

1 HOUSE BILL NO. 445

2 INTRODUCED BY B. USHER

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING AUTOMOBILE LAWS; PROVIDING FOR
5 LOANER PLATES; PROVIDING FOR MEDIATION OF DISPUTES; PROVIDING FOR RESOLUTION OF
6 DISPUTES; PROVIDING STANDING TO BRING ACTION; PROVIDING FOR WARRANTY
7 REIMBURSEMENT; PROVIDING FOR REGISTRATION OF CERTAIN VEHICLES BY A MONTANA
8 RESIDENT IF THE RESIDENT CO-OWNS THE VEHICLE WITH OUT-OF-STATE RESIDENTS; PROVIDING
9 DEFINITIONS; AMENDING SECTIONS 61-1-101, 61-3-224, 61-3-303, 61-3-311, 61-3-312, 61-3-332, 61-3-
10 456, 61-4-111, 61-4-128, 61-4-129, 61-4-201, 61-4-207, 61-4-213, AND 61-14-101, MCA; AND PROVIDING
11 AN IMMEDIATE EFFECTIVE DATE."

12
13 WHEREAS, the Legislature finds that the distribution and sale of motor vehicles within this state vitally
14 affects the general economy of the state, the public interest, and the public welfare; and

15 WHEREAS, in order to promote the public interest and the public welfare and in the exercise of the
16 state's police power, it is necessary to regulate motor vehicle manufacturers, distributors, and factory or
17 distributor representatives and to regulate dealers of motor vehicles doing business in this state in order to
18 prevent frauds, impositions, and other abuses on its citizens and to protect and preserve the investments and
19 properties of the citizens of this state.

20
21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

22
23 NEW SECTION. **Section 1. Mediation of disputes.** (1) All disputes between a manufacturer, person,
24 or entity described in 61-4-208(1) and a new motor vehicle dealer or transferee of a new motor vehicle dealer
25 alleged to be in violation of any provision of Montana law, including but not limited to 30-11-701 through 30-11-
26 713, 30-11-717 through 30-11-719, 61-4-131 through 61-4-137, 61-4-150, 61-4-205(1) and (2), 61-4-208, and
27 61-4-213, are subject to mediation as provided for in this section. A demand for mediation must be served on
28 the adverse party before or contemporaneous with the filing of the objection, protest, complaint, or petition or

1 the bringing of the action. A demand for mediation must be in writing and served on the adverse party by
2 certified mail, return receipt requested, or by overnight delivery service that provides proof of delivery at an
3 address designated for the party in the records of the complainant. The demand for mediation must contain a
4 brief statement of the dispute and the relief sought by the complainant filing the demand.

5 (2) Within 20 days after the date a demand for mediation is served, the parties shall mutually select
6 an independent mediator and meet with that mediator for the purpose of attempting to resolve the dispute. If the
7 parties are unable to agree on a mediator, a party may apply to a district judge of the first judicial district, Lewis
8 and Clark County, for appointment of a mediator. The meeting place must be within this state in a location
9 selected by the mediator in proximity to the place of business of a party domiciled in this state. The mediator
10 may extend the date of the meeting for good cause shown by either party or on the stipulation of both parties.

11 (3) The service of a demand for mediation under subsection (1) must stay the time for the filing of any
12 objection, protest, complaint, or petition with the department or for bringing an action until the representatives of
13 both parties have met with a mutually selected or appointed mediator for the purpose of attempting to resolve
14 the dispute. If an objection, protest, complaint, or petition is filed before the meeting, the department or the
15 court shall enter an order suspending the proceeding or action until the meeting has occurred and may, on the
16 written stipulation of all parties to the proceeding or action that they wish to continue to mediate under this
17 section, enter an order suspending the proceeding or action for as long a period as the department or court
18 considers to be appropriate. A suspension order issued under this subsection may be revoked on motion of any
19 party or on motion of the department or the court.

20 (4) The department shall encourage dealers and manufacturers to establish a panel of mediators who
21 have the character, ability, and training to serve as mediators and who have knowledge of the motor vehicle
22 industry.

23 (5) A mediator is immune from civil liability for any good faith act or omission within the scope of the
24 mediator's or arbitrator's performance of the mediator's or arbitrator's powers and duties under this chapter. An
25 act or omission of a mediator is presumed to be a good faith act or omission. This presumption may be
26 overcome only by clear and convincing evidence.

27
28 **NEW SECTION. Section 2. Administrative hearings and adjudications -- procedure.** (1) A new

1 motor vehicle dealer or transferee of a new motor vehicle dealer who is directly and adversely affected by the
 2 action or conduct of a manufacturer, person, or entity described in 61-4-208(1) that is alleged to be in violation
 3 of any provision of Montana law, including but not limited to 30-11-701 through 30-11-713, 30-11-717 through
 4 30-11-719, 61-4-131 through 61-4-137, 61-4-150, 61-4-208, and 61-4-213, may seek a declaration and
 5 adjudication of rights and obligations with respect to the alleged action or conduct by filing with the department
 6 a complaint and request for an administrative hearing that conforms substantially with the requirements of the
 7 contested case provisions of the Montana Administrative Procedure Act, Title 2, chapter 4, which governs all
 8 matters and procedures respecting the hearing and judicial review of cases such as this. The hearing officer
 9 shall assess the department's costs against the parties or a party as a cost of the action.

10 (2) Objections or notice of protest pursuant to 61-4-205(1) and (2) must be adjudicated pursuant to
 11 those statutes if mediation pursuant to [section 1] is unsuccessful.

12
 13 **NEW SECTION. Section 3. Standing to bring action.** (1) The following entities have standing to
 14 seek redress for violations of Title 30, chapters 11 and 14, part 25, of this chapter, or of any other provision of
 15 Montana law relating to or affecting the relationship between a manufacturer, person, or entity described in 61-
 16 4-208(1) and a new motor vehicle dealer:

17 (a) a new motor vehicle dealer;
 18 (b) a transferee of a new motor vehicle dealer; and
 19 (c) any corporation or association that is primarily owned by or composed of new motor vehicle
 20 dealers and that primarily represents the interests of new motor vehicle dealers if at least one of the corporation
 21 or association members would have standing on its own, the interests that the action seeks to protect are
 22 germane to the corporation or association's purpose, and the claim asserted or the relief requested does not
 23 require the participation of individual members in the action.

24 (2) Entities that have standing under subsection (1) may:
 25 (a) file a petition and request the department handle the matter as an administrative proceeding; or
 26 (b) bring a civil action in a court of competent jurisdiction.
 27 (3) An action filed under this section may seek:
 28 (a) recovery of actual damages;

- 1 (b) declaratory or injunctive relief; or
 2 (c) reasonable costs of the suit and attorney fees to a prevailing party.
 3 (4) A court or administrative hearing officer may, in its discretion, increase the award of damages up
 4 to an amount not to exceed three times the actual damages sustained for a willful violation of this chapter.

5

6 **NEW SECTION. Section 4. Loaner license plates -- issuance -- restrictions on use.** (1) On
 7 application and payment of an annual fee of \$25 for a set, the department may issue loaner plates to a new
 8 motor vehicle dealer as defined in section 61-4-201.

9 (2) Loaner license plates may be displayed only on a new motor vehicle:

- 10 (a) that remains on a manufacturer's statement of origin;
 11 (b) that is in the inventory of the dealer and held primarily for resale; and
 12 (c) that the dealer loans to a customer while the dealer is repairing the customer's vehicle.

13 (3) A dealer shall maintain records detailing to whom a vehicle bearing loaner plates has been
 14 loaned, the date of the loan, the date on which the vehicle bearing loaner plates is to be returned, and the
 15 actual date of the vehicle's return. These records must include the name, address, and telephone number of the
 16 person or entity to whom the vehicle has been loaned and the name of a contact person who will oversee the
 17 actual operation and use of the vehicle. The records are subject to audit by the department.

18 (4) It is the responsibility of the person or entity to whom the vehicle bearing loaner plates was loaned
 19 to carry, while operating or in actual physical control of the vehicle, written proof that the person or entity is
 20 authorized to operate or be in actual physical control of the vehicle.

21 (5) If a dealer allows a person or entity to operate or retain actual physical control of a vehicle bearing
 22 loaner plates in violation of this section, the department may suspend the dealer's right to use the loaner plates
 23 for a period not to exceed 6 months.

24

25 **Section 5.** Section 61-1-101, MCA, is amended to read:

26 **"61-1-101. Definitions.** As used in this title, unless the context indicates otherwise, the following
 27 definitions apply:

28 (1) (a) "Authorized agent" means a person who has executed a written agreement with the

1 department and is specifically authorized by the department to electronically access and update the
2 department's motor vehicle titling, registration, or driver records, using an approved automated interface, for
3 specific functions or purposes on behalf of a third party.

4 (b) For purposes of this subsection (1), "person" means an individual, corporation, partnership, limited
5 partnership, limited liability company, association, joint venture, state agency, local government unit, another
6 state government, the United States, a political subdivision of this or another state, or any other legal or
7 commercial entity.

8 (2) "Authorized agent agreement" means the written agreement executed between an authorized
9 agent and the department that sets the technical and operational program standards, compliance criteria,
10 payment options, and service expectations by which the authorized agent is required to operate in performing
11 specific motor vehicle or driver-related record functions.

12 (3) "Autocycle" means a three-wheeled motorcycle that is equipped with safety belts, roll bars or roll
13 hoops, a steering wheel, and seating that does not require the operator to straddle or sit astride it.

14 (4) "Bus" means a motor vehicle designed for carrying more than 10 passengers and used for the
15 transportation of persons and any other motor vehicle, other than a taxicab, designed and used for the
16 transportation of persons for compensation.

17 (5) (a) "Business entity" means a corporation, association, partnership, limited liability partnership,
18 limited liability company, or other legal entity recognized under state law.

19 (b) The term does not include an individual.

20 (6) (a) "Camper" means a structure designed to be mounted in the cargo area of a truck or attached
21 to an incomplete vehicle for the purpose of providing shelter for persons. The term includes but is not limited to
22 a cab-over, half cab-over, noncab-over, telescopic, and telescopic cab-over.

23 (b) The term does not include a truck canopy cover or topper.

24 (7) "CDLIS driver record" means the electronic record of a person's commercial driver's license status
25 and history stored as part of the commercial driver's license system established under 49 U.S.C. 31309.

26 (8) "Certificate of title" means the paper record issued by the department or by the appropriate agency
27 of another jurisdiction that establishes a verifiable record of ownership between an identified person or persons
28 and the motor vehicle specifically described in the record and that provides notice of a perfected security

1 interest in the motor vehicle.

2 (9) "Commercial driver's license" means:

3 (a) a driver's license issued under or granted by the laws of this state that authorizes a person to
4 operate a class of commercial motor vehicle; or

5 (b) the privilege of a person to drive a commercial motor vehicle, whether or not the person holds a
6 valid commercial driver's license.

7 (10) (a) "Commercial motor vehicle" means a motor vehicle or combination of motor vehicles used in
8 commerce to transport passengers or property if the vehicle:

9 (i) has a gross combination weight rating or a gross combination weight of 26,001 pounds or more,
10 whichever is greater, inclusive of a towed unit with a gross vehicle weight rating of more than 10,000 pounds;

11 (ii) has a gross vehicle weight rating or a gross vehicle weight of 26,001 pounds or more, whichever is
12 greater;

13 (iii) is designed to transport at least 16 passengers, including the driver;

14 (iv) is a school bus; or

15 (v) is of any size and is used in the transportation of hazardous materials.

16 (b) The following vehicles are not commercial motor vehicles:

17 (i) an authorized emergency vehicle:

18 (A) equipped with audible and visual signals as required under 61-9-401 and 61-9-402; and

19 (B) operated when responding to or returning from an emergency call or operated in another official
20 capacity;

21 (ii) a vehicle:

22 (A) controlled and operated by a farmer, family member of the farmer, or person employed by the
23 farmer;

24 (B) used to transport farm products, farm machinery, or farm supplies to or from the farm within
25 Montana within 150 miles of the farm or, if there is a reciprocity agreement with a state adjoining Montana,
26 within 150 miles of the farm, including any area within that perimeter that is in the adjoining state; and

27 (C) not used to transport goods for compensation or for hire; or

28 (iii) a vehicle operated for military purposes by active duty military personnel, a member of the military

1 reserves, a member of the national guard on active duty, including personnel on full-time national guard duty,
2 personnel in part-time national guard training, and national guard military technicians, or active duty United
3 States coast guard personnel.

4 (c) For purposes of this subsection (10):

5 (i) "farmer" means a person who operates a farm or who is directly involved in the cultivation of land
6 or crops or the raising of livestock owned by or under the direct control of that person;

7 (ii) "gross combination weight rating" means the value specified by the manufacturer as the loaded
8 weight of a combination or articulated vehicle;

9 (iii) "gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight
10 of a single vehicle; and

11 (iv) "school bus" has the meaning provided in 49 CFR 383.5.

12 (11) "Commission" means the state transportation commission.

13 (12) "Custom-built motorcycle" means a motorcycle that is equipped with:

14 (a) an engine that was manufactured 20 years prior to the current calendar year and that has been
15 altered from the manufacturer's original design; or

16 (b) an engine that was manufactured to resemble an engine 20 or more years old and that has been
17 constructed in whole or in part from nonoriginal materials.

18 (13) "Custom vehicle" means a motor vehicle other than a motorcycle that:

19 (a) (i) was manufactured with a model year after 1948 and that is at least 25 years old; or

20 (ii) was built to resemble a vehicle manufactured after 1948 and at least 25 years before the current
21 calendar year, including a kit vehicle intended to resemble a vehicle manufactured after 1948 and that is at
22 least 25 years old; and

23 (b) has been altered from the manufacturer's original design or has a body constructed from
24 nonoriginal materials.

25 (14) "Customer identification number" means:

26 (a) a driver's license or identification card number when the customer is an individual who has been
27 issued a driver's license or identification card by a state driver licensing authority;

28 (b) a federal employer or tax identification number when the customer is a business entity that has

1 been issued a federal employer or tax identification number;

2 (c) the identification number assigned by the secretary of state to a business entity authorized to do
3 business in this state under Title 35 if the customer is a business entity that does not have a federal employer
4 or tax identification number other than a social security number; or

5 (d) if the customer has not been issued one of the numbers described in subsections (14)(a) through
6 (14)(c), a number assigned to the customer by the department when a transaction is initiated under this title.

7 (15) (a) "Dealer" means a person that, for commission or profit, engages in whole or in part in the
8 business of buying, selling, exchanging, or accepting on consignment new or used motor vehicles, trailers,
9 semitrailers, pole trailers, travel trailers, motorboats, sailboats, snowmobiles, off-highway vehicles, or special
10 mobile equipment that is not registered in the name of the person.

11 (b) The term does not include the following:

12 (i) receivers, trustees, administrators, executors, guardians, or other persons appointed by or acting
13 under a judgment or order of any court of competent jurisdiction;

14 (ii) employees of the persons included in subsection (15)(b)(i) when engaged in the specific
15 performance of their duties as employees; or

16 (iii) public officers while performing or in the operation of their duties.

17 (16) "Declared weight" means the total unladen weight of a vehicle plus the weight of the maximum
18 load to be carried on the vehicle as stated by the registrant in the application for registration.

19 (17) "Department" means the department of justice acting directly or through its duly authorized
20 officers or agents.

21 (18) "Dolly or converter gear" means a device consisting of one or two axles with a fifth wheel and
22 trailer tongue used to support the forward end of a semitrailer, converting a semitrailer into a trailer.

23 (19) "Domiciled" means a place where:

24 (a) an individual establishes residence;

25 (b) a business entity maintains its principal place of business;

26 (c) the business entity's registered agent maintains an address; or

27 (d) a business entity most frequently uses, dispatches, or controls a motor vehicle, trailer, semitrailer,
28 or pole trailer that it owns or leases.

1 (20) "Downgrade" means the removal of a person's privilege to operate a commercial motor vehicle, as
2 maintained by the department on the individual Montana driving record and the CDLIS driver record for that
3 person.

4 (21) "Driver" means a person who drives or is in actual physical control of a vehicle.

5 (22) "Driver's license" means a license or permit to operate a motor vehicle issued under or granted by
6 the laws of this state, including:

7 (a) any temporary license or learner license;

8 (b) the privilege of any person to drive a motor vehicle, whether or not the person holds a valid
9 license;

10 (c) any nonresident's driving privilege;

11 (d) a motorcycle endorsement; or

12 (e) a commercial driver's license.

13 (23) "Electric personal assistive mobility device" means a device that has two nontandem wheels, is
14 self-balancing, and is designed to transport only one person with an electric propulsion system that limits the
15 maximum speed of the device to 12 1/2 miles an hour.

16 (24) "For hire" means an action performed for remuneration of any kind, whether paid or promised,
17 either directly or indirectly, or received or obtained through leasing, brokering, or buy-and-sell arrangements
18 from which a remuneration is obtained or derived for transportation service.

19 (25) (a) "Golf cart" means a motor vehicle that is designed for use on a golf course to carry a person
20 or persons and golf equipment and that has an average speed of less than 15 miles per hour.

21 (b) Except as provided in 61-3-201, a golf cart is exempt from titling, registration, and mandatory
22 liability insurance requirements under this title.

23 (26) "Gross vehicle weight" means the weight of a vehicle without load plus the weight of any load on
24 the vehicle.

25 (27) "Hazardous material" means:

26 (a) any material that has been designated as hazardous under 49 U.S.C. 5103 and is required to be
27 placarded under 49 CFR, part 172; or

28 (b) any quantity of a material listed as a select agent or toxin in 42 CFR, part 73.

1 (28) "Highway" or "public highway" means the entire width between the boundary lines of every
2 publicly maintained way when any part of the publicly maintained way is open to the use of the public for
3 purposes of vehicular travel.

4 (29) "Highway patrol officer" means a state officer authorized to direct or regulate traffic or to make
5 arrests for violations of traffic regulations.

6 (30) "Implement of husbandry" means a vehicle that is designed for agricultural purposes and
7 exclusively used by the owner of the vehicle in the conduct of the owner's agricultural operations.

8 (31) "Kit vehicle" is a motor vehicle assembled from a manufactured kit either as:

9 (a) a complete kit, consisting of a prefabricated body and chassis, to construct a new motor vehicle;

10 or

11 (b) a kit with a prefabricated body to be mounted to an existing motor vehicle chassis and drivetrain,
12 commonly referred to as a donor vehicle.

13 (32) "Light vehicle" means a motor vehicle commonly referred to as an automobile, van, sport utility
14 vehicle, or truck having a manufacturer's rated capacity of 1 ton or less.

15 (33) "Low-speed electric vehicle" means a motor vehicle, on or by which a person may be transported,
16 that:

17 (a) has four wheels;

18 (b) has a maximum speed of at least 20 miles an hour and no greater than 40 miles an hour as
19 certified by the manufacturer;

20 (c) is propelled by its own power, using an electric motor or other device that transforms stored
21 electrical energy into the motion of the vehicle;

22 (d) stores electricity in batteries, ultracapacitors, or similar devices, which are charged from the power
23 grid or from renewable electrical energy sources;

24 (e) has a wheelbase of 40 inches or greater and a wheel diameter of 10 inches or greater;

25 (f) exhibits a manufacturer's compliance with 49 CFR, part 565, or displays a 17-character vehicle
26 identification number as provided in 49 CFR, part 565; and

27 (g) is equipped as provided in 61-9-432.

28 (34) "Low-speed restricted driver's license" means a license limited to the operation of a low-speed

1 electric vehicle or a golf cart issued under or granted by the laws of this state, including:

2 (a) a temporary license or learner license;

3 (b) the privilege of a person to drive a low-speed electric vehicle or golf cart under the authority of 61-
4 5-122, whether or not the person holds a valid driver's license; and

5 (c) a nonresident's similarly restricted driving privilege.

6 (35) "Manufactured home" has the meaning provided in 15-24-201.

7 (36) "Manufacturer" includes any person engaged in the manufacture of motor vehicles, trailers,
8 semitrailers, pole trailers, travel trailers, motorboats, sailboats, snowmobiles, or off-highway vehicles as a
9 regular business.

10 (37) "Manufacturer's certificate of origin" means the original paper record produced and issued by the
11 manufacturer of a vehicle or, if in a medium authorized by the department, an electronic record created and
12 transmitted by the manufacturer of a vehicle to the manufacturer's agent or a licensed dealer. The record must
13 establish the origin of the vehicle specifically described in the record and, upon assignment, transfers of
14 ownership of the vehicle to the person or persons named in the certificate.

15 (38) (a) "Medium-speed electric vehicle" is a motor vehicle, on or by which a person may be
16 transported, that:

17 (i) has a maximum speed of 45 miles an hour as certified by the manufacturer;

18 (ii) is propelled by its own power, using an electric motor or other device that transforms stored
19 electrical energy into the motion of the vehicle;

20 (iii) stores electricity in batteries, ultracapacitors, or similar devices, which are charged from the power
21 grid or from renewable electrical energy sources;

22 (iv) is fully enclosed and includes at least one door for entry;

23 (v) has a wheelbase of 40 inches or greater and a wheel diameter of 10 inches or greater;

24 (vi) exhibits a manufacturer's compliance with 49 CFR, part 565, or displays a 17-character vehicle
25 identification number as provided in 49 CFR, part 565;

26 (vii) bears a sticker, affixed by the manufacturer or dealer, on the left side of the rear window that
27 indicates the vehicle's maximum speed rating; and

28 (viii) as certified by the manufacturer, is equipped as provided in 61-9-432.

1 (b) A medium-speed electric vehicle must be treated as a light vehicle for purposes of titling and
2 registration under Title 61, chapter 3.

3 (c) A medium-speed electric vehicle may not have a gross vehicle weight in excess of 5,000 pounds.

4 (39) "Mobile home" or "housetrailer" has the meaning provided in 15-24-201.

5 (40) "Montana resident" means:

6 (a) an individual who resides in Montana as determined under 1-1-215; or

7 (b) for the purposes of chapter 3, a business entity that maintains a principal place of business or a
8 registered agent in this state.

9 (41) (a) "Motorboat" means a vessel, including a personal watercraft or pontoon, propelled by any
10 machinery, motor, or engine of any description, whether or not the machinery, motor, or engine is the principal
11 source of propulsion. The term includes boats temporarily equipped with detachable motors or engines.

12 (b) The term does not include a vessel that has a valid marine document issued by the U.S. coast
13 guard or any successor federal agency.

14 (42) (a) "Motor carrier" means a person or corporation or its lessees, trustees, or receivers appointed
15 by a court that are operating motor vehicles on a public highway in this state for the transportation of property
16 for hire on a commercial basis.

17 (b) The term does not include motor carriers regulated under Title 69, chapter 12.

18 (43) (a) "Motorcycle" means a motor vehicle that has a seat or saddle for the use of the operator and
19 that is designated to travel on not more than three wheels in contact with the ground. A motorcycle may carry
20 one or more attachments and a seat for the conveyance of a passenger.

21 (b) A motorcycle designed for use on highways is a motor vehicle unless otherwise prescribed.

22 (c) A motorcycle designed for off-road recreational use is an off-highway vehicle unless it has been
23 modified to meet the equipment standards specified in chapter 9 and has been registered for highway use.

24 (d) The term includes an autocycle.

25 (e) The term does not include a tractor, a bicycle or a moped as defined in 61-8-102, a motorized
26 nonstandard vehicle, or a two- or three-wheeled all-terrain vehicle that is used exclusively on private property.

27 (44) (a) "Motor-driven cycle" means a motorcycle, including a motor scooter, with a motor that
28 produces 5 horsepower or less.

1 (b) The term does not include a bicycle or a moped, as defined in 61-8-102, or a motorized
2 nonstandard vehicle.

3 (45) "Motor home" means a motor vehicle:

4 (a) designed to provide temporary living quarters, built as an integral part of or permanently attached
5 to a self-propelled motor vehicle chassis or van;

6 (b) containing permanently installed independent life support systems that meet the ANSIA/A119.2
7 standard; and

8 (c) providing at least four of the following types of facilities:

9 (i) cooking, refrigeration, or icebox;

10 (ii) self-contained toilet;

11 (iii) heating or air conditioning, or both;

12 (iv) potable water supply, including a faucet and sink; or

13 (v) separate 110-volt or 125-volt electrical power supply or a liquefied petroleum gas supply, or both.

14 (46) (a) "Motorized nonstandard vehicle" means a vehicle, on or by which a person may be
15 transported, that:

16 (i) is propelled by its own power, using an internal combustion engine or an electric motor;

17 (ii) has a wheelbase of less than 40 inches and a wheel diameter of less than 10 inches; and

18 (iii) does not display a manufacturer's certification in accordance with 49 CFR, part 567, or have a 17-
19 character vehicle identification number assigned by the manufacturer in accordance with 49 CFR, part 565.

20 (b) The term includes but is not limited to a motorized skateboard and a vehicle commonly known as
21 a "pocket rocket".

22 (c) The term does not include a moped as defined in 61-8-102, an electric personal assistive mobility
23 device, or a motorized wheelchair or other low-powered, mechanically propelled vehicle designed specifically
24 for use by a physically disabled person.

25 (47) (a) "Motor vehicle" means:

26 (i) a vehicle propelled by its own power and designed or used to transport persons or property on the
27 highways of the state;

28 (ii) a quadricycle if it is equipped for use on the highways as prescribed in chapter 9; or

1 (iii) a golf cart only if it is equipped for use on the highways as prescribed in chapter 9 and is operated
2 pursuant to 61-8-391 or by a person with a low-speed restricted driver's license.

3 (b) The term does not include a bicycle or a moped as defined in 61-8-102, an electric personal
4 assistive mobility device, a motorized nonstandard vehicle, or a motorized wheelchair or other low-powered,
5 mechanically propelled vehicle that is designed specifically for use by a physically disabled person and that is
6 used as a means of mobility for that person.

7 (48) "New motor vehicle" means a motor vehicle, regardless of the mileage of the vehicle, the legal or
8 equitable title to which has never been transferred by a manufacturer, distributor, or dealer to another person as
9 the result of a retail sale.

10 (49) "Nonresident" means a person who is not a Montana resident.

11 (50) (a) "Not used for general transportation purposes" means the operation of a motor vehicle
12 registered as a collector's item, a custom vehicle, a street rod, or a custom-built motorcycle to or from a car or
13 motorcycle club activity or event or an exhibit, show, cruise night, or parade, or for other occasional
14 transportation activity.

15 (b) The term does not include operation of a motor vehicle for routine or ordinary household
16 maintenance, employment, education, or other similar purposes.

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

21 (b) The term does not include:

22 (i) vehicles designed primarily for travel on, over, or in the water;

23 (ii) snowmobiles; or

24 (iii) motor vehicles designed to transport persons or property on the highways unless the vehicle is
25 used for off-road recreation on public lands.

26 (52) "Operator" means a person who is in actual physical control of a motor vehicle.

27 (53) "Owner" means a each person who holds the legal title to a vehicle. If a vehicle is the subject of
28 an agreement for the conditional sale of the vehicle with the right of purchase upon performance of the

1 conditions stated in the agreement and with an immediate right of possession and control vested in the
2 ~~conditional vendee, an individual human being~~ or in the event a vehicle is subject to a lease, contract, or other
3 legal arrangement vesting right of possession or control, for security or otherwise in an individual human being,
4 or in the event a mortgagor of a vehicle is entitled to possession and control, then the owner is the ~~person~~
5 individual human being or mortgagor in whom is vested the right of possession ~~or~~ and control.

6 (54) "Person" means an individual human being, corporation, partnership, association, firm, or other
7 legal entity.

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

11 (56) "Pole trailer" means a vehicle without power designed to be drawn by another vehicle and
12 attached to the towing vehicle by means of a reach or pole or by being boomed or otherwise secured to the
13 towing vehicle and ordinarily used for transporting long or irregularly shaped loads such as poles, pipes, or
14 structural members capable generally of sustaining themselves as beams between the supporting connections.

15 (57) "Police officer" means an officer authorized to direct or regulate traffic or to make arrests for
16 violations of traffic regulations.

17 (58) (a) "Quadricycle" means a four-wheeled motor vehicle, designed for on-road or off-road use,
18 having a seat or saddle on which the operator sits.

19 (b) The term does not include golf carts.

20 (59) "Railroad" means a carrier of persons or property on cars, other than streetcars, operated on
21 stationary rails.

22 (60) (a) "Railroad train" or "train" means a steam engine or electric or other motor, with or without cars
23 coupled to the engine, that is operated on rails.

24 (b) The term does not include streetcars.

25 (61) "Recreational vehicle" includes a motor home, travel trailer, or camper.

26 (62) "Registration" or "register" means the act or process of creating an electronic record, maintained
27 by the department, of the assignment of a license plate or a set of license plates to and the issuance of a
28 registration decal for a specific vehicle, the ownership of which has been established or is presumed in

1 department records.

2 (63) "Registration decal" means an adhesive sticker produced by the department and issued by the
3 department, its authorized agent, or a county treasurer to the owner of a motor vehicle, trailer, semitrailer, pole
4 trailer, motorboat, sailboat, personal watercraft, or snowmobile as proof of payment of all fees imposed for the
5 registration period indicated on the sticker as recorded by the department under 61-3-101.

6 (64) "Registration receipt" means a paper record that is produced and issued or, if authorized by the
7 department, an electronic record that is transmitted by the department, its authorized agent, or a county
8 treasurer to the owner of a vehicle that identifies a vehicle, based on information maintained in the electronic
9 record of title for the vehicle, and that provides evidence of the payment of all fees required to be paid for the
10 registration of the vehicle for the registration period indicated in the receipt.

11 (65) "Retail sale" means the sale of a motor vehicle, trailer, semitrailer, pole trailer, travel trailer,
12 motorboat, snowmobile, off-highway vehicle, or special mobile equipment by a dealer to a person for purposes
13 other than resale.

14 (66) "Revocation" means the termination by action of the department of a person's driver's license,
15 privilege to drive a motor vehicle on the public highways, and privilege to apply for and be issued a driver's
16 license for a period of time designated by law, during which the license or privilege may not be renewed,
17 restored, or exercised. An application for a new license may be presented and acted on by the department after
18 the expiration of the period of the revocation.

19 (67) "Roadway" means that portion of a highway improved, designed, or ordinarily used for vehicular
20 travel, exclusive of the berm or shoulder. In the event that a highway includes two or more separate roadways,
21 the term refers to any roadway separately but not to all roadways collectively.

22 (68) (a) "Sailboat" means a vessel that uses a sail and wind as its primary source of propulsion.

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

24 (69) "School zone" means an area near a school beginning at the school's front door, encompassing
25 the campus and school property, and including the streets directly adjacent to the school property and for as
26 many blocks surrounding the school as determined by the local authority establishing a special speed limit
27 under 61-8-310(1)(d).

28 (70) "Sell" means to transfer ownership from one person to another person or from a dealer to another

1 person for consideration.

2 (71) "Semitrailer" means a vehicle, with or without motive power, other than a pole trailer, designed for
3 carrying property and for being drawn by a motor vehicle and constructed so that some part of its weight and
4 that of its load rests on or is carried by another vehicle.

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

8 (73) "Special mobile equipment" means a vehicle not designed for the transportation of persons or
9 property on the highways but incidentally operated or moved over the highways, including road construction or
10 maintenance machinery, ditch-digging apparatus, and well-boring apparatus. The fact that equipment is
11 permanently attached to a vehicle does not make the vehicle special mobile equipment. The enumeration in
12 this subsection is partial and does not exclude other vehicles that are within the general terms of this
13 subsection.

14 (74) (a) "Specially constructed vehicle" means a motor vehicle, including a motorcycle, that:

15 (i) was not originally constructed under a distinctive make, model, or type by a generally recognized
16 manufacturer of motor vehicles;

17 (ii) has been structurally modified so that it does not have the same appearance as similar vehicles
18 from a generally recognized manufacturer of motor vehicles;

19 (iii) has been constructed or assembled entirely from custom-built parts and materials not obtained
20 from other vehicles;

21 (iv) has been constructed or assembled by using major component parts from one or more
22 manufactured vehicles and that cannot be identified as a specific make or model; or

23 (v) has been constructed by the use of a kit that cannot be visually identified as a specific make or
24 model.

25 (b) The term does not include a motor vehicle that has been repaired or restored to its original design
26 by replacing parts.

27 (75) (a) "Sport utility vehicle" means a light vehicle designed to transport 10 or fewer persons that is
28 constructed on a truck chassis or that has special features for occasional off-road use.

1 (b) The term does not include trucks having a manufacturer's rated capacity of 1 ton or less.

2 (76) (a) "Stop", when required, means complete cessation from movement.

3 (b) "Stop", "stopping", or "standing", when prohibited, means any stopping or standing of a vehicle,
4 whether occupied or not, except when necessary to avoid conflict with other traffic or in compliance with the
5 directions of a police officer, highway patrol officer, or traffic control sign or signal.

6 (77) "Storage lot" means property owned, leased, or rented by a dealer that is not contiguous to the
7 dealer's established place of business where a motor vehicle from the dealer's inventory may be placed when
8 space at the dealer's established place of business is not available.

9 (78) "Street" means the entire width between the boundary lines of every publicly maintained way
10 when any part of the publicly maintained way is open to the use of the public for purposes of vehicular travel.

11 (79) "Street rod" means a motor vehicle, other than a motorcycle, that:

12 (a) was manufactured prior to 1949 or was built to resemble a vehicle manufactured before 1949,
13 including a kit vehicle intended to resemble a vehicle manufactured before 1949; and

14 (b) has been altered from the manufacturer's original design or has a body constructed from
15 nonoriginal materials.

16 (80) "Suspension" means the temporary withdrawal by action of the department of a person's driver's
17 license, privilege to drive a motor vehicle on the public highways, and privilege to apply for or be issued a
18 driver's license for a period of time designated by law.

19 (81) "Temporary registration permit" means a paper record:

20 (a) issued by the department, an authorized agent, a county treasurer, or a person, using a
21 department-approved electronic interface after an electronic record has been transmitted to the department,
22 that contains:

23 (i) required vehicle and owner information; and

24 (ii) the purpose for which the record was generated; and

25 (b) that, when placed in a durable license-plate style plastic pouch approved by the department and
26 displayed as prescribed in 61-3-224, authorizes a person to operate the described motor vehicle, motorboat,
27 sailboat that is 12 feet in length or longer, snowmobile, or off-highway vehicle for:

28 (i) 40 days from the date the record is issued or until the vehicle is registered under Title 23 or this

1 title, whichever first occurs; or

2 (ii) 90 days from the date the record is issued for a permit issued pursuant to 61-3-303~~(3)(b)~~ (4)(b).

3 (82) "Traffic" means pedestrians, ridden or herded animals, vehicles, streetcars, and other
4 conveyances either singly or together while using any highways for purposes of travel.

5 (83) (a) "Trailer" means a vehicle, with or without motive power, other than a pole trailer, designed for
6 carrying property and for being drawn by a motor vehicle and constructed so that no part of its weight rests on
7 the towing vehicle.

8 (b) The term does not include a mobile home or a manufactured home, as defined in 15-1-101.

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

14 (85) "Travel trailer" means a vehicle:

15 (a) that is 40 feet or less in length;

16 (b) that is of a size or weight that does not require special permits when towed by a motor vehicle;

17 (c) with gross trailer area of less than 320 square feet; and

18 (d) that is designed to provide temporary facilities for recreational, travel, or camping use and not
19 used as a principal residence.

20 (86) "Truck" or "motortruck" means a motor vehicle designed, used, or maintained primarily for the
21 transportation of property.

22 (87) "Truck tractor" means a motor vehicle designed and used primarily for drawing other vehicles and
23 not constructed to carry a load other than a part of the weight of the vehicle and load drawn.

24 (88) "Under the influence" has the meaning provided in 61-8-401.

25 (89) "Used motor vehicle" includes any motor vehicle that has been sold, bargained, exchanged, or
26 given away or had its title transferred from the person who first took title to it from the manufacturer, importer,
27 dealer, wholesaler, or agent of the manufacturer or importer and that has been used so as to have become
28 what is commonly known as "secondhand" within the ordinary meaning of that term.

1 (90) "Van" means a motor vehicle designed for the transportation of at least six persons and not more
2 than nine persons and intended for but not limited to family or personal transportation without compensation.

3 (91) (a) "Vehicle" means a device in, on, or by which any person or property may be transported or
4 drawn on a public highway, except devices moved by animal power or used exclusively on stationary rails or
5 tracks.

6 (b) The term does not include a manually or mechanically propelled wheelchair or other low-powered,
7 mechanically propelled vehicle that is designed specifically for use by a physically disabled person and that is
8 used as a means of mobility for that person.

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

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

14 (94) "Wholesaler" means a person that for a commission or with intent to make a profit or gain of
15 money or other thing of value sells, exchanges, or attempts to negotiate a sale or exchange of an interest in a
16 used motor vehicle, trailer, semitrailer, pole trailer, travel trailer, motorboat, snowmobile, off-highway vehicle, or
17 special mobile equipment only to dealers and auto auctions licensed under chapter 4, part 1."

18

19 **Section 6.** Section 61-3-224, MCA, is amended to read:

20 **"61-3-224. Temporary registration permit -- issuance -- placement -- fees.** (1) (a) The department,
21 an authorized agent, or a county treasurer may issue a temporary registration permit for any purpose
22 authorized under the rules adopted by the department.

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

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

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

28 (a) a temporary plate number as prescribed by the department;

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

2 (c) if required by the department, a description of the motor vehicle, trailer, semitrailer, pole trailer,
3 motorboat, personal watercraft, sailboat, or snowmobile, including year, make, model, and vehicle identification
4 number, the name of the person from whom ownership of the motor vehicle, trailer, semitrailer, pole trailer,
5 motorboat, personal watercraft, sailboat, or snowmobile was transferred, the name, mailing address, and
6 residence address of the person to whom ownership of the motor vehicle, trailer, semitrailer, pole trailer,
7 motorboat, personal watercraft, sailboat, or snowmobile has been transferred, and the date of issuance.

8 (4) A temporary registration permit for:

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

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

13 (5) (a) Except as provided in 61-3-431 and subsections (5)(b) and (5)(c) of this section, a \$19.50 fee
14 is imposed upon issuance of a temporary registration permit by the department, an authorized agent, or a
15 county treasurer. The fee must be paid by the owner of the vehicle or vessel and collected by the department,
16 the authorized agent, or a county treasurer when the vehicle is registered.

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

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

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

24 (c) A fee of \$24 is imposed and must be paid upon issuance of a temporary registration permit for a
25 90-day temporary registration permit as provided in 61-3-303~~(3)(b)~~ (4)(b).

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

28 (a) \$16.50 from each permit fee collected pursuant to subsection (5) in the state special revenue

1 account established in 44-10-204; and

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

4 (7) If a temporary registration permit is issued under this section to a person to whom ownership of a
5 vehicle or vessel has been transferred, the permitholder shall title and register the vehicle or vessel in this or
6 another jurisdiction before the ownership of the vehicle or vessel may be transferred to another person."
7

8 **Section 7.** Section 61-3-303, MCA, is amended to read:

9 **"61-3-303. Original registration -- process -- fees.** (1) Except as provided in 61-3-324, a Montana
10 resident who ~~owns~~is an owner of a motor vehicle, trailer, semitrailer, or pole trailer operated or driven upon the
11 public highways of this state shall register the motor vehicle, trailer, semitrailer, or pole trailer in the county
12 where the registering owner is domiciled. A nonresident who has an interest in real property in Montana may
13 register in the county where the real property is located a motor vehicle, trailer, semitrailer, or pole trailer
14 operated or driven upon the public highways of this state.

15 (2) A Montana resident who is an owner of a motor vehicle, trailer, semitrailer, or pole trailer with co-
16 owners, one or more of whom are non-Montana residents, may register the vehicle regardless of the fact that
17 one or more of the co-owners would otherwise not qualify to register the vehicle under subsection (1) if the
18 registering Montana resident is:

19 (a) an individual human being; and

20 (b) the principal operator of, and in whom is vested the right of possession and control of, the vehicle.

21 ~~(2)(3)~~ Except as provided in subsection ~~(3)~~ (4), the county treasurer or an authorized agent shall
22 register any vehicle for which:

23 (a) as of the date that the motor vehicle, trailer, semitrailer, or pole trailer is to be registered, ~~the an~~
24 owner delivers an application for a certificate of title to the department, an authorized agent, or a county
25 treasurer; or

26 (b) the county treasurer or an authorized agent confirms that the department has an electronic record
27 of title for the motor vehicle, trailer, semitrailer, or pole trailer as provided under 61-3-101.

28 ~~(3)(4)~~ (a) A county treasurer or an authorized agent may register a motor vehicle, trailer, semitrailer,

1 or pole trailer for which a certificate of title and registration were issued in another jurisdiction and for which
2 registration is required under 61-3-701 after the county treasurer or the authorized agent examines the current
3 out-of-jurisdiction registration certificate or receipt and receives payment of the fees required in 61-3-701. The
4 county treasurer or an authorized agent may ask the motor vehicle, trailer, semitrailer, or pole trailer owner to
5 provide additional information, prescribed by the department, to ensure that the electronic record of registration
6 maintained by the department is complete.

7 (b) A county treasurer or an authorized agent shall collect fees pursuant to 61-3-203 and 61-3-220(4)
8 and issue a 90-day temporary registration permit pursuant to 61-3-224 for a motor vehicle, trailer, semitrailer,
9 pole trailer, motorboat, sailboat that is 12 feet in length or longer, snowmobile, or off-highway vehicle for which
10 the new owner cannot, due to circumstances beyond the new owner's control, surrender a previously assigned
11 certificate of title. The new owner shall request the 90-day temporary registration permit from the authorized
12 agent or county treasurer that originally issued the temporary registration permit.

13 ~~(4)~~(5) Upon registering a motor vehicle, trailer, semitrailer, or pole trailer for the first time in this state,
14 the county treasurer or an authorized agent shall:

15 (a) update the electronic record of title, if any, maintained for the vehicle by the department under 61-
16 3-101;

17 (b) assign a registration period for the vehicle under 61-3-311;

18 (c) determine the vehicle's age, if required, under 61-3-501;

19 (d) determine the amount of fees, including local option taxes or fees, to be paid under subsection ~~(5)~~

20 ~~(6)~~; and

21 (e) assign and issue license plates for the vehicle under 61-3-331.

22 ~~(5)~~(6) Unless otherwise provided by law, a person registering a motor vehicle shall pay to the county
23 treasurer or an authorized agent:

24 (a) the fees in lieu of tax or registration fees as required for:

25 (i) a light vehicle under 61-3-321 or 61-3-562, in addition to, if applicable, any local option tax or fee
26 under 61-3-537 or 61-3-570;

27 (ii) a motor home under 61-3-321;

28 (iii) a travel trailer under 61-3-321;

1 (iv) a motorcycle or quadricycle under 61-3-321;

2 (v) a bus, a truck having a manufacturer's rated capacity of more than 1 ton, or a truck tractor under
3 61-3-321 and 61-3-529; or

4 (vi) a trailer under 61-3-321;

5 (b) a donation of \$1 or more if the person indicates that the person wishes to donate to promote
6 awareness and education efforts for procurement of organ and tissue donations in Montana to favorably impact
7 anatomical gifts; and

8 (c) a donation of \$1 or more if the person indicates that the person wishes to donate to promote
9 education on, support for, and awareness of traumatic brain injury.

10 ~~(6)(7)~~ The county treasurer or an authorized agent may not issue a registration receipt or license
11 plates for the motor vehicle, trailer, semitrailer, or pole trailer to the owner unless the owner makes the
12 payments required by subsection ~~(5)~~ (6).

13 ~~(7)(8)~~ The department may make full and complete investigation of the registration status of the motor
14 vehicle, trailer, semitrailer, or pole trailer. A person seeking to register a motor vehicle, trailer, semitrailer, or
15 pole trailer under this section shall provide additional information to support the registration to the department if
16 requested.

17 ~~(8)(9)~~ Revenue that accrues from the voluntary donation provided in subsection ~~(5)(b)~~ (6)(b) must be
18 forwarded by the respective county treasurer or an authorized agent to the department for deposit in the state
19 special revenue fund to the credit of an account established by the department of public health and human
20 services to support activities related to awareness and education efforts for procurement of organ and tissue
21 donations for anatomical gifts.

22 ~~(9)(10)~~ (a) Except as provided in subsection ~~(9)(b)~~ (10)(b), the fees in lieu of tax, taxes, and fees
23 imposed on or collected from the registration of a travel trailer, motorcycle, or quadricycle or a trailer,
24 semitrailer, or pole trailer that has a declared weight of less than 26,000 pounds are required to be paid only
25 once during the time that the travel trailer, motorcycle, quadricycle, trailer, semitrailer, or pole trailer is owned by
26 the same person who registered the travel trailer, motorcycle, quadricycle, trailer, semitrailer, or pole trailer.
27 ~~Once~~ When registered, a travel trailer, motorcycle, quadricycle, trailer, semitrailer, or pole trailer is registered
28 permanently unless ownership is transferred or unless it was registered under 61-3-701.

1 (b) Whenever ownership of a travel trailer, motorcycle, quadricycle, trailer, semitrailer, or pole trailer is
 2 transferred, the new owner is required to register the travel trailer, motorcycle, quadricycle, trailer, semitrailer,
 3 or pole trailer as if it were being registered for the first time, including paying all of the required fees in lieu of
 4 tax, taxes, and fees.

5 ~~(40)(11)~~ Revenue that accrues from the voluntary donation provided in subsection ~~(5)(e)~~ (6)(c) must be
 6 forwarded by the respective county treasurer or an authorized agent to the department for deposit in the state
 7 special revenue fund to the credit of the account established in 2-15-2218 to support activities related to
 8 education regarding prevention of traumatic brain injury.

9 ~~(44)(12)~~ The department, an authorized agent of the department, or a county treasurer shall use the
 10 online motor vehicle liability insurance verification system provided in 61-6-157 to verify that the vehicle owner
 11 has complied with the requirements of 61-6-301."
 12

13 **Section 8.** Section 61-3-311, MCA, is amended to read:

14 **"61-3-311. Registration -- time periods.** (1) Unless a motor vehicle, trailer, semitrailer, or pole trailer
 15 is subject to permanent registration under this title and except as provided in 61-3-313, 61-3-701, 61-3-721, and
 16 subsection (3) of this section, the department, an authorized agent, or a county treasurer shall, upon original
 17 registration of a motor vehicle in this state, assign each motor vehicle to a registration period, as provided in 61-
 18 3-316, based upon the calendar month in which the motor vehicle is first registered in this state and designate
 19 the calendar year in which the current registration will expire.

20 (2) Each registration period commences on the first day of the calendar month in the calendar year in
 21 which the motor vehicle is registered and the motor vehicle's registration expires on the earlier of:

22 (a) the last day of the month preceding the anniversary of the registration period for the year
 23 designated on the motor vehicle's registration decal if the motor vehicle is registered for a minimum 12-month
 24 period;

25 (b) the last day of the month preceding the anniversary of the registration period for the year
 26 designated on the motor vehicle's registration decal if the motor vehicle is registered for a period of at least 13
 27 but less than 25 months; or

28 (c) the transfer of ownership of the motor vehicle, trailer, semitrailer, or pole trailer to another person.

1 (3) (a) Upon request of the motor vehicle owner, a county treasurer or an authorized agent may
2 assign a motor vehicle to a registration period, as provided in 61-3-316, other than a registration period
3 beginning in the calendar month in which the motor vehicle is first registered in this state if at least 13 but less
4 than 25 months will elapse between the first day of the calendar month in which the motor vehicle is registered
5 and the last day of the month preceding the anniversary of the requested registration period in the year
6 designated on the motor vehicle's registration decal.

7 (b) The county treasurer or an authorized agent shall determine fees imposed for a motor vehicle
8 registered for a period between 13 and 24 months. All registration fees, fees in lieu of tax, or local option taxes
9 or fees that are imposed on an annual basis must be prorated based on the number of months in the requested
10 registration period.

11 (c) A motor vehicle registered under the provisions of 61-3-303~~(3)(b)~~(4)(b) may not be registered
12 under this subsection (3).

13 (4) If a motor vehicle, trailer, semitrailer, or pole trailer is permanently registered under the provisions
14 of this chapter, the registration is not subject to expiration unless the registered owner of the motor vehicle,
15 trailer, semitrailer, or pole trailer transfers ownership of the vehicle to another person."
16

17 **Section 9.** Section 61-3-312, MCA, is amended to read:

18 **"61-3-312. Renewal of registration -- exceptions -- grace period.** (1) Except as provided in 61-3-
19 313 and 61-3-721, the registration of a motor vehicle under this chapter must be renewed on or before the last
20 day of the month of the motor vehicle's registration period following the expiration of the motor vehicle's
21 registration.

22 (2) A person may renew a motor vehicle's registration by submitting full payment for the fees or taxes
23 required under 61-3-303 and 61-3-321(13) to the department, an authorized agent, or a county treasurer in any
24 county of this state.

25 (3) The department, an authorized agent, or a county treasurer shall use the online motor vehicle
26 liability insurance verification system provided in 61-6-157 to verify proof of compliance with 61-6-301.

27 (4) The registration period originally assigned under 61-3-311 must be retained and the duration of
28 the renewed registration is determined in accordance with 61-3-311. A registration receipt is valid for the

1 registration period for which it is issued.

2 (5) The owner of a motor vehicle subject to registration renewal under the provisions of this section is
3 considered to have renewed the motor vehicle's registration in a timely manner if the owner submits full
4 payment for the required fees or taxes, as prescribed in the mail renewal notice from the department, to the
5 department, an authorized agent, or a county treasurer on or before the last day of the month of the motor
6 vehicle's registration period.

7 (6) The department, an authorized agent, or a county treasurer may not renew the registration of a
8 motor vehicle for which ownership has been transferred and that was originally registered without being titled
9 under the provisions of ~~61-3-303(3)(b)(4)(b)~~ unless:

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

12 (b) the person to whom ownership of the motor vehicle has been transferred presents an affidavit and
13 bond in support of the application for a certificate of title as permitted in 61-3-208."
14

15 **Section 10.** Section 61-3-332, MCA, is amended to read:

16 "**61-3-332. Standard license plates.** (1) In addition to special license plates, collegiate license plates,
17 generic specialty license plates, and fleet license plates authorized under this chapter, a separate series of
18 standard license plates must be issued for motor vehicles, quadricycles, travel trailers, trailers, semitrailers, and
19 pole trailers registered in this state or offered for sale by a vehicle dealer licensed in this state. Standard license
20 plates issued to licensed vehicle dealers must be readily distinguishable from license plates issued to vehicles
21 owned by other persons.

22 (2) (a) Except as provided in 61-3-479 and subsections (2)(b), (3)(b), and (3)(c) of this section, all
23 standard license plates for motor vehicles, trailers, semitrailers, or pole trailers must bear a distinctive marking,
24 as determined by the department, and be furnished by the department. In years when standard license plates
25 are not reissued for a vehicle, the department shall provide a registration decal that must be affixed to the rear
26 license plate of the vehicle.

27 (b) For light vehicles that are permanently registered as provided in 61-3-562 and motor vehicles
28 described in ~~61-3-303(9)(10)~~ that are permanently registered, the department shall provide a distinctive

1 registration decal indicating that the motor vehicle is permanently registered. The registration decal must be
2 affixed to the rear license plate of the permanently registered motor vehicle.

3 (c) For a travel trailer, motorcycle, quadricycle, trailer, semitrailer, or pole trailer that is permanently
4 registered as provided in 61-3-313(2), the department may use the word or an abbreviation for the word
5 "permanent" on the plate in lieu of issuing a registration decal for the plate.

6 (3) (a) (i) New license plates issued under 61-3-303 or this section must be a standard license plate
7 design first issued in 1989 or later or current collegiate or generic specialty license plate designs. For the
8 purposes of this subsection (3), all military, veteran, and amateur radio license plates and any license plate with
9 a wheelchair design, excluding collegiate or generic specialty plates with a wheelchair design, are treated as
10 standard license plates.

11 (ii) License plates issued on or after January 1, 2010, must be replaced with new license plates if,
12 upon renewal of registration under 61-3-312, the license plates are 5 or more years old or will become older
13 than 5 years during the registration period. New license plates must be issued in accordance with the
14 implementation schedule adopted by the department under 61-14-101.

15 (iii) A vehicle owner may elect to keep the same license plate number from license plates issued
16 before January 1, 2010, when replacement of those plates is required under this subsection.

17 (b) A motor vehicle that is registered for a 13-month to a 24-month period, as provided in 61-3-311,
18 may display the license plate and plate design in effect at the time of registration for the entire registration
19 period.

20 (c) A light vehicle described in subsection (2)(b) or a motor home that is permanently registered may
21 display the license plate and plate design in effect at the time of registration for the entire period that the light
22 vehicle or motor home is permanently registered.

23 (d) The provisions of this subsection (3) do not apply to a travel trailer, motorcycle, quadricycle, trailer,
24 semitrailer, or pole trailer.

25 (e) The requirements of this subsection (3) apply to collegiate license plates authorized under 61-3-
26 461 through 61-3-468, generic specialty license plates authorized under 61-3-472 through 61-3-481,
27 commemorative centennial license plates authorized under 61-3-448, and special military or veteran license
28 plates authorized under 61-3-458.

1 (4) (a) All license plates must be metal and treated with a reflectorized background material
2 according to specifications prescribed by the department. The word "Montana" must be placed on each license
3 plate and, except for license plates that are 4 inches wide and 7 inches in length, the outline of the state of
4 Montana must be used as a distinctive border on each standard license plate.

5 (b) Plates for semitrailers, travel trailers, pole trailers, trailers with a declared weight of 6,000 pounds
6 or more, and motor vehicles, other than motorcycles and quadricycles, must be 6 inches wide and 12 inches in
7 length.

8 (c) Plates for motorcycles and quadricycles must be 4 inches wide and 7 inches in length.

9 (d) The department shall issue plates that are 4 inches wide and 7 inches in length for trailers with a
10 declared weight of less than 6,000 pounds unless a person registering a trailer with a declared weight of less
11 than 6,000 pounds requests plates that are 6 inches wide and 12 inches in length. A person registering a trailer
12 shall pay all applicable fees for the plates chosen.

13 (5) The distinctive registration numbers for standard license plates must begin with a number one or
14 with a letter-number combination, such as "A 1" or "AA 1", or any other similar combination of letters and
15 numbers. Except for special license plates, collegiate license plates, generic specialty license plates, fleet
16 license plates, and standard license plates that are 4 inches wide and 7 inches in length, the distinctive
17 registration number or letter-number combination assigned to the motor vehicle must appear on the plate
18 preceded by the number of the county and appearing in horizontal order on the same horizontal baseline. The
19 county number must be separated from the distinctive registration number by a separation mark unless a letter-
20 number combination is used. The dimensions of the numerals and letters must be determined by the
21 department, and all county and registration numbers must be of equal height.

22 (6) For the use of exempt motor vehicles, trailers, semitrailers, or pole trailers and motor vehicles,
23 trailers, semitrailers, or pole trailers that are exempt from the registration fee as provided in 61-3-321, in
24 addition to the markings provided in this section, standard license plates must bear the following distinctive
25 markings:

26 (a) For motor vehicles, trailers, semitrailers, or pole trailers owned by the state, the department may
27 designate the prefix number for the various state departments. All numbered plates issued to state departments
28 must bear the words "State Owned", and a year number may not be indicated on the plates because these

1 numbered plates are of a permanent nature and will be replaced by the department only when the physical
2 condition of numbered plates requires it.

3 (b) For motor vehicles, trailers, semitrailers, or pole trailers that are owned by the counties,
4 municipalities, and special districts, as defined in 18-8-202, organized under the laws of Montana and not
5 operating for profit, and that are used and operated by officials and employees in the line of duty and for motor
6 vehicles on loan from the United States government or the state of Montana to, or owned by, the civil air patrol
7 and used and operated by officials and employees in the line of duty, there must be placed on the standard
8 license plates assigned, in a position that the department may designate, the letter "X" or the word "EXEMPT".
9 Distinctive registration numbers for plates assigned to motor vehicles, trailers, semitrailers, or pole trailers of
10 each of the counties in the state and those of the municipalities and special districts that obtain plates within
11 each county must begin with number one and be numbered consecutively. Because these standard license
12 plates are of a permanent nature, they are subject to replacement by the department only when the physical
13 condition of the license plates requires it and a year number may not be displayed on the plates.

14 (7) For the purpose of this chapter, the several counties of the state are assigned numbers as follows:
15 Silver Bow, 1; Cascade, 2; Yellowstone, 3; Missoula, 4; Lewis and Clark, 5; Gallatin, 6; Flathead, 7; Fergus, 8;
16 Powder River, 9; Carbon, 10; Phillips, 11; Hill, 12; Ravalli, 13; Custer, 14; Lake, 15; Dawson, 16; Roosevelt, 17;
17 Beaverhead, 18; Chouteau, 19; Valley, 20; Toole, 21; Big Horn, 22; Musselshell, 23; Blaine, 24; Madison, 25;
18 Pondera, 26; Richland, 27; Powell, 28; Rosebud, 29; Deer Lodge, 30; Teton, 31; Stillwater, 32; Treasure, 33;
19 Sheridan, 34; Sanders, 35; Judith Basin, 36; Daniels, 37; Glacier, 38; Fallon, 39; Sweet Grass, 40; McCone, 41;
20 Carter, 42; Broadwater, 43; Wheatland, 44; Prairie, 45; Granite, 46; Meagher, 47; Liberty, 48; Park, 49;
21 Garfield, 50; Jefferson, 51; Wibaux, 52; Golden Valley, 53; Mineral, 54; Petroleum, 55; Lincoln, 56. Any new
22 counties must be assigned numbers by the department as they are formed, beginning with the number 57.

23 (8) Each type of special license plate approved by the legislature, except collegiate license plates
24 authorized in 61-3-463 and generic specialty license plates authorized in 61-3-472 through 61-3-481, must be a
25 separate series of plates, numbered as provided in subsection (5), except that the county number must be
26 replaced by a design that distinguishes each separate plate series. Unless otherwise specifically stated in this
27 section, the special plates are subject to the same rules and laws as govern the issuance of standard license
28 plates, must be placed or mounted on a motor vehicle, trailer, semitrailer, or pole trailer owned by the person

1 who is eligible to receive them, with the registration decal affixed to the rear license plate of the motor vehicle,
2 trailer, semitrailer, or pole trailer, and must be removed upon sale or other disposition of the motor vehicle,
3 trailer, semitrailer, or pole trailer.

4 (9) (a) A Montana resident who is eligible to receive a special parking permit under 49-4-301 may
5 and a person with a low-speed restricted driver's license operating a low-speed electric vehicle or golf cart as
6 provided in 61-5-122 must, upon written application on a form prescribed by the department, be issued a
7 special license plate with a design or decal bearing a representation of a wheelchair as the symbol of a person
8 with a disability.

9 (b) If the motor vehicle to which the license plate is attached is permanently registered, the owner of
10 the motor vehicle shall provide, upon request of a person authorized to enforce special parking laws or
11 ordinances in this or any state, evidence of continued eligibility to use the license plate in the form of a valid
12 special parking permit issued to or renewed by the vehicle owner under 49-4-304 and 49-4-305.

13 (c) A person with a permanent condition, as provided in 49-4-301(2)(b), who has been issued a
14 special license plate upon written application, as provided in this subsection (9), is not required to reapply upon
15 reregistration of the motor vehicle.

16 (10) The provisions of this section do not apply to a motor vehicle, trailer, semitrailer, or pole trailer that
17 is registered as part of a fleet, as defined in 61-3-712, and that is subject to the provisions of 61-3-711 through
18 61-3-733."

19

20 **Section 11.** Section 61-3-456, MCA, is amended to read:

21 **"61-3-456. Registration of motor vehicle owned and operated by Montana resident on active**
22 **military duty stationed outside Montana.** (1) As an incentive for military service, an owner of a motor vehicle,
23 trailer, semitrailer, or pole trailer who is a Montana resident who entered active military duty from Montana,
24 including a national guard or reserve member, and who is stationed outside Montana may file with the
25 department an application for the registration of the motor vehicle, trailer, semitrailer, or pole trailer. The
26 application must be sworn to before an officer authorized to administer oaths. The application must state:

27 (a) the name and address of the owner;

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

1 identification number and serial number of the motor vehicle, trailer, semitrailer, or pole trailer; and

2 (c) that the motor vehicle, trailer, semitrailer, or pole trailer is owned and operated by a Montana
3 resident who meets the qualifications of subsection (1) and is on active military duty and stationed outside
4 Montana.

5 (2) The registration fee for a motor vehicle, trailer, semitrailer, or pole trailer registered under
6 subsection (1) is as provided in 61-3-321.

7 (3) A motor vehicle, trailer, semitrailer, or pole trailer registered under this section is not subject to:

8 (a) the taxes or fees described in 61-3-303~~(5)~~ (6);

9 (b) the fee in lieu of tax under 61-3-529 or the registration fee under 61-3-321(2) or 61-3-562; or

10 (c) any of the fees provided in part 5 of this chapter."
11

12 **Section 12.** Section 61-4-111, MCA, is amended to read:

13 **"61-4-111. Used vehicles -- transfer to and from dealers.** (1) Except as provided in 61-4-124(6), a
14 dealer or wholesaler who intends to resell a used motor vehicle, power sports vehicle, or trailer and who
15 operates the motor vehicle, power sports vehicle, or trailer only for demonstration purposes:

16 (a) is exempt from registration under 23-2-515, 23-2-616, 23-2-804, or 61-3-302(3) when applying for
17 a certificate of title; and

18 (b) may transfer or receive ownership of a motor vehicle, power sports vehicle, or trailer by use of a
19 dealer reassignment section on a certificate of title. However, when the allotted number of dealer reassignment
20 sections on a certificate of title has been completed, ownership of the motor vehicle, power sports vehicle, or
21 trailer may not be transferred until an application for a certificate of title has been submitted by the dealer or an
22 authorized agent to an authorized agent or the department and a new certificate of title has been issued.

23 (2) Upon the transfer of a used motor vehicle, power sports vehicle, or trailer to a person other than a
24 dealer or wholesaler, a temporary registration permit may be issued under 61-3-224 to the person to whom the
25 used motor vehicle, power sports vehicle, or trailer was transferred if the dealer is an authorized agent, as
26 defined in 61-1-101. In addition, the following acts are required of the dealer on or before the times set forth in
27 this subsection:

28 (a) Within 30 calendar days following the date of delivery of the motor vehicle, power sports vehicle,

1 or trailer or within 120 calendar days if a temporary registration permit is issued pursuant to 61-3-
 2 303(3)(b)(4)(b), the dealer shall forward to an authorized agent or to the county treasurer of the county where
 3 the owner of the motor vehicle, power sports vehicle, or trailer is domiciled:

4 (i) the assigned certificate of title or, if a certificate of title for the motor vehicle, power sports vehicle,
 5 or trailer has not been issued in this state, a copy of the then-current registration receipt or certificate in the
 6 dealer's possession; and

7 (ii) an application for a certificate of title executed by the new owner in accordance with the provisions
 8 of 61-3-216 and 61-3-220.

9 (b) Transmission of the documents by the dealer to the county treasurer or an authorized agent may
 10 be accomplished either by personal delivery, by first-class mail, or by electronic means, as authorized by the
 11 department.

12 (c) If the dealer is unable to forward the certificate of title or, if applicable, registration receipt within
 13 the time set forth in subsection (2)(a), the dealer is subject to the provisions of 61-4-119.

14 (3) Upon compliance by the dealer with the requirements in this section, title to the motor vehicle,
 15 power sports vehicle, or trailer is considered to have passed to the purchaser as of the date of the delivery of
 16 the motor vehicle, power sports vehicle, or trailer to the purchaser by the dealer, and the dealer has no further
 17 liability or responsibility with respect to the processing of registration."

18

19 **Section 13.** Section 61-4-128, MCA, is amended to read:

20 **"61-4-128. Common standards -- dealer plates -- demonstrator plates -- loaner plates --**

21 **identification cards -- fees.** (1) (a) Dealer, demonstrator, loaner, and courtesy license plates authorized under
 22 this part must be designed by the department in a manner that is similar to standard license plates furnished
 23 under 61-3-332, but the word "dealer", "demonstrator", "loaner", or "courtesy" must be included in the plate
 24 design.

25 (b) Dealer, demonstrator, loaner, and courtesy license plates must be numbered in a manner that is
 26 readily distinguishable from other plate styles issued by the department. The numbering system for dealer
 27 plates must contain the distinctive license number assigned by the department to a dealer and a number or
 28 alphanumeric identification mark that relates to the assignment of sets of dealer plates to a dealer. The

1 numbering system for demonstrator and loaner plates may be sequential and unrelated to the number of
2 demonstrator plates or the distinctive license number assigned to a dealer, wholesaler, or auto auction.

3 (c) Dealer, demonstrator, loaner, and courtesy plates issued under this part must be replaced on the
4 same cycle that is required for standard license plates under 61-3-332.

5 (d) Except as provided in 61-4-124, dealer, demonstrator, loaner, and courtesy plates must display a
6 registration decal, affixed as prescribed by the department, for the calendar year for which use of the plate or
7 plates is authorized under this part.

8 (2) (a) Identification cards must be designed by the department and furnished to dealers to authorize
9 the demonstration of a motorboat or personal watercraft, a snowmobile, or an off-highway vehicle by a dealer
10 licensed under this part or a customer of a dealer licensed under this part. Each identification card must include
11 the dealer's name and address and the license number assigned by the department to the dealer and must
12 designate the type of power sports vehicle for which its use is authorized, such as a motorboat or personal
13 watercraft, snowmobile, or off-highway vehicle.

14 (b) The department may use the same numbering system for identification cards as it uses for
15 demonstrator and loaner plates.

16 (3) (a) Upon issuance of a license to a dealer whose business includes the sale of motorboats or
17 personal watercraft, snowmobiles, or off-highway vehicles, the department shall furnish identification cards to a
18 dealer as follows:

- 19 (i) for a dealer who sells motorboats or personal watercraft, one identification card;
20 (ii) for a dealer who sells snowmobiles, two identification cards; and
21 (iii) for a dealer who sells off-highway vehicles, two identification cards.

22 (b) The dealer may obtain additional identification cards for \$2, as needed, and upon submitting
23 justification for the need to the department.

24 (4) (a) An identification card issued to a dealer who sells motorboats or personal watercraft may be
25 displayed on a dealer's motorboat or personal watercraft while the motorboat or personal watercraft is operating
26 for a purpose related to the buying, selling, exchanging, or performance testing of the motorboat or personal
27 watercraft by the dealer, manufacturer, or potential buyer.

28 (b) An identification card issued to a dealer who sells snowmobiles must be carried by the dealer

1 when demonstrating the dealer's snowmobiles or by the dealer's customer.

2 (c) An identification card issued to a dealer who sells off-highway vehicles must be carried by the
3 dealer when the dealer's off-highway vehicles are being demonstrated for sale purposes or by the dealer's
4 customer.

5 (5) (a) All dealer, demonstrator, loaner, and courtesy plates and identification cards issued under this
6 part are expired on the first day following the dealer license expiration date of the year of issue and must be
7 renewed annually.

8 (b) A dealer, wholesaler, or auto auction that files the annual report as required under 61-4-120, 61-4-
9 124, or 61-4-125 may display or use dealer or demonstrator plates and identification cards assigned for the
10 prior calendar year until the dealer license expiration date."
11

12 **Section 14.** Section 61-4-129, MCA, is amended to read:

13 **"61-4-129. Assignment of demonstrator plates.** (1) (a) A dealer or wholesaler may purchase
14 demonstrator plates at a fee of \$5 a plate.

15 (b) Demonstrator plates may not be issued to a new or used dealer whose business is restricted to
16 the sale of power sports vehicles.

17 (2) (a) Except as provided in subsection (2)(c), demonstrator plates may be used on a motor vehicle
18 displaying a Monroney label or a buyer's guide label, as required by 61-4-123(2), or on a truck, truck tractor,
19 truck tractor pulling a laden or unladen semitrailer, or travel trailer that is:

20 (i) being demonstrated and offered for sale ~~or loaned~~ to a dealership customer for not more than 72
21 hours when operated by an individual holding a valid operator's license;

22 (ii) owned by the dealership when operated by an officer or bona fide full-time employee of the dealer
23 or wholesaler and used to transport the dealer's or wholesaler's own tools, parts, and equipment;

24 (iii) being tested for repair;

25 (iv) being moved to or from a dealer's place of business for sale;

26 (v) being moved to or from service and repair facilities before sale; and

27 (vi) being moved to or from exhibitions within the state, provided the exhibition does not exceed a
28 period of 20 days.

1 (b) Demonstrator plates may be used:

2 (i) on trailers being hauled to or from the place of business of the manufacturer and the place of
3 business of the dealer or to and from places of business of the dealer;

4 (ii) on travel trailers held for sale to demonstrate the towing capability of the motor vehicle, for not more
5 than 72 hours;

6 (iii) on any motor vehicle owned by the dealer that is used only to move a travel trailer that is in the
7 dealer's inventory; and

8 (iv) on trailers being moved to or from exhibitions within the state if the exhibition does not exceed a
9 period of 20 days.

10 (c) Extra demonstrator plates may be made available to dealers eligible for demonstrator plates under
11 subsection (2)(a) to provide to one or more service repair facilities to be used when moving a motor vehicle in
12 the dealer's inventory to and from the dealer's place of business and the service and repair facility prior to sale.
13 A motor vehicle displaying demonstrator plates under this subsection is not required to have a Monroney label
14 or a buyer's guide label as required by 61-4-123(2).

15 (d) A motor vehicle being operated in accordance with this subsection (2) need only display one
16 demonstrator plate conspicuously on the rear of the motor vehicle."
17

18 **Section 15.** Section 61-4-201, MCA, is amended to read:

19 **"61-4-201. Definitions.** As used in this part, the following definitions apply unless the context clearly
20 indicates otherwise:

21 (1) "Community" means the relevant market area of a franchise. For the purposes of this part, the
22 relevant market area of a franchise is the county or counties in which the franchisee is located.

23 (2) "Distribute" means to sell new motor vehicles other than at retail or to enter into a franchise
24 agreement authorizing a dealer to buy new motor vehicles for resale or to service motor vehicles under a
25 manufacturer's or distributor's warranty.

26 (3) "Distributor" or "wholesaler" means a person who sells or distributes a line-make of new motor
27 vehicles to new motor vehicle dealers in this state or who maintains distributor representatives in this state.

28 (4) "Distributor branch" means a branch office maintained or availed of by a distributor or wholesaler

1 for the sale of a line-make of new motor vehicles to new motor vehicle dealers in this state for directing or
2 supervising its representatives in this state.

3 (5) "Factory branch" means a branch office maintained or availed of by a manufacturer for the sale of
4 a line-make of new motor vehicles to distributors or for the sale of new motor vehicles to new motor vehicle
5 dealers in this state or for directing or supervising its representatives in this state.

6 (6) "Franchise" means a contract and any agreed-to amendments between or among two or more
7 persons when all of the following conditions are included:

8 (a) a commercial relationship of definite duration or continuing indefinite duration is involved;

9 (b) the franchisee is granted the right to:

10 (i) offer, sell, and service in this state new motor vehicles manufactured or distributed by the
11 franchisor; or

12 (ii) service motor vehicles pursuant to the terms of a franchise and a manufacturer's warranty;

13 (c) the franchisee, as an independent and separate business, constitutes a component of the
14 franchisor's distribution system; and

15 (d) the operation of the franchisee's business is substantially reliant on the franchisor for the
16 continued supply of new motor vehicles, parts, and accessories.

17 (7) "Franchisee" means a person who receives new motor vehicles from the franchisor under a
18 franchise and who offers, sells, and services the new motor vehicles to and for the general public.

19 (8) "Franchisor" means a person who manufactures, imports, or distributes new motor vehicles and
20 who may enter into a franchise.

21 (9) "Importer" means a person who transports or arranges for the transportation of a foreign
22 manufactured new motor vehicle into the United States for sale in this state.

23 (10) "Line-make" means vehicles that are offered for sale, lease, or distribution under a common
24 name, trademark, or service mark.

25 (11) "Manufacturer" means a person who manufactures or assembles a line-make of new motor
26 vehicles and distributes them directly or indirectly through one or more distributors to one or more new motor
27 vehicle dealers in this state or who manufactures or installs on previously assembled truck chassis special
28 bodies or equipment that, when installed, forms an integral part of the new motor vehicle and that constitutes a

1 major manufacturing alteration, but does not include a person who installs a camper on a pickup truck. The
2 term includes a central or principal sales corporation or other entity through which, by contractual agreement or
3 otherwise, a manufacturer distributes its products.

4 (12) "Motor vehicle" includes a personal watercraft as defined in 23-2-502, a snowmobile as defined in
5 23-2-601, and an off-highway vehicle as defined in 23-2-801.

6 (13) "New motor vehicle" means a motor vehicle that has not been the subject of a retail sale
7 regardless of the mileage of the vehicle.

8 (14) "New motor vehicle dealer" means a person who buys, sells, exchanges, or offers or attempts to
9 negotiate a sale or exchange or any interest in or who is engaged in the business of selling new motor vehicles
10 under a franchise with the manufacturer of the new motor vehicles or used motor vehicles taken in trade on
11 new motor vehicles.

12 (15) (a) "Retail sale" means the sale of a new motor vehicle.

13 (b) "Retail sale" does not mean a sale:

14 (i) of a new motor vehicle to a purchaser who is acquiring the vehicle for the purposes of a resale; or

15 (ii) that is the result of a transfer between two licensed new motor vehicle dealers.

16 (16) "Transferee" means a person or entity that:

17 (a) is in possession or control of a new motor vehicle dealer;

18 (b) holds an ownership or signed contract interest in a new motor vehicle dealer;

19 (c) is acting as a fiduciary duty for a new motor vehicle dealer; or

20 (d) is an heir, devisee, personal representative, beneficiary, successor, or assign of a new motor

21 vehicle dealer."

22

23 **Section 16.** Section 61-4-207, MCA, is amended to read:

24 **"61-4-207. Determination of good cause.** (1) In determining whether good cause has been

25 established for terminating or not continuing a franchise, the department shall take into consideration all the

26 existing circumstances, including but not limited to:

27 (a) the franchisee's sales in relation to the Montana market that are essential, reasonable, and not

28 discriminatory and that take into account the franchisee's local market variations beyond adjusting for the local

1 popularity of general vehicle types;

2 (b) investment necessarily made and obligations incurred by the franchisee in the performance of the
3 franchisee's part of the franchise;

4 (c) permanency of the investment;

5 (d) whether it is injurious to the public welfare for the business of the franchisee to be discontinued;

6 (e) whether the franchisee has adequate new motor vehicle facilities, equipment, parts, and qualified
7 management, sales, and service personnel to reasonably provide consumer care for the new motor vehicles
8 sold at retail by the franchisee and any other new motor vehicle of the same line-make;

9 (f) whether the franchisee refuses to honor warranties of the franchisor to be performed by the
10 franchisee if the franchisor reimburses the franchisee for warranty work performed by the franchisee pursuant
11 to this part;

12 (g) except as provided in subsection (2), actions by the franchisee that result in a material breach of
13 the written and uniformly applied requirements of the franchise that are determined by the department to be
14 reasonable and material; and

15 (h) the enforceability of the franchise from a public policy standpoint, including issues of the
16 reasonableness of the franchise's terms and the parties' relative bargaining power.

17 (2) Notwithstanding the terms, provisions, or conditions of an agreement or franchise, the following do
18 not constitute good cause for the termination or noncontinuance of a franchise:

19 (a) a change in ownership of the franchisee's dealership;

20 (b) the fact that the franchisee refused to purchase or accept delivery of a new motor vehicle, part,
21 accessory, or any other commodity or service not ordered by the franchisee;

22 (c) the failure of a franchisee to change location of the dealership or to make substantial alterations to
23 the use or number of franchises or the dealership premises or facilities; or

24 (d) the desire of a franchisor or a franchisor's representative:

25 (i) for greater market penetration; or

26 (ii) to alter the number of the franchisor's or franchisor's representative's franchises or dealer locations.

27 (3) In determining whether good cause has been established for entering into an additional franchise
28 for the same line-make, the department shall take into consideration the existing circumstances, including but

1 not limited to:

2 (a) amount of business transacted by other existing franchisees of the same line-make in that
3 community;

4 (b) investment necessarily made and obligations incurred by other existing franchisees of the same
5 line-make in that community in the performance of their part of their franchise agreements and the date of the
6 investment made and the obligations incurred by the existing franchisees in relation to the date of appointment
7 of the additional franchisee;

8 (c) whether the other existing franchisees of the same line-make in that community are substantially
9 compliant with reasonable manufacturer requirements for providing adequate consumer care, including
10 satisfactory new motor vehicle dealer sales and service facilities, special and essential tools and equipment,
11 replacement parts supply, and qualified management, sales, and service personnel, for the new motor vehicle
12 products of the line-make; ~~and~~

13 (d) whether the demographic characteristics, including population, of that community have changed
14 sufficiently since the appointment of the other existing franchisees to support the economic viability of both the
15 other existing franchisees and the additional franchisee; and

16 (e) whether the franchisor's action is in good faith."

17

18 **Section 17.** Section 61-4-213, MCA, is amended to read:

19 **"61-4-213. Warranty reimbursement.** (1) (a) If a motor vehicle franchisor requires or permits motor
20 vehicle franchisees to perform labor or provide parts in satisfaction of a warranty issued by the franchisor:

21 (i) the motor vehicle franchisor shall reimburse the motor vehicle franchisee for the labor as rendered,
22 using the franchisor's labor time guide or the labor time guide used by the dealer for labor furnished other than
23 pursuant to warranty, at the dealer's election, and for parts and supplies, including but not limited to engine,
24 transmission, and other parts assemblies, as furnished, in an amount equal to the prevailing retail rate charged
25 by the franchisee for ~~such~~ the labor or the prevailing retail markup charged by the franchisee for the parts and
26 supplies in circumstances in which ~~such~~ the labor is rendered or the parts and supplies are furnished other than
27 pursuant to warranty;

28 (ii) the motor vehicle franchisor shall reimburse the motor vehicle franchisee pursuant to subsection

1 (1)(a)(i) for labor performed on and parts supplied for a motor vehicle by the franchisee in good faith and in
2 accordance with the manufacturer's warranty and written repair requirements and procedures, notwithstanding
3 any requirement that the franchisor accept the return of the motor vehicle or make payment to a consumer with
4 respect to the motor vehicle pursuant to the provisions of Title 61, chapter 4, part 5; and

5 (iii) the motor vehicle franchisee may establish its prevailing retail labor rate or parts markup by
6 submitting to the motor vehicle franchisor whichever of the following produces the fewer number of repair
7 orders, all of which must be for repairs made no more than 180 days before the submission:

8 (A) all consecutive repair orders that include 100 sequential repair orders reflecting qualified repairs;

9 or

10 (B) all repair orders closed during any period of 90 consecutive days.

11 (b) The submission required under subsection (1)(a)(iii) may consist of:

12 (i) a single set of repair orders for calculating both the franchisee's prevailing retail labor rate and its
13 parts markup;

14 (ii) separate sets of repair orders, one for calculating the franchisee's prevailing retail labor rate and the
15 other for calculating its parts markup; or

16 (iii) a set of repair orders for calculating only the franchisee's prevailing retail labor rate or only its
17 prevailing retail parts markup.

18 (2) The motor vehicle franchisee shall calculate its prevailing retail labor rate by determining the total
19 charges for labor from the qualified repairs submitted and then dividing that amount by the total number of
20 hours charged for the repairs.

21 (3) The motor vehicle franchisee shall calculate its prevailing retail parts markup by determining the
22 total charges for parts from the qualified repairs submitted, dividing that amount by the franchisee's total cost of
23 the purchase of those parts including shipping and other charges, subtracting 1, and multiplying by 100 to
24 produce a percentage.

25 (4) The motor vehicle franchisee shall provide written notice to the motor vehicle franchisor of its
26 prevailing retail labor rate or prevailing retail parts markup calculated in accordance with subsection (2) or (3) if
27 the franchisee seeks to be compensated under subsection (1).

28 (5) Any discounts must be allocated as indicated on the face of a repair order between parts and

1 labor. If no such allocation is indicated, they must be allocated pro rata. Manufacturer or distributor promotional
2 reward program cash-equivalent pay methods may not be considered discounts.

3 (6) (a) The prevailing retail labor rate or the prevailing retail parts markup that is declared must go
4 into effect 30 days following the motor vehicle franchisor's receipt of the notice referred to in subsection (2)
5 unless within the 30-day period the franchisor contests the declaration by written notice of objection, received
6 by the motor vehicle franchisee within the 30-day period, that the declared rate or markup is materially
7 inaccurate.

8 (b) The objection must contain:

9 (i) a full explanation of any and all reasons that the declared rate is materially inaccurate;

10 (ii) evidence substantiating each stated reason;

11 (iii) a copy of all calculations used by the franchisor to demonstrate the material inaccuracy; and

12 (iv) a proposed adjusted retail labor rate or retail parts rate, as applicable.

13 (c) The motor vehicle franchisor may not submit more than one notice of objection to the motor
14 vehicle franchisee with respect to any declared labor rate or retail parts markup, except in connection with
15 litigation. After submitting the notice of objection, the franchisor may not add to, expand, supplement, or
16 otherwise modify any element of the objection, including but not limited to its grounds for contesting the labor
17 rate or parts markup, except in connection with litigation.

18 (d) A revision or supplement to a submission to correct or clarify the submission does not constitute a
19 new submission for any purpose, including but not limited to that of subsection (9).

20 (7) In a judicial proceeding or a department proceeding involving an application or enforcement of the
21 provisions of 61-4-203, 61-4-204, and 61-4-210(4):

22 (a) the issue must be limited to whether the labor rate or parts markup submitted by the motor vehicle
23 franchisee was materially inaccurate;

24 (b) the motor vehicle franchisor has the burden of proof; and

25 (c) any resolution of the matter must be retroactive to the date 30 days following the franchisor's
26 receipt of the franchisee's submission.

27 (8) A motor vehicle franchisor may not directly or indirectly:

28 (a) (i) require a motor vehicle franchisee to establish or alter its labor rate or parts markup by any

1 means or methodology other than as prescribed in 61-4-204; or

2 (ii) except to object to or rebut a franchisee's declared retail labor rate or parts markup, itself initiate a
3 process to establish or alter that labor rate or parts markup, including but not limited to:

4 (A) substituting any other purported qualified repair order sample for that submitted by a franchisee,
5 including but not limited to the use, for purposes of establishing or reducing the franchisee's labor rate, of the
6 franchisee's sample submitted for purposes of establishing or increasing its parts markup or the use, for
7 purposes of establishing or reducing the franchisee's parts markup, of the franchisee's sample submitted for
8 purposes of establishing or increasing its labor rate; or

9 (B) imposing an unduly burdensome or time-consuming method or requiring information that is unduly
10 burdensome or time-consuming to provide, including but not limited to part-by-part or transaction-by-transaction
11 calculations;

12 (b) recover or attempt to recover all or any portion of the franchisor's costs for compensating its
13 dealers for warranty labor, parts, or supplies, either by reduction in the amount due or by separate charge or a
14 surcharge to the wholesale price paid by the dealer to the franchisor for any product, including motor vehicles
15 and parts;

16 (c) establish or implement a special part number for parts used in warranty work if it results in lower
17 compensation to the franchisee than as calculated in this section;

18 (d) require, influence, or attempt to influence a franchisee to implement or change the prices for which
19 it sells parts or labor in retail repairs;

20 (e) take or threaten to take adverse action against a franchisee who seeks to obtain compensation
21 pursuant to this section or dissuade or discourage the franchisee from doing so, including but not limited to:

22 (i) creating or implementing an obstacle or process that is inconsistent with the franchisor's
23 obligations to the franchisee under this section;

24 (ii) acting or failing to act, other than in good faith;

25 (iii) hindering, delaying, or rejecting the proper and timely payment of compensation due under this
26 section to a franchisee;

27 (iv) establishing, implementing, enforcing, or applying any policy, standard, rule, program, or incentive
28 regarding compensation due under this section other than in a uniform and consistent manner among the

1 franchisor's franchisees in this state; or

2 (v) conducting or threatening to conduct any warranty repair, nonwarranty repair, or other service-
3 related audit; or

4 (f) implement or continue a policy, procedure, or program to any of its franchisees for compensation
5 that is inconsistent with this section.

6 (9) A motor vehicle franchisee may not submit, to establish or increase rates paid pursuant to
7 subsections (1)(a)(iii) and (1)(b):

8 (a) its warranty labor rate more than once in a 12-month period; and

9 (b) its warranty parts markup more than once in a 12-month period.

10 (10) A recreational motor vehicle franchisee's warranty compensation for parts means actual
11 wholesale cost plus a minimum 30% handling charge and any freight costs incurred to return the removed parts
12 to the recreational motor vehicle franchisor.

13 (11) If a motor vehicle franchisor supplies a part or parts to a motor vehicle franchisee at no cost or at
14 a reduced cost for use in fulfilling a warranty, the franchisor must compensate the franchisee for the
15 franchisee's cost of the part, if any, plus an amount equal to the franchisee's prevailing retail parts markup,
16 multiplied by the fair wholesale value of the part. The fair wholesale value of the part is the greater of:

17 (a) the amount the franchisee paid for the part or a substantially identical part if already owned by the
18 franchisee;

19 (b) the cost of the part shown in a current or prior established price schedule of the franchisor; or

20 (c) the cost of a substantially identical part shown in a current or prior established price schedule of
21 the franchisor.

22 (12) (a) The motor vehicle franchisor shall reimburse the motor vehicle franchisee for parts supplied
23 and labor rendered under a warranty within 30 days after approval of a claim for reimbursement.

24 (b) All claims for reimbursement must be approved or disapproved within 30 days after receipt of the
25 claim by the motor vehicle franchisor. When a claim is disapproved, the motor vehicle franchisee must be
26 notified in writing of the grounds for the disapproval. A claim that has been approved and paid may not be
27 charged back to the franchisee unless it can be shown that the claim was false or fraudulent, that the labor was
28 not properly performed, or that the parts or labor were unnecessary to correct the defective condition.

1 (c) A manufacturer may not deny a claim or reduce the amount to be reimbursed to the dealer if the
2 dealer has provided reasonably sufficient documentation demonstrating that the dealer performed the services
3 in compliance with the written policies and procedures of the manufacturer known to the dealer at the time of
4 submission of the claim.

5 (d) A manufacturer may not deny a claim based solely on a dealer's incidental failure to comply with a
6 specific claim processing requirement, such as a clerical error or other administrative technicality that does not
7 put into question the legitimacy of the claim.

8 (e) A franchisor may not audit a claim after the expiration of 12 months following the payment of the
9 claim.

10 (13) For the purposes of this section, the following definitions apply:

11 (a) "Labor" means work or service performed, including that of a diagnostic character, with respect to
12 repair of a motor vehicle.

13 (b) "Parts" means original or replacement parts, accessories, and components with respect to a motor
14 vehicle, including engine, transmission, and other parts assemblies.

15 (c) (i) "Qualified repair" means a repair to a vehicle that:

16 (A) would have come within the motor vehicle franchisor's new vehicle warranty but for the vehicle
17 having exceeded the time or mileage limit of the warranty;

18 (B) does not otherwise constitute warranty work; and

19 (C) does not constitute any of the work encompassed by subsection (13)(c)(ii).

20 (ii) The term does not include:

21 (A) routine maintenance, including but not limited to replacements of fluids, filters, batteries, bulbs,
22 belts, nuts, bolts, or fasteners, unless provided in the course of and related to a repair;

23 (B) replacements of or work on tires, wheels, or elements related to either tires or wheels, including
24 but not limited to vehicle alignments and tire or wheel rotations;

25 (C) repairs for which volume discounts have been negotiated with government agencies, insurers,
26 extended warranty or service contract providers, or other third-party payors;

27 (D) repairs that are the subject of motor vehicle franchisor special events, promotions, or service
28 campaigns or are otherwise subject to motor vehicle franchisor discounts;

- 1 (E) repairs of motor vehicles owned by the dealer or an employee of the dealer;
- 2 (F) installations of accessories;
- 3 (G) repairs of conditions caused by collision, road hazard, the force of the elements, vandalism, theft,
- 4 or owner, operator, or third-party negligence or deliberate acts;
- 5 (H) safety or vehicle emission inspections required by law;
- 6 (I) vehicle reconditioning;
- 7 (J) parts sold at wholesale;
- 8 (K) repairs using aftermarket parts; or
- 9 (L) goodwill repairs or replacements approved and reimbursed by the motor vehicle franchisor.

10 (d) "Qualified repair order" means a repair order that encompasses, in whole or in part, a qualified

11 repair or repairs.

12 (e) "Repair order" means an invoice paid by a retail customer and closed as of the time of submission,

13 encompassing one or more repairs to or other work on a vehicle, and reflecting, in the case of a prevailing retail

14 parts markup submission, the cost of each part and its sale price and, in the case of a prevailing retail labor rate

15 submission, the labor hours allocated to each job and the sale price of the labor. The invoice may be submitted

16 in electronic form.

17 (f) "Warranty" means, in addition to a new motor vehicle warranty, predelivery preparation, a recall, or

18 a certified preowned warranty, in each case issued or administered by a motor vehicle franchisor."

19

20 **Section 18.** Section 61-14-101, MCA, is amended to read:

21 **"61-14-101. Rulemaking authority -- vehicle services.** (1) The department shall adopt rules for the

22 registration of motor vehicles, including:

- 23 (a) simultaneous registration of multiple motor vehicles that have common ownership;
- 24 (b) verification of compliance with 61-6-301 before registering or renewing a registration of a vehicle
- 25 or issuing new license plates required by 61-3-332(3);
- 26 (c) devising a method to place license plates on the 5-year reissuance cycle to minimize production
- 27 peaks and valleys;
- 28 (d) early registration renewals when an owner of a motor vehicle presents extenuating circumstances;

1 and

2 (e) automated mailing of license plates by the department or its authorized agent, including an agent
3 under contract with the department pursuant to 61-3-338.

4 (2) The department shall adopt rules to procure compliance with all of the laws of the state regulating
5 the issuance of motor vehicle, trailer, semitrailer, or pole trailer licenses relating to the use and operation of
6 motor vehicles, trailers, semitrailers, or pole trailers before issuing the lettered license plates pursuant to 61-3-
7 423.

8 (3) The department may adopt rules to establish vehicle brands or carried-forward brands according
9 to 61-3-202.

10 (4) The department may adopt rules governing affidavit and bond for certificate of title pursuant to 61-
11 3-208.

12 (5) The department may adopt rules for the implementation and administration of temporary
13 registration permits, pursuant to 61-3-224, including issuance to:

14 (a) a Montana resident who acquires a new or used motor vehicle, trailer, semitrailer, pole trailer,
15 motorboat, sailboat that is 12 feet or longer, snowmobile, or off-highway vehicle for operation of the vehicle or
16 vessel prior to titling and registration of the vehicle or vessel under Title 61, chapter 3;

17 (b) the owner of a salvage vehicle or a vehicle requiring a state-assigned vehicle identification number
18 to move the vehicle to and from a designated inspection site prior to applying for a new certificate of title under
19 61-3-107 or 61-3-212;

20 (c) the owner of a motor vehicle, trailer, semitrailer, or pole trailer registered in this state for operation
21 of the vehicle while awaiting production and receipt of special or duplicate license plates ordered for a vehicle
22 under Title 61, chapter 3;

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

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

28 (f) a financial institution located in Montana for a prospective purchaser to demonstrate a motor

1 vehicle that the financial institution has obtained following repossession;

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

4 (h) a nonresident owner to temporarily operate a quadricycle or motorcycle designed for off-road
5 recreational use on the highways of this state when the quadricycle or motorcycle designed for off-road
6 recreational use is equipped for use on the highways as prescribed in Title 61, chapter 9, but the quadricycle or
7 motorcycle designated for off-road recreational use is not registered or is only registered for off-road use in the
8 nonresident's home state; or

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

12 (6) The department may adopt rules for the assessment and collection of registration fees on light
13 vehicles under 61-3-321 and 61-3-562, including the proration of fees under 61-3-520 and criteria for
14 determining the motor vehicle's age.

15 (7) The department may adopt rules for imposing and collecting fees in lieu of tax, including:

16 (a) the proration of fees in lieu of tax under 61-3-520 on buses, trucks having a manufacturer's rated
17 capacity of more than 1 ton, and truck tractors;

18 (b) criteria for determining the motor vehicle's age; and

19 (c) criteria for determining the manufacturer's rated capacity.

20 (8) The department may adopt rules, pursuant to Title 61, chapter 3, for the administration of fees for
21 trailers, semitrailers, and pole trailers, including criteria for determining a trailer's age and weight.

22 (9) The department shall adopt rules for generic specialty license plates issued pursuant to 61-3-472
23 through 61-3-481, including:

24 (a) the minimum and maximum number of characters that a generic specialty license plate may
25 display;

26 (b) the general placement of the sponsor's name, identifying phrase, and graphic; and

27 (c) any specifications or limitations on the use or choice of color or detail in the sponsor's graphic
28 design.

1 (10) The department may adopt rules governing dealers pursuant to the provisions of Title 61, chapter
2 4, including:

3 (a) the application and issuance of dealer licenses, including the qualifications of dealers, and the
4 staggering of expiration dates pursuant to 61-4-101;

5 (b) the issuance of dealer, demonstrator, loaner, courtesy, and transit plates pursuant to 61-4-102,
6 61-4-128 through 61-4-130, 61-4-301, 61-4-307, and 61-4-308;

7 (c) the application and process for renewing a dealer license pursuant to 61-4-124; and

8 (d) governing the regulation of persons required to be licensed pursuant to Title 61, chapter 4, part 2.

9 (11) The department may adopt rules for local option tax appeals pursuant to 15-15-201.

10 (12) The department may adopt rules to implement any other provision of this title."
11

12 **NEW SECTION. Section 19. Codification instruction.** [Sections 1 through 4] are intended to be
13 codified as an integral part of Title 61, chapter 4, and the provisions of Title 61, chapter 4, apply to [sections 1
14 through 4].
15

16 **NEW SECTION. Section 20. Severability.** If a part of [this act] is invalid, all valid parts that are
17 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,
18 the part remains in effect in all valid applications that are severable from the invalid applications.
19

20 **NEW SECTION. Section 21. Effective date.** [This act] is effective on passage and approval.
21

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