HOUSE BILL NO. 742

INTRODUCED BY WANZENRIED

IN THE HOUSE

	IN THE HOUSE
FEBRUARY 11, 1991	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT.
	FIRST READING.
MARCH 9, 1991	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
MARCH 11, 1991	PRINTING REPORT.
MARCH 12, 1991	SECOND READING, DO PASS.
MARCH 13, 1991	ENGROSSING REPORT.
MARCH 14, 1991	THIRD READING, PASSED. AYES, 96; NOES, 3.
	TRANSMITTED TO SENATE.
	IN THE SENATE
MARCH 15, 1991	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY.
	FIRST READING.
MARCH 20, 1991	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 23, 1991	SECOND READING, CONCURRED IN.
MARCH 25, 1991	THIRD READING, CONCURRED IN. AYES, 46; NOES, 2.
	RETURNED TO HOUSE.
	IN THE HOUSE
MARCH 25, 1991	RECEIVED FROM SENATE.
	SENT TO ENROLLING.
	REPORTED CORRECTLY ENROLLED.

52nd Legislature LC 1812/01

INTRODUCED BY WAYZENAND

INTRODUCED BY 2000

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAW
REGARDING BOAT DEALERS; REQUIRING A DEALER TO HAVE A
PRINCIPAL PLACE OF BUSINESS AND PROVIDING FOR SIGNING AND

INSPECTION OF THE PREMISES; REQUIRING AN ANNUAL BOND FOR A

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."

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

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

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

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



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1 transferee shall make application for transfer of the certificate of ownership with the county treasurer of the county in which the transferee resides and also make application for registration of the motorboat or sailboat. The county treasurer shall forward the application to the department of justice, which shall file the application upon receipt. A certificate of ownership may not be issued by the 8 department until any outstanding certificate is surrendered 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 of ownership, of which \$3.50 must be forwarded to the 12 13 department of justice for deposit in the general fund.

12 feet in length or longer from a licensed dealer has a grace period of 20 30 calendar days from the date of purchase to register the motorboat or sailboat, make application for a certificate of ownership, and obtain a decal indicating that the fee in lieu of property tax has been paid on the vessel for the current year. It is not a violation of this part or any other law for the purchaser to operate a newly acquired motorboat or sailboat 12 feet in length or longer without a certificate of ownership,

(3) A purchaser of a new or used motorboat or sailboat

certificate of registration, and decal during the 20-day

25 30-day grace period. During this period the sticker provided

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

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- (4) Prior to the delivery of a motorboat or sailboat 12 feet in length or longer to the purchaser, the dealer shall issue and affix to a motorboat or sailboat constructed after October 31, 1972, a sticker as prescribed by the department of justice. The sticker must contain the name and address of the purchaser, the date of sale, the name and address of the dealer, and a description of the motorboat or sailboat, including its serial number. The dealer shall keep a copy of the sticker for his records and shall send a copy of the sticker to the department of justice.
- who is unable to record a transfer of ownership with the county treasurer at the time he makes application for registration of the motorboat or sailboat because the certificate of ownership is lost, in the possession of third parties, or in the process of reissuance in this state or elsewhere may, upon making affidavit to that effect upon a form prescribed by the department of justice and upon the payment of a fee of \$2 to be collected by the county treasurer and remitted to the department of justice, obtain from the county treasurer of the county in which the boat is to be registered a temporary boat sticker of a size, color, and design as the department of justice may prescribe, to be

- validated by the county treasurer for a period of 60 days 1 2 from the date of issuance. The purchaser, upon displaying the sticker conspicuously on the motorboat or sailboat, may 4 operate the motorboat or sailboat during the period for which the boat sticker has been validated without displaying the numbers and license decal for the current year. The 7 county treasurer may not sell, and a person may not purchase, more than one 60-day temporary boat sticker for 9 any motorboat or sailboat, the ownership of which has not changed since the issuance of the previous 60-day boat 10 11 sticker.
- 12 +5+(6) The provisions of subsection (2) do not apply in the event of the transfer of a motorboat or sailboat 12 feet 13 14 in length or longer to a duly licensed dealer intending to 15 resell the motorboat or sailboat and who operates it only 16 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 21 certificate of ownership and application for a 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, 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:
- "23-2-511. Operation unnumbered 10 ο£ motorboats prohibited -- display of decals. (1) Every motorboat on the 11 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 with a federally approved numbering system of another state 18 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

- county in which the boat is being operated if that county requires a temporary permit for out-of-state motorboats, as
- 3 provided in 7-16-2121.
- (2) Upon transfer of ownership of a motorboat from a registered boat dealer or manufacturer, the transferred motorboat may be operated on the waters of this state for 20 30 consecutive calendar days immediately following the transfer of ownership without displaying the numbers and license decal required by subsection (1) provided that when 10 the motorboat is operated during those 20 30 consecutive calendar days, a bill of sale or other evidence of transfer 11 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."
- 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
- number. A dealer's or manufacturer's identifying number

 Shall be displayed on his book while the best income.
- shall be displayed on his boat while the boat is operating
 - for a purpose related to the buying, selling, or exchanging
- 23 of the boat by the dealer or manufacturer.
- (2) The application for a dealer's or manufacturer's
 identifying number must include his name and business

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

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- (3) An application for dealer's or manufacturer's identifying number and certificate of number must be accompanied by the following fees:
- (a) for the identifying number, first certificate of number, and set of license decals, \$5;
- (b) for each additional certificate of number and set of license decals applied for in any application, \$2.
- (4) The department of justice shall issue certificates of number for the identifying numbers assigned to a dealer or manufacturer in the same manner as provided in 23-2-512(1) and (9), as amended, except that no boat may be described in the certificate and each certificate must state that the identifying number has been assigned to a dealer or manufacturer. A dealer's or manufacturer's certificate of number expires on December 31 of the year for which it is issued.
- (5) A dealer's or manufacturer's identifying number shall be displayed in the same manner as provided in 23-2-512(9), as amended, except that the number may be temporarily attached. The last three letters shall be "DLR" for dealer and "MFR" for manufacturer. These letters shall be included, respectively, in dealer or manufacturer identification numbers only.

- (6) No person other than a dealer or manufacturer or an employee of a dealer or manufacturer may display or use a dealer's or manufacturer's identifying number. A dealer's or manufacturer's identifying number may be displayed only on 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.
 - (9) In order to qualify for renewal of a boat dealer's license, the dealer shall certify to the department of justice upon application for renewal that he sold five or more boats during the previous license year. If five or more boats were not sold, an additional fee of \$50 is required for renewal of the dealer's license.
- 25 (10) (a) The applicant for a boat dealer's license shall

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-	Tile with his application a bond of \$3,000. The bond mast 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 SUNDSTED, BUDGET DIRECTOR

DATE

Office of Budget and Program Planning

WANZENRIED, PRIMARY SPONSOR

Fiscal Note for HB0742, as introduced

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APPROVED BY COMM, ON BUSINESS AND ECONOMIC DEVELOPMENT

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2	INTRODUCED BY WANZENRIED
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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."
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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

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_	transferee sharr make appropriation 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.

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

- 1 for in subsection (4) must remain affixed to the motorboat or sailboat.
 - (4) Prior to the delivery of a motorboat or sailboat 12 feet in length or longer to the purchaser, the dealer shall issue and affix to a motorboat or sailboat constructed after October 31, 1972, a sticker as prescribed by the department of justice. The sticker must contain the name and address of the purchaser, the date or sale, the name and address of the dealer, and a description of the motorboat or sailboat, including its serial number. The dealer shall keep a copy of the sticker for his records and shall send a copy of the sticker to the department of justice.
 - (5) A purchaser of a new or used motorboat or sailboat who is unable to record a transfer of ownership with the county treasurer at the time he makes application for registration of the motorboat or sailboat because the certificate of ownership is lost, in the possession of third parties, or in the process of reissuance in this state or elsewhere may, upon making affidavit to that effect upon a form prescribed by the department of justice and upon the payment of THE APPLICABLE FEE IN LIEU OF TAX PLUS a fee of \$2 to be collected by the county treasurer and remitted to the department of justice, obtain from the county treasurer of the county in which the boat is to be registered a temporary boat sticker of a size, color, and design as the

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- department of justice may prescribe, to be validated by the county treasurer for a period of 60 days from the date of 2 issuance. The purchaser, upon displaying the sticker conspicuously on the motorboat or sailboat, may operate the motorboat or sailboat during the period for which the boat sticker has been validated without displaying the numbers 7 and license decal for the current year. The county treasurer may not sell, and a person may not purchase, more than one q 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.
- (5)(6) The provisions of subsection (2) do not apply in 12 the event of the transfer of a motorboat or sailboat 12 feet 13 in length or longer to a duly licensed dealer intending to 14 15 resell the motorboat or sailboat and who operates it only for demonstration purposes, but every dealer, upon 16 transferring his interest, shall deliver the certificate of 17 18 ownership with an application for a new certificate executed by the new owner in accordance with the provisions of this 19 part. The department of justice, upon receipt of the 20 21 certificate of ownership and application for a new certificate containing notice of a security interest, if 23 any, shall issue a new certificate of ownership, together with a statement of any conditional sales contract, 24 mortgage, or other lien.

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

(7) that apply to motor vehicles also apply to any certificate of ownership transferred under this section."

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

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

- (a) the certificate of number assigned to the motorboatis 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
 - (c) a temporary permit has been obtained from the

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

registered boat dealer or manufacturer, the transferred motorboat may be operated on the waters of this state for 28 30 consecutive calendar days immediately following the transfer of ownership without displaying the numbers and license decal required by subsection (1) provided that when the motorboat is operated during those 20 30 consecutive calendar days, a bill of sale or other evidence of transfer reciting the date of the transfer of ownership is retained in the motorboat and is exhibited to a warden or other officer upon request."

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

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

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- address. Each dealer or manufacturer will have one identifying nummer assigned to his business.
- (3) An application for dealer's or manufacturer's identifying number and certificate of number must be accompanied by the following fees:
- (a) for the identifying number, first certificate of number, and set of license decals, \$5;
- (b) for each additional certificate of number and set of license decals applied for in any application, \$2.

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- (4) The department of justice shall issue certificates of number for the identifying numbers assigned to a dealer or manufacturer in the same manner as provided in 23-2-512(1) and (9), as amended, except that no boat may be described in the certificate and each certificate must state that the identifying number has been assigned to a dealer or manufacturer. A dealer's or manufacturer's certificate of number expires on December 31 of the year for which it is issued.
- (5) A dealer's or manufacturer's identifying number shall be displayed in the same manner as provided in 23-2-512(9), as amended, except that the number may be temporarily attached. The last three letters shall be "DLR" for dealer and "MFR" for manufacturer. These letters shall be included, respectively, in dealer or manufacturer identification numbers only.

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- 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 application, where he maintains all business records and 12 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

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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 departmentofjusticeis
12	responsible-for-payment-under-this-section;-in-an-amount-not
13	toexceedthe-maximum-bond-amount;-only-if-the judgment on
14	which-the-paymentisbaseddetermines 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-

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2	INTRODUCED BY WANZENRIED

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

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

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

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

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

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

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

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

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- (4) Prior to the delivery of a motorboat or sailboat 12 feet in length of longer to the purchaser, the dealer shall issue and affix to a motorboat or sailboat constructed after October 31, 1972, a sticker as prescribed by the department of justice. The sticker must contain the name and address of the purchaser, the date of sale, the name and address of the dealer, and a description of the motorboat or sailboat, including its serial number. The dealer shall keep a copy of the sticker for his records and shall send a copy of the sticker to the department of justice.
- who is unable to record a transfer of ownership with the county treasurer at the time he makes application for registration of the motorboat or sailboat because the certificate of ownership is lost, in the possession of third parties, or in the process of reissuance in this state or elsewhere may, upon making affidavit to that effect upon a form prescribed by the department of justice and upon the payment of THE APPLICABLE FEE IN LIEU OF TAX PLUS a fee of \$2 to be collected by the county treasurer and remitted to the department of justice, obtain from the county treasurer of the county in which the boat is to be registered a temporary boat sticker of a size, color, and design as the

- department of justice may prescribe, to be validated by the 1 2 county treasurer for a period of 60 days from the date of 3 issuance. The purchaser, upon displaying the sticker conspicuously on the motorboat or sailboat, may operate _the motorboat or sailboat during the period for which the boat sticker has been validated without displaying the numbers and license decal for the current year. The county treasurer may not sell, and a person may not purchase, more than one 60-day temporary boat sticker for any motorboat or sailboat, 10 the ownership of which has not changed since the issuance of the previous 60-day boat sticker. 11
- 12 +5+(6) The provisions of subsection (2) do not apply in the event of the transfer of a motorboat or sailboat 12 feet 13 in length or longer to a duly licensed dealer intending to 14 resell the motorboat or sailboat and who operates it only 15 16 for demonstration purposes, but every dealer, 17 transferring his interest, shall deliver the certificate of ownership with an application for a new certificate executed 18 by the new owner in accordance with the provisions of this 19 20 part. The department of justice, upon receipt of the certificate of ownership and application for a new 21 certificate containing notice of a security interest, if 22 23 any, shall issue a new certificate of ownership, together with a statement of any conditional sales 24 25 mortgage, or other lien.

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

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

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

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

- (a) the certificate of number assigned to the motorboat 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
 - (c) a temporary permit has been obtained from the

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

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

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

"23-2-513. Dealer's identification number -- premises

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

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

of the boat by the dealer or manufacturer.

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address. Each dealer or manufacturer will have one dentifying number assigned to his business.

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- (3) An application for dealer's or manufacturer's identifying number and certificate of number must be accompanied by the following fees:
- (a) for the identifying number, first certificate of number, and set of license decals, \$5;
- (b) for each additional certificate of number and set of license decals applied for in any application, \$2.
- (4) The department of justice shall issue certificates of number for the identifying numbers assigned to a dealer or manufacturer in the same manner as provided in 23-2-512(1) and (9), as amended, except that no boat may be described in the certificate and each certificate must state that the identifying number has been assigned to a dealer or manufacturer. A dealer's or manufacturer's certificate of number expires on December 31 of the year for which it is issued.
- (5) A dealer's or manufacturer's identifying number shall be displayed in the same manner as provided in 23-2-512(9), as amended, except that the number may be temporarily attached. The last three letters shall be "DLR" for dealer and "MFR" for manufacturer. These letters shall be included, respectively, in dealer or manufacturer identification numbers only.

- (6) No person other than a dealer or manufacturer or an employee of a dealer or manufacturer may display or use a dealer's or manufacturer's identifying number. A dealer's or manufacturer's identifying number may be displayed only on motorboats owned by the dealer or manufacturer.
- (7) No dealer or manufacturer or employee of a dealer or manufacturer may use a dealer's or manufacturer's identifying number for any purpose other than the purpose 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 application, where he maintains all business records and 12 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.
 - [9] In order to qualify for renewal of a boat dealer's license, the dealer shall certify to the department of justice upon application for renewal that he sold five or more boats during the previous license year. If five or more boats were not sold, an additional fee of \$50 is required for renewal of the dealer's license.
 - (10) (a) The applicant for a boat dealer's license shall

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

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

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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
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

provided on the reverse side of the certificate, and the

signature must be acknowledged before the county treasurer,

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

a deputy county treasurer, or a notary public.

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 treasures
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.

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

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

- (4) Prior to the delivery of a motorboat or sailboat 12 feet in length c: longer to the purchaser, the dealer shall issue and affix to a motorboat or sailboat constructed after October 31, 1972, a sticker as prescribed by the department of justice. The sticker must contain the name and address of the purchaser, the date of sale, the name and address of the dealer, and a description of the motorboat or sailboat, including its serial number. The dealer shall keep a copy of the sticker for his records and shall send a copy of the sticker to the department of justice.
- (5) A purchaser of a new or used motorboat or sailboat who is unable to record a transfer of ownership with the county treasurer at the time he makes application for registration of the motorboat or sailboat because the certificate of ownership is lost, in the possession of third parties, or in the process of reissuance in this state or elsewhere may, upon making affidavit to that effect upon a form prescribed by the department of justice and upon the payment of THE APPLICABLE FEE IN LIEU OF TAX PLUS a fee of \$2 to be collected by the county treasurer and remitted to the department of justice, obtain from the county treasurer of the county in which the boat is to be registered a temporary boat sticker of a size, color, and design as the

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

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

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

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

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

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

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

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