholesaler demonstrator plates is otherwise governed by 61-4-129.

(3) (a) On or before the 15th day of the month prior to the dealer license expiration month, a wholesaler shall submit an annual report, in a form or manner prescribed by the department, to the department to advise the department of any changes that may have occurred in that calendar year affecting the information originally filed under 61-4-101. The report must contain information concerning owner identity, other ownership interests, felony conduct, general liability insurance status, surety bond filings, and any other relevant information requested by the department. A \$30 filing fee must be submitted with the report.

(b) If a wholesaler seeks to change the applicant's name, ownership interest in the business, corporate officer or managing member of the business entity, or a person designated by the applicant to manage or oversee the applicant's business, the wholesaler shall also provide a new license application as originally required under 61-4-101 and the department shall examine the license application as required under 61-4-101.

~~(b)~~(c) Additionally, the wholesaler shall certify, under penalty of law, that the wholesaler sold 12 or more motor vehicles, power sports vehicles, or trailers to a dealer, an auto auction, or another wholesaler during the calendar year for which the annual report is filed. A wholesaler who was licensed for less than a full calendar year shall certify, under penalty of law, to the sale of an average of at least one motor vehicle, power sports vehicle, or trailer a calendar month or portion of a calendar month during which the license was in effect.

~~(e)~~(d) A wholesaler who cannot, under penalty of law, certify the number of motor vehicle sales required under subsection ~~(3)(b)~~ (3)(c) shall pay a fee of \$25 in addition to the filing fee required in subsection (3)(a)."

Section 8. Section 61-4-127, MCA, is amended to read:

"61-4-127. Broker requirements -- restrictions -- annual report -- fees. (1) A broker may not display a motor vehicle, power sports vehicle, or trailer at the broker's established place of business.

(2) A broker shall install and maintain telephone service at the broker's established place of business. The telephone service must be listed in the directory assistance that applies to the area in which the business

is located, or if a cellular service is used, the broker's cell phone number must be posted at the broker's established place of business.

(3) (a) A broker shall maintain a record of every purchase, sale, or exchange of a motor vehicle, power sports vehicle, or trailer negotiated by the broker for compensation upon behalf of a client. The record must include the name, address, and customer identification number of:

(i) the broker's client;

(ii) the dealer or person from whom the client purchased, sold, or exchanged a motor vehicle, power sports vehicle, or trailer; and

(iii) the financial institution, if any, that financed the client's purchase, sale, or exchange of a motor vehicle, power sports vehicle, or trailer.

(b) The broker shall also maintain a record of each motor vehicle, power sports vehicle, or trailer for which a deal was brokered, including a description of the vehicle, power sports vehicle, or trailer, its identification number, and the source or sources of compensation received by the broker for each deal.

(c) All records must be physically located and maintained within the building referred to in 61-4-101. Records must be preserved for at least 5 years after the date of the purchase, sale, or exchange negotiated by the broker. 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.

(4) (a) On or before the 15th day of the month prior to the dealer license expiration month, a broker shall submit an annual report, in a form or manner prescribed by the department, to the department pertaining to any changes concerning owner identity, other ownership interests, felony conduct, or surety bond filings, as originally required under 61-4-101, that may have occurred during that calendar year and providing any other relevant information required by the department.

(b) If a broker seeks to change the applicant's name, ownership interest in the business, corporate officer or managing member of the business entity, or a person designated by the applicant to manage or oversee the applicant's business, the broker shall also provide a new license application as originally required under 61-4-101 and the department shall examine the license application as required under 61-4-101.

(5) The annual report must be accompanied by a \$30 filing fee. The annual report must include the number of purchases, sales, or exchanges negotiated by the broker during the calendar year for which the annual report is filed."

Section 9. Effective date. [This act] is effective July 1, 2019.

- END -

I hereby certify that the within bill,
HB 0450, originated in the House.

Speaker of the House

Signed this _____ day
of _____, 2019.

Chief Clerk of the House

President of the Senate

Signed this _____ day
of _____, 2019.

HOUSE BILL NO. 450

INTRODUCED BY B. TSCHIDA, K. WHITE

AN ACT GENERALLY REVISING MOTOR VEHICLE LAWS AND DEALER LICENSE REQUIREMENTS; REVISING VEHICLE REGISTRATION FEES; MODIFYING RECORD STORAGE REQUIREMENTS; MODIFYING BUSINESS TRANSFER REQUIREMENTS FOR DEALERS, BROKERS, AUTO AUCTIONS AND WHOLESALERS; EXPANDING LIEN PAYMENT REQUIREMENT FOR DEALERS; MODIFYING AUTO AUCTION ANNUAL REPORTS; MODIFYING DEALER ANNUAL REPORTS; REQUIRING WHOLESALERS TO PROVIDE NEW LICENSE APPLICATIONS AFTER CERTAIN BUSINESS CHANGES; REQUIRING BROKERS TO PROVIDE NEW LICENSE APPLICATIONS AFTER CERTAIN BUSINESS CHANGES; AMENDING SECTIONS 61-3-224, 61-4-101, 61-4-106, 61-4-110, 61-4-120, 61-4-124, 61-4-125, AND 61-4-127, MCA; AND PROVIDING AN EFFECTIVE DATE.