

1 HOUSE BILL NO. 742
2 INTRODUCED BY W. ANZENRIED

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAW
5 REGARDING BOAT DEALERS; REQUIRING A DEALER TO HAVE A
6 PRINCIPAL PLACE OF BUSINESS AND PROVIDING FOR SIGNING AND
7 INSPECTION OF THE PREMISES; REQUIRING AN ANNUAL BOND FOR A
8 BOAT DEALER; EXTENDING THE PERIOD FROM TIME OF PURCHASE TO
9 TIME OF LICENSING A BOAT AND ALLOWING ISSUANCE OF A
10 TEMPORARY BOAT STICKER; AMENDING SECTIONS 23-2-510,
11 23-2-511, AND 23-2-513, MCA."
12

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

14 **Section 1.** Section 23-2-510, MCA, is amended to read:

15 **"23-2-510. Transfer of interest.** (1) Except as provided
16 in subsection (3), upon a transfer of a certificate of
17 ownership to a motorboat or sailboat 12 feet in length or
18 longer registered as required under the provisions of this
19 part, the person whose title or interest is to be
20 transferred shall sign the certificate of ownership issued
21 for the motorboat or sailboat in the appropriate space
22 provided on the reverse side of the certificate, and the
23 signature must be acknowledged before the county treasurer,
24 a deputy county treasurer, or a notary public.

25 (2) Within 20 30 calendar days after endorsement, the

1 transferee shall make application for transfer of the
2 certificate of ownership with the county treasurer of the
3 county in which the transferee resides and also make
4 application for registration of the motorboat or sailboat.
5 The county treasurer shall forward the application to the
6 department of justice, which shall file the application upon
7 receipt. A certificate of ownership may not be issued by the
8 department until any outstanding certificate is surrendered
9 to the department or its loss is established to the
10 department's reasonable satisfaction. The county treasurer
11 shall collect a fee of \$5 for each application for transfer
12 of ownership, of which \$3.50 must be forwarded to the
13 department of justice for deposit in the general fund.

14 (3) A purchaser of a new or used motorboat or sailboat
15 12 feet in length or longer from a licensed dealer has a
16 grace period of 20 30 calendar days from the date of
17 purchase to register the motorboat or sailboat, make
18 application for a certificate of ownership, and obtain a
19 decal indicating that the fee in lieu of property tax has
20 been paid on the vessel for the current year. It is not a
21 violation of this part or any other law for the purchaser to
22 operate a newly acquired motorboat or sailboat 12 feet in
23 length or longer without a certificate of ownership,
24 certificate of registration, and decal during the 20-day
25 30-day grace period. During this period the sticker provided



1 for in subsection (4) must remain affixed to the motorboat
2 or sailboat.

3 (4) Prior to the delivery of a motorboat or sailboat 12
4 feet in length or longer to the purchaser, the dealer shall
5 issue and affix to a motorboat or sailboat constructed after
6 October 31, 1972, a sticker as prescribed by the department
7 of justice. The sticker must contain the name and address of
8 the purchaser, the date of sale, the name and address of the
9 dealer, and a description of the motorboat or sailboat,
10 including its serial number. The dealer shall keep a copy of
11 the sticker for his records and shall send a copy of the
12 sticker to the department of justice.

13 (5) A purchaser of a new or used motorboat or sailboat
14 who is unable to record a transfer of ownership with the
15 county treasurer at the time he makes application for
16 registration of the motorboat or sailboat because the
17 certificate of ownership is lost, in the possession of third
18 parties, or in the process of reissuance in this state or
19 elsewhere may, upon making affidavit to that effect upon a
20 form prescribed by the department of justice and upon the
21 payment of a fee of \$2 to be collected by the county
22 treasurer and remitted to the department of justice, obtain
23 from the county treasurer of the county in which the boat is
24 to be registered a temporary boat sticker of a size, color,
25 and design as the department of justice may prescribe, to be

1 validated by the county treasurer for a period of 60 days
2 from the date of issuance. The purchaser, upon displaying
3 the sticker conspicuously on the motorboat or sailboat, may
4 operate the motorboat or sailboat during the period for
5 which the boat sticker has been validated without displaying
6 the numbers and license decal for the current year. The
7 county treasurer may not sell, and a person may not
8 purchase, more than one 60-day temporary boat sticker for
9 any motorboat or sailboat, the ownership of which has not
10 changed since the issuance of the previous 60-day boat
11 sticker.

12 (5)(6) The provisions of subsection (2) do not apply in
13 the event of the transfer of a motorboat or sailboat 12 feet
14 in length or longer to a duly licensed dealer intending to
15 resell the motorboat or sailboat and who operates it only
16 for demonstration purposes, but every dealer, upon
17 transferring his interest, shall deliver the certificate of
18 ownership with an application for a new certificate executed
19 by the new owner in accordance with the provisions of this
20 part. The department of justice, upon receipt of the
21 certificate of ownership and application for a new
22 certificate containing notice of a security interest, if
23 any, shall issue a new certificate of ownership, together
24 with a statement of any conditional sales contract,
25 mortgage, or other lien.

1 †6†(7) When the names and addresses of more than one
2 owner who are members of the same immediate family are
3 listed on the certificate of ownership, joint ownership with
4 right of survivorship, and not as tenants in common, is
5 presumed.

6 †7†(8) The provisions of 61-3-201(3) through (7) that
7 apply to motor vehicles also apply to any certificate of
8 ownership transferred under this section."

9 **Section 2.** Section 23-2-511, MCA, is amended to read:

10 "23-2-511. Operation of unnumbered motorboats
11 prohibited -- display of decals. (1) Every motorboat on the
12 waters of this state, propelled by a motor or an engine of
13 any description, must be properly numbered and display valid
14 license decals. No person may operate or give permission for
15 the operation of any motorboat on such waters unless the
16 motorboat is numbered and displays valid license decals in
17 accordance with this part, with applicable federal law, or
18 with a federally approved numbering system of another state
19 and unless:

20 (a) the certificate of number assigned to the motorboat
21 is in full force and effect;

22 (b) the identifying number set forth in the certificate
23 of number and the valid license decals are displayed on such
24 motorboat; and

25 (c) a temporary permit has been obtained from the

1 county in which the boat is being operated if that county
2 requires a temporary permit for out-of-state motorboats, as
3 provided in 7-16-2121.

4 (2) Upon transfer of ownership of a motorboat from a
5 registered boat dealer or manufacturer, the transferred
6 motorboat may be operated on the waters of this state for ~~20~~
7 30 consecutive calendar days immediately following the
8 transfer of ownership without displaying the numbers and
9 license decal required by subsection (1) provided that when
10 the motorboat is operated during those ~~20~~ 30 consecutive
11 calendar days, a bill of sale or other evidence of transfer
12 reciting the date of the transfer of ownership is retained
13 in the motorboat and is exhibited to a warden or other
14 officer upon request."

15 **Section 3.** Section 23-2-513, MCA, is amended to read:

16 "23-2-513. Dealer's identification number -- premises
17 -- inspection -- bond -- judgment. (1) A dealer or
18 manufacturer may apply directly to the department of justice
19 for one identifying number and one or more certificates of
20 number. A dealer's or manufacturer's identifying number
21 shall be displayed on his boat while the boat is operating
22 for a purpose related to the buying, selling, or exchanging
23 of the boat by the dealer or manufacturer.

24 (2) The application for a dealer's or manufacturer's
25 identifying number must include his name and business

1 address. Each dealer or manufacturer will have one
2 identifying number assigned to his business.

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

6 (a) for the identifying number, first certificate of
7 number, and set of license decals, \$5;

8 (b) for each additional certificate of number and set
9 of license decals applied for in any application, \$2.

10 (4) The department of justice shall issue certificates
11 of number for the identifying numbers assigned to a dealer
12 or manufacturer in the same manner as provided in
13 23-2-512(1) and (9), as amended, except that no boat may be
14 described in the certificate and each certificate must state
15 that the identifying number has been assigned to a dealer or
16 manufacturer. A dealer's or manufacturer's certificate of
17 number expires on December 31 of the year for which it is
18 issued.

19 (5) A dealer's or manufacturer's identifying number
20 shall be displayed in the same manner as provided in
21 23-2-512(9), as amended, except that the number may be
22 temporarily attached. The last three letters shall be "DLR"
23 for dealer and "MFR" for manufacturer. These letters shall
24 be included, respectively, in dealer or manufacturer
25 identification numbers only.

1 (6) No person other than a dealer or manufacturer or an
2 employee of a dealer or manufacturer may display or use a
3 dealer's or manufacturer's identifying number. A dealer's or
4 manufacturer's identifying number may be displayed only on
5 motorboats owned by the dealer or manufacturer.

6 (7) No dealer or manufacturer or employee of a dealer
7 or manufacturer may use a dealer's or manufacturer's
8 identifying number for any purpose other than the purpose
9 described in subsection (1) of this section.

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

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

25 (10) (a) The applicant for a boat dealer's license shall

1 file with his application a bond of \$5,000. The bond must be
2 conditioned that the applicant shall conduct his business in
3 accordance with the requirements of the law. All bonds must
4 run to the state of Montana, must be approved by the
5 department of justice and filed in its office, and must be
6 renewed annually.

7 (b) A person who suffers loss or damage due to the
8 unlawful conduct of a dealer licensed under this section
9 shall obtain a judgment from a court of competent
10 jurisdiction prior to collecting the judgment from the
11 department of justice. The department of justice is
12 responsible for payment under this section, in an amount not
13 to exceed the maximum bond amount, only if the judgment on
14 which the payment is based determines a specific loss or
15 damage amount and concludes that the dealer's unlawful
16 operation caused the loss or damage."

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0742, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:


This bill: 1) revises the law regarding boat dealers; 2) requires a dealer to have a principal place of business and provides for signing and inspection of the premises; and 3) requires an annual bond for a boat dealer.

ASSUMPTIONS:

1. The Departments of Justice and Fish, Wildlife and Parks will implement the provisions of this bill within current level budgets.

FISCAL IMPACT:

No fiscal impact.


ROD SUNDESTED, BUDGET DIRECTOR 2-14-91
Office of Budget and Program Planning DATE


DAVID WANZENRIED, PRIMARY SPONSOR 2-15-91
DATE

Fiscal Note for HB0742, as introduced

HB 742

APPROVED BY COMM. ON BUSINESS
AND ECONOMIC DEVELOPMENT

1 HOUSE BILL NO. 742
2 INTRODUCED BY WANZENRIED
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5 REGARDING BOAT DEALERS; REQUIRING A DEALER TO HAVE A
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7 INSPECTION OF THE PREMISES; REQUIRING AN ANNUAL BOND FOR A
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9 TIME OF LICENSING A BOAT AND ALLOWING ISSUANCE OF A
10 TEMPORARY BOAT STICKER; AMENDING SECTIONS 23-2-510,
11 23-2-511, AND 23-2-513, MCA."
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13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 Section 1. Section 23-2-510, MCA, is amended to read:

15 "23-2-510. Transfer of interest. (1) Except as provided
16 in subsection (3), upon a transfer of a certificate of
17 ownership to a motorboat or sailboat 12 feet in length or
18 longer registered as required under the provisions of this
19 part, the person whose title or interest is to be
20 transferred shall sign the certificate of ownership issued
21 for the motorboat or sailboat in the appropriate space
22 provided on the reverse side of the certificate, and the
23 signature must be acknowledged before the county treasurer,
24 a deputy county treasurer, or a notary public.

25 (2) Within 20 30 calendar days after endorsement, the

1 transferee shall make application for transfer of the
2 certificate of ownership with the county treasurer of the
3 county in which the transferee resides and also make
4 application for registration of the motorboat or sailboat.
5 The county treasurer shall forward the application to the
6 department of justice, which shall file the application upon
7 receipt. A certificate of ownership may not be issued by the
8 department until any outstanding certificate is surrendered
9 to the department or its loss is established to the
10 department's reasonable satisfaction. The county treasurer
11 shall collect a fee of \$5 for each application for transfer
12 of ownership, of which \$3.50 must be forwarded to the
13 department of justice for deposit in the general fund.

14 (3) A purchaser of a new or used motorboat or sailboat
15 12 feet in length or longer from a licensed dealer has a
16 grace period of 20 30 calendar days from the date of
17 purchase to register the motorboat or sailboat, make
18 application for a certificate of ownership, and obtain a
19 decal indicating that the fee in lieu of property tax has
20 been paid on the vessel for the current year. It is not a
21 violation of this part or any other law for the purchaser to
22 operate a newly acquired motorboat or sailboat 12 feet in
23 length or longer without a certificate of ownership,
24 certificate of registration, and decal during the 20-day
25 30-day grace period. During this period the sticker provided



1 for in subsection (4) must remain affixed to the motorboat
2 or sailboat.

3 (4) Prior to the delivery of a motorboat or sailboat 12
4 feet in length or longer to the purchaser, the dealer shall
5 issue and affix to a motorboat or sailboat constructed after
6 October 31, 1972, a sticker as prescribed by the department
7 of justice. The sticker must contain the name and address of
8 the purchaser, the date of sale, the name and address of the
9 dealer, and a description of the motorboat or sailboat,
10 including its serial number. The dealer shall keep a copy of
11 the sticker for his records and shall send a copy of the
12 sticker to the department of justice.

13 (5) A purchaser of a new or used motorboat or sailboat
14 who is unable to record a transfer of ownership with the
15 county treasurer at the time he makes application for
16 registration of the motorboat or sailboat because the
17 certificate of ownership is lost, in the possession of third
18 parties, or in the process of reissuance in this state or
19 elsewhere may, upon making affidavit to that effect upon a
20 form prescribed by the department of justice and upon the
21 payment of THE APPLICABLE FEE IN LIEU OF TAX PLUS a fee of
22 \$2 to be collected by the county treasurer and remitted to
23 the department of justice, obtain from the county treasurer
24 of the county in which the boat is to be registered a
25 temporary boat sticker of a size, color, and design as the

1 department of justice may prescribe, to be validated by the
2 county treasurer for a period of 60 days from the date of
3 issuance. The purchaser, upon displaying the sticker
4 conspicuously on the motorboat or sailboat, may operate the
5 motorboat or sailboat during the period for which the boat
6 sticker has been validated without displaying the numbers
7 and license decal for the current year. The county treasurer
8 may not sell, and a person may not purchase, more than one
9 60-day temporary boat sticker for any motorboat or sailboat,
10 the ownership of which has not changed since the issuance of
11 the previous 60-day boat sticker.

12 (5)(6) The provisions of subsection (2) do not apply in
13 the event of the transfer of a motorboat or sailboat 12 feet
14 in length or longer to a duly licensed dealer intending to
15 resell the motorboat or sailboat and who operates it only
16 for demonstration purposes, but every dealer, upon
17 transferring his interest, shall deliver the certificate of
18 ownership with an application for a new certificate executed
19 by the new owner in accordance with the provisions of this
20 part. The department of justice, upon receipt of the
21 certificate of ownership and application for a new
22 certificate containing notice of a security interest, if
23 any, shall issue a new certificate of ownership, together
24 with a statement of any conditional sales contract,
25 mortgage, or other lien.

1 ~~(6)~~(7) When the names and addresses of more than one
2 owner who are members of the same immediate family are
3 listed on the certificate of ownership, joint ownership with
4 right of survivorship, and not as tenants in common, is
5 presumed.

6 ~~(7)~~(8) The provisions of 61-3-201(3) through (7) that
7 apply to motor vehicles also apply to any certificate of
8 ownership transferred under this section."

9 **Section 2.** Section 23-2-511, MCA, is amended to read:

10 "23-2-511. Operation of unnumbered motorboats
11 prohibited -- display of decals. (1) Every motorboat on the
12 waters of this state, propelled by a motor or an engine of
13 any description, must be properly numbered and display valid
14 license decals. No person may operate or give permission for
15 the operation of any motorboat on such waters unless the
16 motorboat is numbered and displays valid license decals in
17 accordance with this part, with applicable federal law, or
18 with a federally approved numbering system of another state
19 and unless:

20 (a) the certificate of number assigned to the motorboat
21 is in full force and effect;

22 (b) the identifying number set forth in the certificate
23 of number and the valid license decals are displayed on such
24 motorboat; and

25 (c) a temporary permit has been obtained from the

1 county in which the boat is being operated if that county
2 requires a temporary permit for out-of-state motorboats, as
3 provided in 7-16-2121.

4 (2) Upon transfer of ownership of a motorboat from a
5 registered boat dealer or manufacturer, the transferred
6 motorboat may be operated on the waters of this state for ~~20~~
7 30 consecutive calendar days immediately following the
8 transfer of ownership without displaying the numbers and
9 license decal required by subsection (1) provided that when
10 the motorboat is operated during those ~~20~~ 30 consecutive
11 calendar days, a bill of sale or other evidence of transfer
12 reciting the date of the transfer of ownership is retained
13 in the motorboat and is exhibited to a warden or other
14 officer upon request."

15 **Section 3.** Section 23-2-513, MCA, is amended to read:

16 "23-2-513. Dealer's identification number -- premises
17 -- inspection -- bond -- judgment. (1) A dealer or
18 manufacturer may apply directly to the department of justice
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20 number. A dealer's or manufacturer's identifying number
21 shall be displayed on his boat while the boat is operating
22 for a purpose related to the buying, selling, or exchanging
23 of the boat by the dealer or manufacturer.

24 (2) The application for a dealer's or manufacturer's
25 identifying number must include his name and business

1 address. Each dealer or manufacturer will have one
2 identifying number assigned to his business.

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

6 (a) for the identifying number, first certificate of
7 number, and set of license decals, \$5;

8 (b) for each additional certificate of number and set
9 of license decals applied for in any application, \$2.

10 (4) The department of justice shall issue certificates
11 of number for the identifying numbers assigned to a dealer
12 or manufacturer in the same manner as provided in
13 23-2-512(1) and (9), as amended, except that no boat may be
14 described in the certificate and each certificate must state
15 that the identifying number has been assigned to a dealer or
16 manufacturer. A dealer's or manufacturer's certificate of
17 number expires on December 31 of the year for which it is
18 issued.

19 (5) A dealer's or manufacturer's identifying number
20 shall be displayed in the same manner as provided in
21 23-2-512(9), as amended, except that the number may be
22 temporarily attached. The last three letters shall be "DLR"
23 for dealer and "MFR" for manufacturer. These letters shall
24 be included, respectively, in dealer or manufacturer
25 identification numbers only.

1 (6) No person other than a dealer or manufacturer or an
2 employee of a dealer or manufacturer may display or use a
3 dealer's or manufacturer's identifying number. A dealer's or
4 manufacturer's identifying number may be displayed only on
5 motorboats owned by the dealer or manufacturer.

6 (7) No dealer or manufacturer or employee of a dealer
7 or manufacturer may use a dealer's or manufacturer's
8 identifying number for any purpose other than the purpose
9 described in subsection (1) of this section.

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

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

25 (10) (a) The applicant for a boat dealer's license shall

1 file with his application a bond of \$5,000. The bond must be
2 conditioned that the applicant shall conduct his business in
3 accordance with the requirements of the law. All bonds must
4 run to the state of Montana, must be approved by the
5 department of justice and filed in its office, and must be
6 renewed annually.

7 (b) A person who suffers loss or damage due to the
8 unlawful conduct of a dealer licensed under this section
9 shall obtain a judgment from a court of competent
10 jurisdiction prior to collecting ON the judgment-from-the
11 department-of-justice BOND. The department--of--justice--is
12 responsible-for-payment-under-this-section, in an amount not
13 to-exceed--the-maximum-bond-amount, only if the judgment on
14 which-the-payment--is--based--determines MUST DETERMINE a
15 specific loss or damage amount and concludes CONCLUDE that
16 the dealer's LICENSEE'S unlawful operation caused the loss
17 or damage BEFORE PAYMENT ON THE BOND IS REQUIRED."

-End-

1 HOUSE BILL NO. 742

2 INTRODUCED BY WANZENRIED

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAW
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23 signature must be acknowledged before the county treasurer,
24 a deputy county treasurer, or a notary public.

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1 transferee shall make application for transfer of the
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1 for in subsection (4) must remain affixed to the motorboat
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4 feet in length or longer to the purchaser, the dealer shall
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6 October 31, 1972, a sticker as prescribed by the department
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18 parties, or in the process of reissuance in this state or
19 elsewhere may, upon making affidavit to that effect upon a
20 form prescribed by the department of justice and upon the
21 payment of THE APPLICABLE FEE IN LIEU OF TAX PLUS a fee of
22 \$2 to be collected by the county treasurer and remitted to
23 the department of justice, obtain from the county treasurer
24 of the county in which the boat is to be registered a
25 temporary boat sticker of a size, color, and design as the

1 department of justice may prescribe, to be validated by the
2 county treasurer for a period of 60 days from the date of
3 issuance. The purchaser, upon displaying the sticker
4 conspicuously on the motorboat or sailboat, may operate the
5 motorboat or sailboat during the period for which the boat
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23 any, shall issue a new certificate of ownership, together
24 with a statement of any conditional sales contract,
25 mortgage, or other lien.

1 ~~(6)~~(7) When the names and addresses of more than one
 2 owner who are members of the same immediate family are
 3 listed on the certificate of ownership, joint ownership with
 4 right of survivorship, and not as tenants in common, is
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6 ~~(7)~~(8) The provisions of 61-3-201(3) through (7) that
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 13 any description, must be properly numbered and display valid
 14 license decals. No person may operate or give permission for
 15 the operation of any motorboat on such waters unless the
 16 motorboat is numbered and displays valid license decals in
 17 accordance with this part, with applicable federal law, or
 18 with a federally approved numbering system of another state
 19 and unless:

- 20 (a) the certificate of number assigned to the motorboat
- 21 is in full force and effect;
- 22 (b) the identifying number set forth in the certificate
- 23 of number and the valid license decals are displayed on such
- 24 motorboat; and
- 25 (c) a temporary permit has been obtained from the

1 county in which the boat is being operated if that county
 2 requires a temporary permit for out-of-state motorboats, as
 3 provided in 7-16-2121.

4 (2) Upon transfer of ownership of a motorboat from a
 5 registered boat dealer or manufacturer, the transferred
 6 motorboat may be operated on the waters of this state for ~~20~~
 7 30 consecutive calendar days immediately following the
 8 transfer of ownership without displaying the numbers and
 9 license decal required by subsection (1) provided that when
 10 the motorboat is operated during those ~~20~~ 30 consecutive
 11 calendar days, a bill of sale or other evidence of transfer
 12 reciting the date of the transfer of ownership is retained
 13 in the motorboat and is exhibited to a warden or other
 14 officer upon request."

15 **Section 3.** Section 23-2-513, MCA, is amended to read:
 16 "**23-2-513. Dealer's identification number -- premises**
 17 **-- inspection -- bond -- judgment.** (1) A dealer or
 18 manufacturer may apply directly to the department of justice
 19 for one identifying number and one or more certificates of
 20 number. A dealer's or manufacturer's identifying number
 21 shall be displayed on his boat while the boat is operating
 22 for a purpose related to the buying, selling, or exchanging
 23 of the boat by the dealer or manufacturer.

24 (2) The application for a dealer's or manufacturer's
 25 identifying number must include his name and business

1 address. Each dealer or manufacturer will have one
2 identifying number assigned to his business.

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

6 (a) for the identifying number, first certificate of
7 number, and set of license decals, \$5;

8 (b) for each additional certificate of number and set
9 of license decals applied for in any application, \$2.

10 (4) The department of justice shall issue certificates
11 of number for the identifying numbers assigned to a dealer
12 or manufacturer in the same manner as provided in
13 23-2-512(1) and (9), as amended, except that no boat may be
14 described in the certificate and each certificate must state
15 that the identifying number has been assigned to a dealer or
16 manufacturer. A dealer's or manufacturer's certificate of
17 number expires on December 31 of the year for which it is
18 issued.

19 (5) A dealer's or manufacturer's identifying number
20 shall be displayed in the same manner as provided in
21 23-2-512(9), as amended, except that the number may be
22 temporarily attached. The last three letters shall be "DLR"
23 for dealer and "MFR" for manufacturer. These letters shall
24 be included, respectively, in dealer or manufacturer
25 identification numbers only.

1 (6) No person other than a dealer or manufacturer or an
2 employee of a dealer or manufacturer may display or use a
3 dealer's or manufacturer's identifying number. A dealer's or
4 manufacturer's identifying number may be displayed only on
5 motorboats owned by the dealer or manufacturer.

6 (7) No dealer or manufacturer or employee of a dealer
7 or manufacturer may use a dealer's or manufacturer's
8 identifying number for any purpose other than the purpose
9 described in subsection (1) of this section.

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

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

25 (10) (a) The applicant for a boat dealer's license shall

1 file with his application a bond of \$5,000. The bond must be
2 conditioned that the applicant shall conduct his business in
3 accordance with the requirements of the law. All bonds must
4 run to the state of Montana, must be approved by the
5 department of justice and filed in its office, and must be
6 renewed annually.

7 (b) A person who suffers loss or damage due to the
8 unlawful conduct of a dealer licensed under this section
9 shall obtain a judgment from a court of competent
10 jurisdiction prior to collecting ON the judgment-from-the
11 department-of-justice BOND. The department--of--justice--is
12 responsible-for-payment-under-this-section,-in-an-amount-not
13 to-exceed--the-maximum-bond-amount,-only-if-the judgment on
14 which-the-payment--is--based--determines MUST DETERMINE a
15 specific loss or damage amount and concludes CONCLUDE that
16 the dealer's LICENSEE'S unlawful operation caused the loss
17 or damage BEFORE PAYMENT ON THE BOND IS REQUIRED."

-End-

1 HOUSE BILL NO. 742

2 INTRODUCED BY WANZENRIED

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAW
5 REGARDING BOAT DEALERS; REQUIRING A DEALER TO HAVE A
6 PRINCIPAL PLACE OF BUSINESS AND PROVIDING FOR SIGNING AND
7 INSPECTION OF THE PREMISES; REQUIRING AN ANNUAL BOND FOR A
8 BOAT DEALER; EXTENDING THE PERIOD FROM TIME OF PURCHASE TO
9 TIME OF LICENSING A BOAT AND ALLOWING ISSUANCE OF A
10 TEMPORARY BOAT STICKER; AMENDING SECTIONS 23-2-510,
11 23-2-511, AND 23-2-513, MCA."

12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:14 **Section 1.** Section 23-2-510, MCA, is amended to read:

15 **"23-2-510. Transfer of interest.** (1) Except as provided
16 in subsection (3), upon a transfer of a certificate of
17 ownership to a motorboat or sailboat 12 feet in length or
18 longer registered as required under the provisions of this
19 part, the person whose title or interest is to be
20 transferred shall sign the certificate of ownership issued
21 for the motorboat or sailboat in the appropriate space
22 provided on the reverse side of the certificate, and the
23 signature must be acknowledged before the county treasurer,
24 a deputy county treasurer, or a notary public.

25 (2) Within 20 30 calendar days after endorsement, the

1 transferee shall make application for transfer of the
2 certificate of ownership with the county treasurer of the
3 county in which the transferee resides and also make
4 application for registration of the motorboat or sailboat.
5 The county treasurer shall forward the application to the
6 department of justice, which shall file the application upon
7 receipt. A certificate of ownership may not be issued by the
8 department until any outstanding certificate is surrendered
9 to the department or its loss is established to the
10 department's reasonable satisfaction. The county treasurer
11 shall collect a fee of \$5 for each application for transfer
12 of ownership, of which \$3.50 must be forwarded to the
13 department of justice for deposit in the general fund.

14 (3) A purchaser of a new or used motorboat or sailboat
15 12 feet in length or longer from a licensed dealer has a
16 grace period of 20 30 calendar days from the date of
17 purchase to register the motorboat or sailboat, make
18 application for a certificate of ownership, and obtain a
19 decal indicating that the fee in lieu of property tax has
20 been paid on the vessel for the current year. It is not a
21 violation of this part or any other law for the purchaser to
22 operate a newly acquired motorboat or sailboat 12 feet in
23 length or longer without a certificate of ownership,
24 certificate of registration, and decal during the 20-day
25 30-day grace period. During this period the sticker provided

1 for in subsection (4) must remain affixed to the motorboat
2 or sailboat.

3 (4) Prior to the delivery of a motorboat or sailboat 12
4 feet in length or longer to the purchaser, the dealer shall
5 issue and affix to a motorboat or sailboat constructed after
6 October 31, 1972, a sticker as prescribed by the department
7 of justice. The sticker must contain the name and address of
8 the purchaser, the date of sale, the name and address of the
9 dealer, and a description of the motorboat or sailboat,
10 including its serial number. The dealer shall keep a copy of
11 the sticker for his records and shall send a copy of the
12 sticker to the department of justice.

13 (5) A purchaser of a new or used motorboat or sailboat
14 who is unable to record a transfer of ownership with the
15 county treasurer at the time he makes application for
16 registration of the motorboat or sailboat because the
17 certificate of ownership is lost, in the possession of third
18 parties, or in the process of reissuance in this state or
19 elsewhere may, upon making affidavit to that effect upon a
20 form prescribed by the department of justice and upon the
21 payment of THE APPLICABLE FEE IN LIEU OF TAX PLUS a fee of
22 \$2 to be collected by the county treasurer and remitted to
23 the department of justice, obtain from the county treasurer
24 of the county in which the boat is to be registered a
25 temporary boat sticker of a size, color, and design as the

1 department of justice may prescribe, to be validated by the
2 county treasurer for a period of 60 days from the date of
3 issuance. The purchaser, upon displaying the sticker
4 conspicuously on the motorboat or sailboat, may operate the
5 motorboat or sailboat during the period for which the boat
6 sticker has been validated without displaying the numbers
7 and license decal for the current year. The county treasurer
8 may not sell, and a person may not purchase, more than one
9 60-day temporary boat sticker for any motorboat or sailboat,
10 the ownership of which has not changed since the issuance of
11 the previous 60-day boat sticker.

12 ~~(5)~~(6) The provisions of subsection (2) do not apply in
13 the event of the transfer of a motorboat or sailboat 12 feet
14 in length or longer to a duly licensed dealer intending to
15 resell the motorboat or sailboat and who operates it only
16 for demonstration purposes, but every dealer, upon
17 transferring his interest, shall deliver the certificate of
18 ownership with an application for a new certificate executed
19 by the new owner in accordance with the provisions of this
20 part. The department of justice, upon receipt of the
21 certificate of ownership and application for a new
22 certificate containing notice of a security interest, if
23 any, shall issue a new certificate of ownership, together
24 with a statement of any conditional sales contract,
25 mortgage, or other lien.

1 ~~(6)~~(7) When the names and addresses of more than one
2 owner who are members of the same immediate family are
3 listed on the certificate of ownership, joint ownership with
4 right of survivorship, and not as tenants in common, is
5 presumed.

6 ~~(7)~~(8) The provisions of 61-3-201(3) through (7) that
7 apply to motor vehicles also apply to any certificate of
8 ownership transferred under this section."

9 **Section 2.** Section 23-2-511, MCA, is amended to read:

10 "23-2-511. Operation of unnumbered motorboats
11 prohibited -- display of decals. (1) Every motorboat on the
12 waters of this state, propelled by a motor or an engine of
13 any description, must be properly numbered and display valid
14 license decals. No person may operate or give permission for
15 the operation of any motorboat on such waters unless the
16 motorboat is numbered and displays valid license decals in
17 accordance with this part, with applicable federal law, or
18 with a federally approved numbering system of another state
19 and unless:

- 20 (a) the certificate of number assigned to the motorboat
21 is in full force and effect;
22 (b) the identifying number set forth in the certificate
23 of number and the valid license decals are displayed on such
24 motorboat; and
25 (c) a temporary permit has been obtained from the

1 county in which the boat is being operated if that county
2 requires a temporary permit for out-of-state motorboats, as
3 provided in 7-16-2121.

4 (2) Upon transfer of ownership of a motorboat from a
5 registered boat dealer or manufacturer, the transferred
6 motorboat may be operated on the waters of this state for ~~20~~
7 30 consecutive calendar days immediately following the
8 transfer of ownership without displaying the numbers and
9 license decal required by subsection (1) provided that when
10 the motorboat is operated during those ~~20~~ 30 consecutive
11 calendar days, a bill of sale or other evidence of transfer
12 reciting the date of the transfer of ownership is retained
13 in the motorboat and is exhibited to a warden or other
14 officer upon request."

15 **Section 3.** Section 23-2-513, MCA, is amended to read:

16 "23-2-513. Dealer's identification number -- premises
17 -- inspection -- bond -- judgment. (1) A dealer or
18 manufacturer may apply directly to the department of justice
19 for one identifying number and one or more certificates of
20 number. A dealer's or manufacturer's identifying number
21 shall be displayed on his boat while the boat is operating
22 for a purpose related to the buying, selling, or exchanging
23 of the boat by the dealer or manufacturer.

24 (2) The application for a dealer's or manufacturer's
25 identifying number must include his name and business

1 address. Each dealer or manufacturer will have one
2 identifying number assigned to his business.

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

6 (a) for the identifying number, first certificate of
7 number, and set of license decals, \$5;

8 (b) for each additional certificate of number and set
9 of license decals applied for in any application, \$2.

10 (4) The department of justice shall issue certificates
11 of number for the identifying numbers assigned to a dealer
12 or manufacturer in the same manner as provided in
13 23-2-512(1) and (9), as amended, except that no boat may be
14 described in the certificate and each certificate must state
15 that the identifying number has been assigned to a dealer or
16 manufacturer. A dealer's or manufacturer's certificate of
17 number expires on December 31 of the year for which it is
18 issued.

19 (5) A dealer's or manufacturer's identifying number
20 shall be displayed in the same manner as provided in
21 23-2-512(9), as amended, except that the number may be
22 temporarily attached. The last three letters shall be "DLR"
23 for dealer and "MFR" for manufacturer. These letters shall
24 be included, respectively, in dealer or manufacturer
25 identification numbers only.

1 (6) No person other than a dealer or manufacturer or an
2 employee of a dealer or manufacturer may display or use a
3 dealer's or manufacturer's identifying number. A dealer's or
4 manufacturer's identifying number may be displayed only on
5 motorboats owned by the dealer or manufacturer.

6 (7) No dealer or manufacturer or employee of a dealer
7 or manufacturer may use a dealer's or manufacturer's
8 identifying number for any purpose other than the purpose
9 described in subsection (1) of this section.

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

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

25 (10) (a) The applicant for a boat dealer's license shall

1 file with his application a bond of \$5,000. The bond must be
2 conditioned that the applicant shall conduct his business in
3 accordance with the requirements of the law. All bonds must
4 run to the state of Montana, must be approved by the
5 department of justice and filed in its office, and must be
6 renewed annually.

7 (b) A person who suffers loss or damage due to the
8 unlawful conduct of a dealer licensed under this section
9 shall obtain a judgment from a court of competent
10 jurisdiction prior to collecting ON the judgment-from-the
11 department-of-justice BOND. The department--of--justice--is
12 responsible-for-payment-under-this-section, in an amount not
13 to--exceed--the-maximum-bond-amount, only-if-the judgment on
14 which-the-payment--is--based--determines MUST DETERMINE a
15 specific loss or damage amount and concludes CONCLUDE that
16 the dealer's LICENSEE'S unlawful operation caused the loss
17 or damage BEFORE PAYMENT ON THE BOND IS REQUIRED."

-End-