

SENATE BILL NO. 232

INTRODUCED BY DOHERTY, PINSONEAULT  
BY REQUEST OF THE DEPARTMENT OF JUSTICE

IN THE SENATE

JANUARY 30, 1991                   INTRODUCED AND REFERRED TO COMMITTEE  
ON BUSINESS & INDUSTRY.

                                      FIRST READING.

FEBRUARY 22, 1991                   COMMITTEE RECOMMEND BILL DO NOT  
PASS AS AMENDED. REPORT ADOPTED.

FEBRUARY 23, 1991                   ON MOTION, ADOPTION OF ADVERSE  
COMMITTEE REPORT RECONSIDERED.  
BILL PRINTED AND PLACED ON SECOND  
READING NEXT LEGISLATIVE DAY.

FEBRUARY 25, 1991                   PRINTING REPORT.

                                      SECOND READING, DO PASS AS AMENDED.

FEBRUARY 26, 1991                   ENGROSSING REPORT.

                                      THIRD READING, PASSED.  
AYES, 34; NOES, 15.

                                      TRANSMITTED TO HOUSE.

IN THE HOUSE

MARCH 4, 1991                   INTRODUCED AND REFERRED TO COMMITTEE  
ON BUSINESS & ECONOMIC DEVELOPMENT.

                                      FIRST READING.

MARCH 14, 1991                   COMMITTEE RECOMMEND BILL BE  
CONCURRED IN AS AMENDED. REPORT  
ADOPTED.

MARCH 16, 1991                   SECOND READING, CONCURRED IN.

MARCH 18, 1991                   THIRD READING, PASS CONSIDERATION.

                                      ON MOTION, REREFERRED TO COMMITTEE  
ON APPROPRIATIONS.

APRIL 4, 1991                   COMMITTEE RECOMMEND BILL BE  
CONCURRED IN AS AMENDED. REPORT

ADOPTED.

APRIL 6, 1991

ON MOTION, CONSIDERATION PASSED.

APRIL 10, 1991

SECOND READING, INDEFINITELY  
POSTPONED.

APRIL 12, 1991

ON MOTION, BILL PLACED ON SECOND READING.

APRIL 13, 1991

SECOND READING, CONCURRED IN AS  
AMENDED.

APRIL 15, 1991

THIRD READING, CONCURRED IN.  
AYES, 64; NOES, 33.

RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

APRIL 17, 1991

RECEIVED FROM HOUSE.

SECOND READING, AMENDMENTS  
CONCURRED IN.

APRIL 18, 1991

THIRD READING, AMENDMENTS  
CONCURRED IN.

APRIL 19, 1991

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *Senate* BILL NO. *232*  
 2 INTRODUCED BY *Donny Peterson*

3 BY REQUEST OF THE DEPARTMENT OF JUSTICE

4  
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE SURRENDER TO  
 6 THE DEPARTMENT OF JUSTICE THE CERTIFICATE OF OWNERSHIP OF A  
 7 VEHICLE DETERMINED TO BE A SALVAGE VEHICLE; TO ALLOW THE  
 8 DEPARTMENT TO ISSUE A SALVAGE CERTIFICATE FOR A SALVAGE  
 9 VEHICLE CAPABLE OF BEING REBUILT; TO PROVIDE FOR THE  
 10 RETITLING OF A REBUILT SALVAGE VEHICLE; TO CREATE A VEHICLE  
 11 IDENTIFICATION NUMBER INSPECTION PROGRAM; TO IMPOSE A  
 12 VEHICLE IDENTIFICATION NUMBER INSPECTION FEE; TO REQUIRE THE  
 13 ISSUANCE OF A SALVAGE CERTIFICATE FOR ALL JUNK VEHICLES; TO  
 14 AUTHORIZE THE DEPARTMENT TO INSPECT THE RECORDS OF LICENSED  
 15 MOTOR VEHICLE WRECKING FACILITIES; TO ALLOW THE DEPARTMENT  
 16 TO REPORT TO THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL  
 17 SCIENCES VIOLATIONS OF TITLE 75, CHAPTER 10, PART 5, MCA;  
 18 AND AMENDING SECTIONS 61-3-202, 75-10-513, AND 75-10-514,  
 19 MCA."  
 20

21 STATEMENT OF INTENT

22 A statement of intent is necessary for this bill because  
 23 it grants the department of justice additional rulemaking  
 24 authority with respect to the implementation and  
 25 administration of a vehicle identification and inspection

1 program and additional rulemaking authority with respect to  
 2 salvage vehicles.

3  
4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

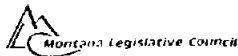
5 NEW SECTION. **Section 1.** Definitions. As used in this  
 6 part, the following definitions apply:

7 (1) "Cab" means the passenger compartment of a common  
 8 truck or pickup truck. It is a unit of construction that  
 9 includes the top or roof and the cowl and may or may not  
 10 include glass, instrumentation, the steering column and a  
 11 seat or seats.

12 (2) "Center structure" includes the section of either a  
 13 unibody or frame-type passenger vehicle that consists of a  
 14 unit of sheet metal that extends from the firewall to the  
 15 back of the rear seat or the centerline of the rear wheels.  
 16 The structure may comprise the roof, side and rear window  
 17 posts, cowl panel, dash panel, floor pans, doors, and rocker  
 18 panels if two or more of these parts are assembled together  
 19 as one unit.

20 (3) "Component part" means the front-end assembly,  
 21 center structure, or tail section of an automobile, the cab  
 22 of a truck, the bed of a 1-ton or lighter truck, the frame  
 23 of a vehicle, or any part of a vehicle that contains a  
 24 vehicle identification number or a derivative of a vehicle  
 25 identification number.

INTRODUCED BILL  
 SB 232



1 (4) "Frame" means the structure that supports the  
2 automobile body and other external component parts.

3 (5) "Front-end assembly" includes the hood, right front  
4 and left front fenders, grill, bumper, and radiator supports  
5 if two or more of these parts are assembled together as one  
6 unit forward of the firewall.

7 (6) "Rebuilt salvage vehicle" means a salvage vehicle  
8 that has been rebuilt and inspected for the purpose of  
9 registration and title.

10 (7) "Reconstructed vehicle" means a vehicle that is  
11 materially altered from its original construction by the  
12 removal, addition, or substitution of new or used component  
13 parts.

14 (8) "Salvage certificate" means a certificate of  
15 ownership issued by the department for a salvage vehicle  
16 that may be used to retitl the vehicle.

17 (9) "Salvage vehicle" means a vehicle damaged by  
18 collision, fire, flood, accident, trespass, or other  
19 occurrence to the extent that the owner, an insurer, or  
20 other person acting on behalf of the owner determines that  
21 the cost of parts and labor makes it uneconomical to repair  
22 the vehicle.

23 (10) "Salvage-vehicle purchaser" means a person, other  
24 than an insurer, who purchases or otherwise obtains  
25 possession of a salvage vehicle.

1 (11) "Tail section" includes the floor pan, right rear  
2 and left rear quarter panels, deck lid, upper rear and lower  
3 rear panels, and rear bumper if two or more of these parts  
4 are assembled together as one unit.

5 (12) "Vehicle identification number" means the number,  
6 letters, or combination of numbers and letters assigned by  
7 the manufacturer, by the department, or in accordance with  
8 the laws of another state or country for the purpose of  
9 identifying the vehicle or a component part of the vehicle.

10 **Section 2.** Section 61-3-202, MCA, is amended to read:

11 "61-3-202. Certificate of ownership -- issuance --  
12 contents -- joint ownership -- inspection -- fees. (1) Upon  
13 completion of the application for certificate of ownership,  
14 on forms furnished by the department, the county treasurer  
15 shall forward one copy of the application to the department,  
16 which shall enter the information contained in the  
17 application upon the corresponding records of its office  
18 and, except as provided in 61-3-103(1) and 61-3-201(2)  
19 concerning applications by creditors or secured parties,  
20 shall furnish the applicant a certificate of ownership  
21 subject to the provisions of 61-3-103.

22 (2) The certificate of ownership shall contain upon the  
23 face thereof:

24 (a) the date issued;

25 (b) the name and complete address of the owner or the

1 names and addresses of joint owners;

2 (c) except as provided in 61-3-103, the name and  
3 complete address of any holder of a perfected security  
4 interest in the registered vehicle;

5 (d) a description of the registered vehicle, including  
6 the year built and ~~serial--number~~ vehicle identification  
7 number;

8 (e) except as provided in 61-3-103, the filing date of  
9 any lien against such motor vehicle; and

10 (f) such other statement of facts as may be determined  
11 by the department.

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

16 (4) Upon receipt of the application, the department  
17 shall recheck the application. If there is any error in the  
18 application it may be returned to the county treasurer to  
19 effectively secure the correction of such error, who shall  
20 return the same to the department.

21 (5) The certificate of ownership shall contain a notice  
22 to the department of a transfer of interest of the owner and  
23 such other statements as may be determined by the  
24 department.

25 (6) A new vehicle purchased outside the state by anyone

1 other than a new car dealer licensed in this state, a used  
2 vehicle brought into this state, or a rebuilt salvage  
3 vehicle or reconstructed vehicle for which a certificate of  
4 ownership is sought must be inspected for the vehicle  
5 identification number to authenticate the identity of the  
6 vehicle before a certificate of ownership can be issued. The  
7 inspection may not attest to the roadworthiness or safety  
8 condition of the vehicle and must be performed by department  
9 employees or peace officers designated by the department.

10 (7) The department may contract with a person or entity  
11 for use of a facility as a regional inspection site for  
12 rebuilt salvage vehicles or reconstructed vehicles.

13 (8) To defray the cost of the vehicle inspection  
14 program, the department shall collect a fee of \$15 for the  
15 inspection of each vehicle entering the state for which a  
16 certificate of ownership is sought and a fee of \$75 for the  
17 inspection of each rebuilt salvage vehicle or reconstructed  
18 vehicle for which a certificate of ownership is sought. The  
19 fees must be distributed as follows:

20 (a) The entire fee for inspecting each vehicle entering  
21 the state that requires inspection under [subsection (6)]  
22 and \$50 of the inspection fee for each rebuilt salvage and  
23 reconstructed vehicle must be remitted by the department to  
24 the state treasurer for deposit in the general fund.

25 (b) Twenty five dollars of the inspection fee for each

1 rebuilt salvage vehicle and reconstructed vehicle must be  
 2 remitted by the department to the inspection site that has  
 3 contractually permitted the use of its facility for the  
 4 inspection.

5 (9) (a) An authorized inspector may seize and hold a  
 6 vehicle:

7 (i) the inspector has probable cause to believe is  
 8 stolen;

9 (ii) on which a motor number or vehicle identification  
 10 number has been defaced, altered, removed, covered,  
 11 destroyed, or obliterated; or

12 (iii) that does not conform with the vehicle  
 13 identification number on the certificate of ownership.

14 (b) A seized vehicle may be held until the identity of  
 15 the vehicle is established and arrangements are made for its  
 16 lawful disposition. An authorized inspector may use any  
 17 means necessary to identify a vehicle by its vehicle  
 18 identification number or numbers.

19 (10) The department may not issue a certificate of  
 20 ownership for a vehicle until the identity of the vehicle is  
 21 established.

22 (11) One-way rental vehicles owned by a rental company  
 23 that is authorized to conduct business in this state are  
 24 exempt from the inspection and fee requirements for vehicles  
 25 entering this state if the application for certificate of

1 ownership and registration are accompanied by a  
 2 certification signed by an authorized agent of the rental  
 3 company verifying that the vehicle identification number has  
 4 been reviewed and determined to be correct.

5 (12) The department may adopt rules for the  
 6 implementation and administration of the vehicle inspection  
 7 program."

8 NEW SECTION. Section 3. Surrender of certificate of  
 9 ownership -- issuance of salvage certificate -- salvage  
 10 retitling requirements. (1) An insurer acquiring ownership  
 11 of a vehicle that he determines to be a salvage vehicle  
 12 shall surrender the certificate of ownership to the  
 13 department within 15 days after acquiring the certificate.  
 14 If the insurer has not sold the salvage vehicle prior to the  
 15 time of surrendering the certificate of ownership, the  
 16 insurer shall apply for a salvage certificate on a form  
 17 prescribed by the department. If the certificate of  
 18 ownership names one or more holders of a perfected security  
 19 interest in the vehicle, the insurer shall secure and  
 20 deliver to the department a release from each secured party  
 21 of the secured interest.

22 (2) Upon receipt of a properly executed certificate of  
 23 ownership and a salvage certificate application from an  
 24 insurer, the department shall issue a salvage certificate to  
 25 the insurer within 5 working days of the date of receipt of

1 the application. Upon receipt of a salvage certificate  
2 issued by the department, an insurer may possess, retain,  
3 transport, sell, transfer, or otherwise dispose of the  
4 salvage vehicle. The salvage certificate is prima facie  
5 evidence of ownership of a salvage vehicle.

6 (3) If the insurer sells a salvage vehicle within the  
7 15-day period established in subsection (1) prior to  
8 surrendering the certificate of ownership, the insurer shall  
9 complete a salvage receipt on a form prescribed by the  
10 department. The insurer shall deliver the original salvage  
11 receipt to the salvage vehicle purchaser. Prior to disposing  
12 of the salvage vehicle, the salvage vehicle purchaser shall  
13 apply for a salvage certificate by completing the salvage  
14 receipt and submitting it to the department. The insurer  
15 shall deliver a copy of the salvage receipt with the  
16 surrendered certificate of ownership to the department. Upon  
17 receipt of the certificate of ownership from the insurer and  
18 the application from the salvage vehicle purchaser, the  
19 department shall issue a salvage certificate to the salvage  
20 vehicle purchaser that is prima facie evidence of ownership.

21 (4) If ownership of a salvage vehicle has not been  
22 acquired by an insurer, the owner shall surrender the  
23 certificate of ownership for the vehicle to the department  
24 prior to any sale or disposition of the vehicle and not  
25 later than 30 days from the date the vehicle becomes

1 salvage. If an insurer determines that a salvage vehicle  
2 will remain with the owner after an agreed settlement, the  
3 insurer shall notify the department of the settlement on a  
4 form prescribed by the department. Upon receipt of the  
5 notice, the department may require the owner to surrender  
6 the certificate of ownership in compliance with this part,  
7 regardless of whether ownership of the salvage vehicle was  
8 obtained in a jurisdiction not requiring the surrender of  
9 the certificate of ownership or a comparable ownership  
10 document.

11 (5) At the time of surrender of a certificate of  
12 ownership for a salvage vehicle not acquired by an insurer,  
13 the department shall issue a salvage certificate to the  
14 owner. Upon receipt of a salvage certificate issued by the  
15 department to a noninsurer, the owner may possess, retain,  
16 transport, sell, transfer, or otherwise dispose of the  
17 salvage vehicle. A salvage certificate is prima facie  
18 evidence of ownership of a salvage vehicle.

19 (6) A fee of \$5 must be paid to the department for the  
20 issuance of a salvage certificate."

21 NEW SECTION. **Section 4.** Retitling rebuilt salvage  
22 vehicles and reconstructed vehicles -- penalty. (1) Prior to  
23 operating a rebuilt salvage vehicle or reconstructed vehicle  
24 on the roads and highways of this state, the owner shall  
25 present the vehicle and the salvage certificate, if it is a

1 rebuilt salvage vehicle, or the certificate of ownership, if  
 2 it is a reconstructed vehicle, the appropriate receipts or  
 3 bills of sale establishing ownership, and the source of  
 4 component parts used to rebuild or reconstruct the vehicle  
 5 to a department employee or designated peace officer for  
 6 inspection at a regional inspection site authorized under  
 7 61-3-202(7). An owner may obtain a 72-hour temporary  
 8 registration permit from the department or its designee for  
 9 the purpose of moving a rebuilt salvage or reconstructed  
 10 vehicle to and from the designated inspection site.

11 (2) (a) The inspector shall inspect the vehicle to  
 12 verify that:

13 (i) if the vehicle is a rebuilt salvage vehicle, it is  
 14 the same vehicle for which the salvage certificate has been  
 15 issued; or

16 (ii) if the vehicle is a reconstructed vehicle, it is  
 17 the same vehicle for which the certificate of ownership was  
 18 issued.

19 (b) The inspector shall verify that the component parts  
 20 used to rebuild or reconstruct the vehicle are evidenced by  
 21 traceable receipts or bills of sale and that there are no  
 22 indications the vehicle or any of its parts are stolen.

23 (3) Following inspection and prior to operating the  
 24 vehicle on the roads and highways of this state, the owner  
 25 shall apply for a new certificate of ownership by submitting

1 the application, the salvage certificate for a rebuilt  
 2 salvage vehicle or certificate of ownership for a  
 3 reconstructed vehicle, receipts or bills of sale, and a copy  
 4 of the inspection report to the department.

5 (4) Upon receipt of the application, required  
 6 documentation, and payment of the fee for a rebuilt salvage  
 7 vehicle or a reconstructed vehicle required in 61-3-202(8),  
 8 the department shall issue a new certificate of ownership.

9 (5) A person failing to comply with the provisions of  
 10 this part is guilty of a misdemeanor and upon conviction  
 11 shall be fined an amount not to exceed \$500. A  
 12 salvage-vehicle purchaser may not possess or retain a  
 13 salvage vehicle that does not have a duly assigned salvage  
 14 certificate. The salvage-vehicle purchaser shall produce the  
 15 salvage certificate upon request of a public official  
 16 legally entitled to request the certificate. A person may  
 17 not operate or use a salvage vehicle on the roads or  
 18 highways of this state except when a permit has been issued.

19 **Section 5.** Section 75-10-513, MCA, is amended to read:

20 "75-10-513. Disposal of junk vehicles -- fees and  
 21 records. (1) When a motor vehicle wrecking facility submits  
 22 a junk vehicle to the disposal program, it shall pay a  
 23 disposal fee of \$2 for each vehicle submitted, and the  
 24 vehicle is then the property of the state.

25 (2) Quarterly, each wrecking facility shall mail to the



1 department of justice a list, on a form approved by the  
 2 department of justice, of all junk vehicles received during  
 3 the quarter, stating the year, make, and the complete  
 4 identification number of each vehicle. Any certificate of  
 5 ownership received for junk vehicles must accompany each  
 6 list. ~~The department of justice shall issue a receipt of~~  
 7 ~~for the certificate of ownership if requested by the~~  
 8 ~~licensed facility, and such receipt may serve as an~~  
 9 ~~instrument for reclaiming the certificate of ownership if~~  
 10 ~~the vehicle is rebuilt.~~

11 (3) A motor vehicle graveyard shall submit to the  
 12 department the records, documents, and other information  
 13 concerning junk vehicles received by it that are required by  
 14 rules of the department. An authorized representative of the  
 15 department of justice who presents his credentials may also  
 16 inspect, have access to, and copy records required under  
 17 75-10-512. Authorized representatives of the department of  
 18 justice may report violations of this part to the department  
 19 of health and environmental sciences."

20 **Section 6.** Section 75-10-514, MCA, is amended to read:

21 "75-10-514. Denial, suspension, or revocation of  
 22 license -- grounds. The department may deny, suspend, or  
 23 revoke a motor vehicle wrecking facility's license when it  
 24 proves the business:

25 (1) sold or otherwise disposed of a motor vehicle,

1 trailer, or any part thereof when it knew the vehicle or  
 2 part was stolen or was appropriated without the consent of  
 3 the owner;

4 (2) committed forgery on a certificate of title  
 5 covering a vehicle that has been reassembled from parts  
 6 obtained from the disassembling of other vehicles;

7 (3) committed any illegal act or omission which has  
 8 caused loss as the result of a sale of a motor vehicle,  
 9 trailer, or part thereof;

10 (4) failed to comply with this part, or with a rule of  
 11 the department or violated a provision of this part pursuant  
 12 to information received and reported by the department of  
 13 justice; or

14 (5) obtained a license fraudulently."

15 **NEW SECTION. Section 7.** Codification instruction.  
 16 [Sections 1, 3, and 4] are intended to be codified as an  
 17 integral part of Title 61, chapter 3, part 2, and the  
 18 provisions of Title 61, chapter 3, part 2, apply to  
 19 [sections 1, 3, and 4].

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0232, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

The bill requires surrender to the Department of Justice of the certificate of ownership of a vehicle determined to be a salvage vehicle; allows the Department of Justice to issue a salvage certificate for a salvage vehicle capable of being rebuilt; provides for the retitling of a rebuilt salvage vehicle; creates a vehicle identification number inspection program; imposes a vehicle identification number inspection fee; requires the issuance of a salvage certificate for all junk vehicles; authorizes the Department of Justice to inspect the records of licensed motor vehicle wrecking facilities and to report violations to the Department of Health and Environmental Sciences.

ASSUMPTIONS:

Department of Justice


1. 68,500 "out-of-state" and 3,500 "rebuilt" vehicles will require vehicle inspection number (VIN) inspections each year. The respective inspection fees will be \$15 for "out-of-state" vehicles, and \$75 for "rebuilt" vehicles.
2. 6,000 vehicles will require a Salvage Certificate each year with a fee of \$5 per certificate.
3. The VIN inspection program will be operational January 1, 1992. New inspection fee revenue is based upon six months of operation during FY92 and twelve months during FY93.
4. 40.00 FTE will be added in the Driver Services Bureau, Motor Vehicle Division, Department of Justice. The additional FTE include 30.00 Grade 12 Driver Examiners/Inspectors. The FTE will be phased-in during FY92 and will be fully staffed during FY93. Employee benefits are calculated at a rate of 22%.
5. VIN inspection services would be offered in all county seats where the number of vehicles registered and drivers licensed warrant the service. Part-time examiner/inspectors would be utilized on a five day per week basis in smaller counties wherever possible to optimize services and reduce travel costs. All counties with five day per week service would be automated in both the registrar's and driver services systems.
6. Current law is represented by the executive budget recommendation for the Driver Services Bureau of the Department of Justice.

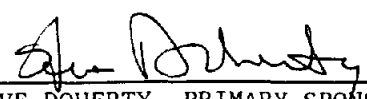
Department of Health and Environmental Sciences

7. Inspections by the Department of Justice will result in the denial and/or revocation of 30 additional motor vehicle wrecking facility application/licenses each year. The license fee revenue loss for 30 facilities at \$50 each would be \$1,500 per year.
8. The increased workload associated with denials/revocations will require an additional 0.50 FTE Grade 14 technical staff for the 1993 biennium in the Motor Vehicle Recycling and Disposal Program in the Department of Health and Environmental Sciences. This position may not be necessary beyond that if compliance increases.
9. Current law is represented by the executive budget recommendation for the Motor Vehicle Recycling and Disposal Program in the Department of Health and Environmental Sciences.

FISCAL IMPACT:

see next page

 2-5-91  
ROD SUNDSTED, BUDGET DIRECTOR                      DATE  
Office of Budget and Program Planning

 2/7/91  
STEVE DOHERTY, PRIMARY SPONSOR                      DATE

Fiscal Note for SB0232, as introduced

**SB 232**

FISCAL IMPACT:

Department of Justice-Driver Services Bureau

	FY 92			FY 93		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Expenditures:</u>						
FTE	86.05	109.55	23.50	86.05	126.05	40.00
Personal Services	2,002,000	2,571,600	569,600	2,000,300	3,007,200	1,006,900
Operating Costs	656,200	857,900	201,700	651,300	988,800	337,500
Equipment	56,500	134,300	77,800	56,300	111,300	55,000
Total	2,714,700	3,563,800	849,100	2,707,900	4,107,300	1,399,400
<u>Funding:</u>						
General Fund (01)	2,536,700	3,385,800	849,100	2,569,900	3,969,300	1,399,400
State Special (02)	128,000	128,000	0	88,000	88,000	0
Federal Special (03)	50,000	50,000	0	50,000	50,000	0
Total	2,714,700	3,563,800	849,100	2,707,900	4,107,300	1,399,400
<u>Revenues:</u>						
VIN Inspection Fees (01)	0	645,000	645,000	0	1,290,000	1,290,000
Vehicle Salvage Certs.(01)	0	15,000	15,000	0	30,000	30,000

General Fund Impact (189,100) (79,400)

Department of Health and Environmental Sciences-Motor Vehicle Recycling and Disposal

<u>Expenditures:</u>						
FTE	4.43	4.93	0.50	4.43	4.93	0.50
Personal Services	142,457	156,935	14,478	142,497	157,754	15,257
Operating Costs	50,027	62,093	12,066	50,326	62,392	12,066
Grants	824,538	824,538	0	824,538	824,538	0
Total	1,017,022	1,043,566	(26,544)	1,017,361	1,044,684	(27,323)
<u>Funding:</u>						
State Special (02)	1,017,022	1,043,566	26,544	1,017,361	1,044,684	27,323
<u>Revenues:</u>						
Wrecking Facility Lic(02)	10,750	9,250	(1,500)	10,850	9,350	(1,500)
Net State Special Impact			(28,044)			(28,823)

Fiscal Note Request, SB0232, as introduced  
Form BD-15  
Page 3

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

A reduction in the Motor Vehicle Recycling and Disposal Program state special revenue account may reduce grants to counties.

TECHNICAL NOTES:

Section 5 of the bill amends 75-10-513, MCA, to provide Department of Justice representatives authority to inspect motor vehicle wrecking facility records and report to the Department of Health and Environmental Sciences. However, because subsection (3) of 75-10-513, MCA, deals with county-operated motor vehicle graveyard records under current law, it is not clear if wrecking facility violations are reportable in addition to graveyard violations.

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0232, third reading.

DESCRIPTION OF PROPOSED LEGISLATION:

The bill requires surrender to the Department of Justice of the certificate of ownership of a vehicle less than 5 years of age determined to be a salvage vehicle; allows the Department of Justice to issue a salvage certificate for a salvage vehicle capable of being rebuilt; provides for the retitling of a salvage vehicle; creates a vehicle identification number inspection program; imposes a vehicle identification number inspection fee; requires the issuance of a salvage certificate for all junk vehicles; authorizes the Department of Justice to inspect the records of licensed motor vehicle wrecking facilities and to report violations to the Department of Health and Environmental Sciences.

ASSUMPTIONS:

Department of Justice


1. 68,500 new and used "out-of-state" vehicles and 2,000 "salvage" vehicles will require vehicle inspection number (VIN) inspections each year. The inspection fee will be \$18.50 for each inspection.
2. 4,000 vehicles will require a Salvage Certificate each year with a fee of \$5 per certificate.
3. The VIN inspection program will be operational January 1, 1992. New inspection fee revenue is based upon six months of operation during FY92 and twelve months during FY93.
4. 40.00 FTE will be added in the Driver Services Bureau, Motor Vehicle Division, Department of Justice. The additional FTE include 30.00 Grade 12 Driver Examiners/Inspectors. The FTE will be phased-in during FY92 and will be fully staffed during FY93. Employee benefits are calculated at a rate of 22%.
5. VIN inspection services would be offered in all county seats where the number of vehicles registered and drivers licensed warrant the service. Part-time examiner/inspectors would be utilized on a five day per week basis in smaller counties wherever possible to optimize services and reduce travel costs. All counties with five day per week service would be automated in both the registrar's and driver services systems.
6. Current law is represented by the executive budget recommendation for the Driver Services Bureau of the Department of Justice.

Department of Health and Environmental Sciences

7. Inspections by the Department of Justice may result in the potential denial and/or revocation of 30 additional motor vehicle wrecking facility application/licenses each year. The license fee revenue loss for 30 facilities at \$50 each would be \$1,500 per year.
8. The increased workload associated with potential denials/revocations will require an additional 0.50 FTE Grade 14 technical staff for the 1993 biennium in the Motor Vehicle Recycling and Disposal Program in the Department of Health and Environmental Sciences. This position may not be necessary beyond that if compliance increases. Additional legal staff may also be necessary to handle administrative hearings and prosecution.
9. Current law is represented by the executive budget recommendation for the Motor Vehicle Recycling and Disposal Program in the Department of Health and Environmental Sciences.

FISCAL IMPACT:

see next page

  
ROD SUNDSTED, BUDGET DIRECTOR      3-13-91      DATE  
Office of Budget and Program Planning

  
STEVE DOHERTY, PRIMARY SPONSOR      3/14/91      DATE

Fiscal Note for SB0232, third reading

SB232-2

FISCAL IMPACT:

Department of Justice-Driver Services Bureau

	FY 92			FY 93		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Expenditures:</u>						
FTE	86.05	109.55	23.50	86.05	126.05	40.00
Personal Services	2,002,000	2,571,600	569,600	2,000,300	3,007,200	1,006,900
Operating Costs	656,200	795,200	139,000	651,300	871,300	220,000
Equipment	<u>56,500</u>	<u>134,300</u>	<u>77,800</u>	<u>56,300</u>	<u>111,300</u>	<u>55,000</u>
Total	2,714,700	3,501,100	786,400	2,707,900	3,989,800	1,281,900
<u>Funding:</u>						
General Fund (01)	2,536,700	3,323,100	786,400	2,569,900	3,851,800	1,281,900
State Special (02)	128,000	128,000	0	88,000	88,000	0
Federal Special (03)	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Total	2,714,700	3,501,100	786,400	2,707,900	3,989,800	1,281,900
<u>Revenues:</u>						
VIN Inspection Fees (01)	0	662,000	662,000	0	1,304,000	1,304,000
Vehicle Salvage Certs.(01)	0	10,000	10,000	0	20,000	20,000
General Fund Impact (decrease)			(114,400)			(42,100)

Department of Health and Environmental Sciences-Motor Vehicle Recycling and Disposal

<u>Expenditures:</u>						
FTE	4.43	4.93	0.50	4.43	4.93	0.50
Personal Services	142,457	156,935	14,478	142,497	157,754	15,257
Operating Costs	50,027	62,093	12,066	50,326	62,392	12,066
Grants	<u>824,538</u>	<u>824,538</u>	<u>0</u>	<u>824,538</u>	<u>824,538</u>	<u>0</u>
Total	1,017,022	1,043,566	26,544	1,017,361	1,044,684	27,323
<u>Funding:</u>						
State Special (02)	1,017,022	1,043,566	26,544	1,017,361	1,044,684	27,323
<u>Revenues:</u>						
Wrecking Facility Lic(02)	10,750	9,250	(1,500)	10,850	9,350	(1,500)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

A reduction in the Motor Vehicle Recycling and Disposal Program state special revenue account may reduce grants to counties.

COMM. ON  
BUSINESS & INDUSTRY  
ON MOTION RECONSIDER  
ADVERSE COMMITTEE REPORT

1 SENATE BILL NO. 232  
 2 INTRODUCED BY DOHERTY, PINSONEAULT  
 3 BY REQUEST OF THE DEPARTMENT OF JUSTICE  
 4  
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE SURRENDER TO  
 6 THE DEPARTMENT OF JUSTICE THE CERTIFICATE OF OWNERSHIP OF A  
 7 VEHICLE DETERMINED TO BE A SALVAGE VEHICLE; TO ALLOW THE  
 8 DEPARTMENT TO ISSUE A SALVAGE CERTIFICATE FOR A SALVAGE  
 9 VEHICLE CAPABLE OF BEING REBUILT; TO PROVIDE FOR THE  
 10 RETITLING OF A REBUILT SALVAGE VEHICLE; TO CREATE A VEHICLE  
 11 IDENTIFICATION NUMBER INSPECTION PROGRAM; TO IMPOSE A  
 12 VEHICLE IDENTIFICATION NUMBER INSPECTION FEE; TO REQUIRE THE  
 13 ISSUANCE OF A SALVAGE CERTIFICATE FOR ALL JUNK VEHICLES; TO  
 14 AUTHORIZE THE DEPARTMENT TO INSPECT THE RECORDS OF LICENSED  
 15 MOTOR VEHICLE WRECKING FACILITIES; TO ALLOW THE DEPARTMENT  
 16 TO REPORT TO THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL  
 17 SCIENCES VIOLATIONS OF TITLE 75, CHAPTER 10, PART 5, MCA;  
 18 AND AMENDING SECTIONS 61-3-202, 75-10-513, AND 75-10-514,  
 19 MCA."

STATEMENT OF INTENT

20  
 21  
 22 A statement of intent is necessary for this bill because  
 23 it grants the department of justice additional rulemaking  
 24 authority with respect to the implementation and  
 25 administration of a vehicle identification and inspection

1 program and additional rulemaking authority with respect to  
 2 salvage vehicles.  
 3

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

5 NEW SECTION. Section 1. Definitions. As used in this  
 6 part, the following definitions apply:

7 (1) "Cab" means the passenger compartment of a common  
 8 truck or pickup truck. It is a unit of construction that  
 9 includes the top or roof and the cowl and may or may not  
 10 include glass, instrumentation, the steering column and a  
 11 seat or seats.

12 (2) "Center structure" includes the section of either a  
 13 unibody or frame-type passenger vehicle that consists of a  
 14 unit of sheet metal that extends from the firewall to the  
 15 back of the rear seat or the centerline of the rear wheels.  
 16 The structure may comprise the roof, side and rear window  
 17 posts, cowl panel, dash panel, floor pans, doors, and rocker  
 18 panels if two or more of these parts are assembled together  
 19 as one unit.

20 (3) "Component part" means the front-end assembly,  
 21 center structure, or tail section of an automobile, the cab  
 22 of a truck, the bed of a 1-ton or lighter truck, the frame  
 23 of a vehicle, or any part of a vehicle that contains a  
 24 vehicle identification number or a derivative of a vehicle  
 25 identification number.

1 (4) "Frame" means the structure that supports the  
2 automobile body and other external component parts.

3 (5) "Front-end assembly" includes the hood, right front  
4 and left front fenders, grill, bumper, and radiator supports  
5 if two or more of these parts are assembled together as one  
6 unit forward of the firewall.

7 (6) "Rebuilt salvage vehicle" means a salvage vehicle  
8 that has been rebuilt and inspected for the purpose of  
9 registration and title.

10 (7) "Reconstructed vehicle" means a vehicle that is  
11 materially altered from its original construction by the  
12 removal, addition, or substitution of new or used component  
13 parts.

14 (8) "Salvage certificate" means a certificate of  
15 ownership issued by the department for a salvage vehicle  
16 that may be used to retitle the vehicle.

17 (9) "Salvage vehicle" means a vehicle damaged by  
18 collision, fire, flood, accident, trespass, or other  
19 occurrence to the extent that the owner, an insurer, or  
20 other person acting on behalf of the owner determines that  
21 the cost of parts and labor makes it uneconomical to repair  
22 the vehicle.

23 (10) "Salvage-vehicle purchaser" means a person, other  
24 than an insurer, who purchases or otherwise obtains  
25 possession of a salvage vehicle.

1 (11) "Tail section" includes the floor pan, right rear  
2 and left rear quarter panels, deck lid, upper rear and lower  
3 rear panels, and rear bumper if two or more of these parts  
4 are assembled together as one unit.

5 (12) "Vehicle identification number" means the number,  
6 letters, or combination of numbers and letters assigned by  
7 the manufacturer, by the department, or in accordance with  
8 the laws of another state or country for the purpose of  
9 identifying the vehicle or a component part of the vehicle.

10 **Section 2.** Section 61-3-202, MCA, is amended to read:

11 **"61-3-202. Certificate of ownership -- issuance --**  
12 **contents -- joint ownership -- inspection -- fees.** (1) Upon  
13 completion of the application for certificate of ownership,  
14 on forms furnished by the department, the county treasurer  
15 shall forward one copy of the application to the department,  
16 which shall enter the information contained in the  
17 application upon the corresponding records of its office  
18 and, except as provided in 61-3-103(1) and 61-3-201(2)  
19 concerning applications by creditors or secured parties,  
20 shall furnish the applicant a certificate of ownership  
21 subject to the provisions of 61-3-103.

22 (2) The certificate of ownership shall contain upon the  
23 face thereof:

24 (a) the date issued;

25 (b) the name and complete address of the owner or the



1 names and addresses of joint owners;

2 (c) except as provided in 61-3-103, the name and  
3 complete address of any holder of a perfected security  
4 interest in the registered vehicle;

5 (d) a description of the registered vehicle, including  
6 the year built and ~~serial--number~~ vehicle identification  
7 number;

8 (e) except as provided in 61-3-103, the filing date of  
9 any lien against such motor vehicle; and

10 (f) such other statement of facts as may be determined  
11 by the department.

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

16 (4) Upon receipt of the application, the department  
17 shall recheck the application. If there is any error in the  
18 application it may be returned to the county treasurer to  
19 effectively secure the correction of such error, who shall  
20 return the same to the department.

21 (5) The certificate of ownership shall contain a notice  
22 to the department of a transfer of interest of the owner and  
23 such other statements as may be determined by the  
24 department.

25 (6) A new vehicle purchased outside the state by anyone

1 other than a new car dealer licensed in this state, a used  
2 vehicle brought into this state, or a rebuilt salvage  
3 vehicle or reconstructed vehicle for which a certificate of  
4 ownership is sought must be inspected for the vehicle  
5 identification number to authenticate the identity of the  
6 vehicle before a certificate of ownership can be issued. The  
7 inspection may not attest to the roadworthiness or safety  
8 condition of the vehicle and must be performed by department  
9 employees or peace officers designated by the department.

10 (7) The department may contract with a person or entity  
11 for use of a facility as a regional inspection site for  
12 rebuilt salvage vehicles or reconstructed vehicles.

13 (8) To defray the cost of the vehicle inspection  
14 program, the department shall collect a fee of \$15 for the  
15 inspection of each vehicle entering the state for which a  
16 certificate of ownership is sought and a fee of \$75 for the  
17 inspection of each rebuilt salvage vehicle or reconstructed  
18 vehicle for which a certificate of ownership is sought. The  
19 fees must be distributed as follows:

20 (a) The entire fee for inspecting each vehicle entering  
21 the state that requires inspection under [subsection (6)]  
22 and \$50 of the inspection fee for each rebuilt salvage and  
23 reconstructed vehicle must be remitted by the department to  
24 the state treasurer for deposit in the general fund.

25 (b) Twenty-five dollars of the inspection fee for each

1 rebuilt salvage vehicle and reconstructed vehicle must be  
 2 remitted by the department to the inspection site that has  
 3 contractually permitted the use of its facility for the  
 4 inspection.

5 (9) (a) An authorized inspector may seize and hold a  
 6 vehicle:

7 (i) the inspector has probable cause to believe is  
 8 stolen;

9 (ii) on which a motor number or vehicle identification  
 10 number has been defaced, altered, removed, covered,  
 11 destroyed, or obliterated; or

12 (iii) that does not conform with the vehicle  
 13 identification number on the certificate of ownership.

14 (b) A seized vehicle may be held until the identity of  
 15 the vehicle is established and arrangements are made for its  
 16 lawful disposition. An authorized inspector may use any  
 17 means necessary to identify a vehicle by its vehicle  
 18 identification number or numbers.

19 (10) The department may not issue a certificate of  
 20 ownership for a vehicle until the identity of the vehicle is  
 21 established.

22 (11) One-way rental vehicles owned by a rental company  
 23 that is authorized to conduct business in this state are  
 24 exempt from the inspection and fee requirements for vehicles  
 25 entering this state if the application for certificate of

1 ownership and registration are accompanied by a  
 2 certification signed by an authorized agent of the rental  
 3 company verifying that the vehicle identification number has  
 4 been reviewed and determined to be correct.

5 (12) The department may adopt rules for the  
 6 implementation and administration of the vehicle inspection  
 7 program."

8 **NEW SECTION. Section 3. Surrender of certificate of**  
 9 **ownership -- issuance of salvage certificate -- salvage**  
 10 **retitling requirements. (1) An insurer acquiring ownership**  
 11 **of a vehicle that he determines to be a salvage vehicle**  
 12 **shall surrender the certificate of ownership to the**  
 13 **department within 15 days after acquiring the certificate.**  
 14 **If the insurer has not sold the salvage vehicle prior to the**  
 15 **time of surrendering the certificate of ownership, the**  
 16 **insurer shall apply for a salvage certificate on a form**  
 17 **prescribed by the department. If the certificate of**  
 18 **ownership names one or more holders of a perfected security**  
 19 **interest in the vehicle, the insurer shall secure and**  
 20 **deliver to the department a release from each secured party**  
 21 **of the secured interest.**

22 **(2) Upon receipt of a properly executed certificate of**  
 23 **ownership and a salvage certificate application from an**  
 24 **insurer, the department shall issue a salvage certificate to**  
 25 **the insurer within 5 working days of the date of receipt of**

1 the application. Upon receipt of a salvage certificate  
2 issued by the department, an insurer may possess, retain,  
3 transport, sell, transfer, or otherwise dispose of the  
4 salvage vehicle. The salvage certificate is prima facie  
5 evidence of ownership of a salvage vehicle.

6 (3) If the insurer sells a salvage vehicle within the  
7 15-day period established in subsection (1) prior to  
8 surrendering the certificate of ownership, the insurer shall  
9 complete a salvage receipt on a form prescribed by the  
10 department. The insurer shall deliver the original salvage  
11 receipt to the salvage vehicle purchaser. Prior to disposing  
12 of the salvage vehicle, the salvage vehicle purchaser shall  
13 apply for a salvage certificate by completing the salvage  
14 receipt and submitting it to the department. The insurer  
15 shall deliver a copy of the salvage receipt with the  
16 surrendered certificate of ownership to the department. Upon  
17 receipt of the certificate of ownership from the insurer and  
18 the application from the salvage vehicle purchaser, the  
19 department shall issue a salvage certificate to the salvage  
20 vehicle purchaser that is prima facie evidence of ownership.

21 ~~(4) If ownership of a salvage vehicle has not been~~  
22 ~~acquired by an insurer, the owner shall surrender the~~  
23 ~~certificate of ownership for the vehicle to the department~~  
24 ~~prior to any sale or disposition of the vehicle and not~~  
25 ~~later than 30 days from the date the vehicle becomes~~

1 ~~salvage.~~ If an insurer determines that a salvage vehicle  
2 will remain with the owner after an agreed settlement, the  
3 insurer shall notify the department of the settlement on a  
4 form prescribed by the department. Upon receipt of the  
5 notice, the department may require the owner to surrender  
6 the certificate of ownership in compliance with this part,  
7 regardless of whether ownership of the salvage vehicle was  
8 obtained in a jurisdiction not requiring the surrender of  
9 the certificate of ownership or a comparable ownership  
10 document.

11 (5) At the time of surrender of a certificate of  
12 ownership for a salvage vehicle not acquired by an insurer,  
13 the department shall issue a salvage certificate to the  
14 owner. Upon receipt of a salvage certificate issued by the  
15 department to a noninsurer, the owner may possess, retain,  
16 transport, sell, transfer, or otherwise dispose of the  
17 salvage vehicle. A salvage certificate is prima facie  
18 evidence of ownership of a salvage vehicle.

19 (6) A fee of \$5 must be paid to the department for the  
20 issuance of a salvage certificate.

21 (7) A SALVAGE VEHICLE OWNED BY OR IN THE INVENTORY OF A  
22 MOTOR VEHICLE WRECKING FACILITY ON OCTOBER 1, 1991, IS  
23 EXEMPT FROM THE PROVISIONS OF THIS SECTION IF THE OWNER OF  
24 THE FACILITY HAS COMPLIED WITH THE PROVISIONS OF  
25 75-10-513(2)."

1        **NEW SECTION. Section 4. Retitling rebuilt salvage**  
 2 **vehicles and reconstructed vehicles -- penalty.** (1) Prior to  
 3 operating a rebuilt salvage vehicle or reconstructed vehicle  
 4 on the roads and highways of this state, the owner shall  
 5 present the vehicle and the salvage certificate, if it is a  
 6 rebuilt salvage vehicle, or the certificate of ownership, if  
 7 it is a reconstructed vehicle, the appropriate receipts or  
 8 bills of sale establishing ownership, and the source of  
 9 component parts used to rebuild or reconstruct the vehicle  
 10 to a department employee or designated peace officer for  
 11 inspection at a regional inspection site authorized under  
 12 61-3-202(7). An owner may obtain a 72-hour temporary  
 13 registration permit from the department or its designee for  
 14 the purpose of moving a rebuilt salvage or reconstructed  
 15 vehicle to and from the designated inspection site.

16        (2) (a) The inspector shall inspect the vehicle to  
 17 verify that:

18        (i) if the vehicle is a rebuilt salvage vehicle, it is  
 19 the same vehicle for which the salvage certificate has been  
 20 issued; or

21        (ii) if the vehicle is a reconstructed vehicle, it is  
 22 the same vehicle for which the certificate of ownership was  
 23 issued.

24        (b) The inspector shall verify that the component parts  
 25 used to rebuild or reconstruct the vehicle are evidenced by

1 traceable receipts or bills of sale and that there are no  
 2 indications the vehicle or any of its parts are stolen.

3        (3) Following inspection and prior to operating the  
 4 vehicle on the roads and highways of this state, the owner  
 5 shall apply for a new certificate of ownership by submitting  
 6 the application, the salvage certificate for a rebuilt  
 7 salvage vehicle or certificate of ownership for a  
 8 reconstructed vehicle, receipts or bills of sale, and a copy  
 9 of the inspection report to the department.

10        (4) Upon receipt of the application, required  
 11 documentation, and payment of the fee for a rebuilt salvage  
 12 vehicle or a reconstructed vehicle required in 61-3-202(8),  
 13 the department shall issue a new certificate of ownership.

14        (5) A person failing to comply with the provisions of  
 15 this part is guilty of a misdemeanor and upon conviction  
 16 shall be fined an amount not to exceed \$500. A  
 17 salvage-vehicle purchaser may not possess or retain a  
 18 salvage vehicle that does not have a duly assigned salvage  
 19 certificate. The salvage-vehicle purchaser shall produce the  
 20 salvage certificate upon request of a public official  
 21 legally entitled to request the certificate. A person may  
 22 not operate or use a salvage vehicle on the roads or  
 23 highways of this state except when a permit has been issued.

24        **Section 5.** Section 75-10-513, MCA, is amended to read:

25        **\*75-10-513. Disposal of junk vehicles -- fees and**

1 records. (1) When a motor vehicle wrecking facility submits  
2 a junk vehicle to the disposal program, it shall pay a  
3 disposal fee of \$2 for each vehicle submitted, and the  
4 vehicle is then the property of the state.

5 (2) Quarterly, each wrecking facility shall mail to the  
6 department of justice a list, on a form approved by the  
7 department of justice, of all junk vehicles received during  
8 the quarter, stating the year, make, and the complete  
9 identification number of each vehicle. Any certificate of  
10 ownership received for junk vehicles must accompany each  
11 list. ~~The department of justice shall issue a receipt of~~  
12 ~~{for} the certificate of ownership if requested by the~~  
13 ~~licensed facility, and such receipt may serve as an~~  
14 ~~instrument for reclaiming the certificate of ownership if~~  
15 ~~the vehicle is rebuilt.~~

16 (3) A motor vehicle graveyard shall submit to the  
17 department the records, documents, and other information  
18 concerning junk vehicles received by it that are required by  
19 rules of the department. An authorized representative of the  
20 department of justice who presents his credentials may also  
21 inspect, have access to, and copy records required under  
22 75-10-512. Authorized representatives of the department of  
23 justice may report violations of this part to the department  
24 of health and environmental sciences."

25 **Section 6.** Section 75-10-514, MCA, is amended to read:

1 **"75-10-514. Denial, suspension, or revocation of**  
2 **license -- grounds.** The department may deny, suspend, or  
3 revoke a motor vehicle wrecking facility's license when it  
4 proves the business:

5 (1) sold or otherwise disposed of a motor vehicle,  
6 trailer, or any part thereof when it knew the vehicle or  
7 part was stolen or was appropriated without the consent of  
8 the owner;

9 (2) committed forgery on a certificate of title  
10 covering a vehicle that has been reassembled from parts  
11 obtained from the disassembling of other vehicles;

12 (3) committed any illegal act or omission which has  
13 caused loss as the result of a sale of a motor vehicle,  
14 trailer, or part thereof;

15 (4) failed to comply with this part, or with a rule of  
16 the department or violated a provision of this part pursuant  
17 to information received and reported by the department of  
18 justice; or

19 (5) obtained a license fraudulently."

20 **NEW SECTION. Section 7.** Codification instruction.  
21 [Sections 1, 3, and 4] are intended to be codified as an  
22 integral part of Title 61, chapter 3, part 2, and the  
23 provisions of Title 61, chapter 3, part 2, apply to  
24 [sections 1, 3, and 4].

-End-

## 1 SENATE BILL NO. 232

2 INTRODUCED BY DOHERTY, PINSONEAULT

3 BY REQUEST OF THE DEPARTMENT OF JUSTICE

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE SURRENDER TO  
6 THE DEPARTMENT OF JUSTICE THE CERTIFICATE OF OWNERSHIP OF A  
7 VEHICLE THAT IS LESS THAN 5 YEARS OF AGE DETERMINED TO BE A  
8 SALVAGE VEHICLE; TO ALLOW THE DEPARTMENT TO ISSUE A SALVAGE  
9 CERTIFICATE FOR A SALVAGE VEHICLE CAPABLE OF BEING REBUILT;  
10 TO PROVIDE FOR THE RETITLING OF A REBUILT SALVAGE VEHICLE;  
11 TO CREATE A VEHICLE IDENTIFICATION NUMBER INSPECTION  
12 PROGRAM; TO IMPOSE A VEHICLE IDENTIFICATION NUMBER  
13 INSPECTION FEE; TO REQUIRE THE ISSUANCE OF A SALVAGE  
14 CERTIFICATE FOR ALL JUNK VEHICLES; TO AUTHORIZE THE  
15 DEPARTMENT TO INSPECT THE RECORDS OF LICENSED MOTOR VEHICLE  
16 WRECKING FACILITIES; TO ALLOW THE DEPARTMENT TO REPORT TO  
17 THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES  
18 VIOLATIONS OF TITLE 75, CHAPTER 10, PART 5, MCA; AND  
19 AMENDING SECTIONS 61-3-2027, 75-10-5137, AND 75-10-514 AND  
20 75-10-512, MCA."

21

## 22 STATEMENT OF INTENT

23 A statement of intent is necessary for this bill because  
24 it grants the department of justice additional rulemaking  
25 authority with respect to the implementation and

1 administration of a vehicle identification and inspection  
2 program and additional rulemaking authority with respect to  
3 salvage vehicles.

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11 include glass, instrumentation, the steering column and a  
12 seat or seats.

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16 back of the rear seat or the centerline of the rear wheels.  
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18 posts, cowl panel, dash panel, floor pans, doors, and rocker  
19 panels if two or more of these parts are assembled together  
20 as one unit.

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23 of a truck, the bed of a 1-ton or lighter truck, the frame  
24 of a vehicle, or any part of a vehicle that contains a  
25 vehicle identification number or a derivative of a vehicle

1 identification number.

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3 automobile body and other external component parts.

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5 and left front fenders, grill, bumper, and radiator supports  
6 if two or more of these parts are assembled together as one  
7 unit forward of the firewall.

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10 registration and title.~~

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12 materially altered from its original construction by the  
13 removal, addition, or substitution of new or used component  
14 parts.~~

15 ~~(8) (6)~~ "Salvage certificate" means a certificate of  
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19 collision, fire, flood, accident, trespass, or other  
20 occurrence to the extent that the owner, an insurer, or  
21 other person acting on behalf of the owner determines that  
22 the cost of parts and labor makes it uneconomical to repair  
23 the vehicle.

24 ~~(10) (8)~~ "Salvage vehicle purchaser" means a person,  
25 other than an insurer, who purchases or otherwise obtains

1 possession of a salvage vehicle.

2 ~~(11) (9)~~ "Tail section" includes the floor pan, right  
3 rear and left rear quarter panels, deck lid, upper rear and  
4 lower rear panels, and rear bumper if two or more of these  
5 parts are assembled together as one unit.

6 ~~(12) (10)~~ "Vehicle identification number" means the  
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8 assigned by the manufacturer, by the department, or in  
9 accordance with the laws of another state or country for the  
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11 the vehicle.

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13 "61-3-202. Certificate of ownership -- issuance --  
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- 2 (b) the name and complete address of the owner or the  
3 names and addresses of joint owners;
- 4 (c) except as provided in 61-3-103, the name and  
5 complete address of any holder of a perfected security  
6 interest in the registered vehicle;
- 7 (d) a description of the registered vehicle, including  
8 the year built and ~~serial--number~~ vehicle identification  
9 number;
- 10 (e) except as provided in 61-3-103, the filing date of  
11 any lien against such motor vehicle; and
- 12 (f) such other statement of facts as may be determined  
13 by the department.
- 14 (3) When the names and addresses of more than one owner  
15 who are members of the same immediate family are listed on  
16 the certificate of ownership, joint ownership with right of  
17 survivorship, and not as tenants in common, is presumed.
- 18 (4) Upon receipt of the application, the department  
19 shall recheck the application. If there is any error in the  
20 application it may be returned to the county treasurer to  
21 effectively secure the correction of such error, who shall  
22 return the same to the department.
- 23 (5) The certificate of ownership shall contain a notice  
24 to the department of a transfer of interest of the owner and  
25 such other statements as may be determined by the

1 department.

2 (6) A new vehicle purchased outside the state by anyone  
3 other than a new car dealer licensed in this state, a used  
4 vehicle brought into this state, or a rebuilt salvage  
5 vehicle or-reconstructed-vehicle for which a certificate of  
6 ownership is sought must be inspected for the vehicle  
7 identification number to authenticate the identity of the  
8 vehicle before a certificate of ownership can be issued. The  
9 inspection may not attest to the roadworthiness or safety  
10 condition of the vehicle and must be performed by department  
11 employees or peace officers designated by the department.

12 (7) The department may contract with a person or entity  
13 for use of a facility as a regional inspection site for  
14 rebuilt salvage vehicles or-reconstructed-vehicles.

15 (8) To defray the cost of the vehicle inspection  
16 program, the department shall collect a fee of \$15 \$18.50  
17 for the inspection of each vehicle entering the state for  
18 which a certificate of ownership is sought and a fee of \$75  
19 \$18.50 for the inspection of each rebuilt salvage vehicle or  
20 reconstructed-vehicle for which a certificate of ownership  
21 is sought. The fees must be distributed as follows:

22 (a) The entire fee for inspecting each vehicle entering  
23 the state that requires inspection under [subsection (6)]  
24 and \$50 A PORTION of the inspection fee for each rebuilt  
25 salvage and--reconstructed vehicle must be remitted by the



1 department to the state treasurer for deposit in the general  
2 fund.

3 (b) ~~Twenty-five-dollars~~ A PORTION of the inspection fee  
4 for each ~~rebuild salvage vehicle and--reconstructed--vehicle~~  
5 must be remitted by the department to the inspection site  
6 that has contractually permitted the use of its facility for  
7 the inspection.

8 (9) (a) An authorized inspector may seize and hold a  
9 vehicle:

10 (i) the inspector has probable cause to believe is  
11 stolen;

12 (ii) on which a motor number or vehicle identification  
13 number has been defaced, altered, removed, covered,  
14 destroyed, or obliterated; or

15 (iii) that does not conform with the vehicle  
16 identification number on the certificate of ownership.

17 (b) A seized vehicle may be held until the identity of  
18 the vehicle is established and arrangements are made for its  
19 lawful disposition. An authorized inspector may use any  
20 means necessary to identify a vehicle by its vehicle  
21 identification number or numbers.

22 (10) The department may not issue a certificate of  
23 ownership for a vehicle until the identity of the vehicle is  
24 established.

25 (11) One-way rental vehicles owned by a rental company

1 that is authorized to conduct business in this state are  
2 exempt from the inspection and fee requirements for vehicles  
3 entering this state if the application for certificate of  
4 ownership and registration are accompanied by a  
5 certification signed by an authorized agent of the rental  
6 company verifying that the vehicle identification number has  
7 been reviewed and determined to be correct.

8 (12) The department may adopt rules for the  
9 implementation and administration of the vehicle inspection  
10 program."

11 **NEW SECTION. Section 3. Surrender of certificate of**  
12 **ownership -- issuance of salvage certificate -- salvage**  
13 **retitling requirements. (1) An insurer acquiring ownership**  
14 **of a vehicle THAT IS LESS THAN 5 YEARS OF AGE that he**  
15 **determines to be a salvage vehicle shall surrender the**  
16 **certificate of ownership to the department within 15 days**  
17 **after acquiring the certificate. If the insurer has not sold**  
18 **the salvage vehicle prior to the time of surrendering the**  
19 **certificate of ownership, the insurer shall apply for a**  
20 **salvage certificate on a form prescribed by the department.**  
21 **If the certificate of ownership names one or more holders of**  
22 **a perfected security interest in the vehicle, the insurer**  
23 **shall secure and deliver to the department a release from**  
24 **each secured party of the secured interest.**

25 **(2) Upon receipt of a properly executed certificate of**

1 ownership and a salvage certificate application from an  
 2 insurer, the department shall issue a salvage certificate to  
 3 the insurer within 5 working days of the date of receipt of  
 4 the application. Upon receipt of a salvage certificate  
 5 issued by the department, an insurer may possess, retain,  
 6 transport, sell, transfer, or otherwise dispose of the  
 7 salvage vehicle. The salvage certificate is prima facie  
 8 evidence of ownership of a salvage vehicle.

9 (3) If the insurer sells a salvage vehicle within the  
 10 15-day period established in subsection (1) prior to  
 11 surrendering the certificate of ownership, the insurer shall  
 12 complete a salvage receipt on a form prescribed by the  
 13 department. The insurer shall deliver the original salvage  
 14 receipt to the salvage vehicle purchaser ONLY AFTER  
 15 OBTAINING A CLEAR TITLE AND LIEN RELEASE. Prior to disposing  
 16 of the salvage vehicle, the salvage vehicle purchaser shall  
 17 apply for a salvage certificate by completing the salvage  
 18 receipt and submitting it to the department. The insurer  
 19 shall deliver a copy of the salvage receipt with the  
 20 surrendered certificate of ownership to the department. Upon  
 21 receipt of the certificate of ownership from the insurer and  
 22 the application from the salvage vehicle purchaser, the  
 23 department shall issue a salvage certificate to the salvage  
 24 vehicle purchaser that is prima facie evidence of ownership.

25 (4) ~~if ownership of a salvage vehicle has not been~~

1 ~~acquired by an insurer, the owner shall surrender the~~  
 2 ~~certificate of ownership for the vehicle to the department~~  
 3 ~~prior to any sale or disposition of the vehicle and not~~  
 4 ~~later than 30 days from the date the vehicle becomes~~  
 5 ~~salvage. If an insurer determines that a salvage vehicle~~  
 6 ~~will remain with the owner after an agreed settlement, the~~  
 7 ~~insurer shall notify the department of the settlement on a~~  
 8 ~~form prescribed by the department. Upon receipt of the~~  
 9 ~~notice, the department may require the owner to surrender~~  
 10 ~~the certificate of ownership in compliance with this part,~~  
 11 ~~regardless of whether ownership of the salvage vehicle was~~  
 12 ~~obtained in a jurisdiction not requiring the surrender of~~  
 13 ~~the certificate of ownership or a comparable ownership~~  
 14 ~~document.~~

15 (5) At the time of surrender of a certificate of  
 16 ownership for a salvage vehicle not acquired by an insurer,  
 17 the department shall issue a salvage certificate to the  
 18 owner. Upon receipt of a salvage certificate issued by the  
 19 department to a noninsurer, the owner may possess, retain,  
 20 transport, sell, transfer, or otherwise dispose of the  
 21 salvage vehicle. A salvage certificate is prima facie  
 22 evidence of ownership of a salvage vehicle.

23 (6) A fee of \$5 must be paid to the department for the  
 24 issuance of a salvage certificate.

25 (7) A SALVAGE VEHICLE OWNED BY OR IN THE INVENTORY OF A

1 MOTOR VEHICLE WRECKING FACILITY ON OCTOBER 1, 1991, IS  
 2 EXEMPT FROM THE PROVISIONS OF THIS SECTION IF THE OWNER OF  
 3 THE FACILITY HAS COMPLIED WITH THE PROVISIONS OF  
 4 75-10-513(2)."

5 NEW SECTION. Section 4. Retitling ~~rebuilt~~ salvage  
 6 vehicles and reconstructed vehicles -- penalty. (1) Prior to  
 7 operating a ~~rebuilt~~ salvage vehicle ~~or-reconstructed-vehicle~~  
 8 on the roads and highways of this state, the owner shall  
 9 present the vehicle and the salvage certificate, if ~~it-is-a~~  
 10 ~~rebuilt---salvage--vehicle~~ ONE HAS BEEN ISSUED, or the  
 11 certificate of ownership, ~~if-it-is-a-reconstructed--vehicle,~~  
 12 the appropriate receipts or bills of sale establishing  
 13 ownership, and the source of component parts used to rebuild  
 14 ~~or-reconstruct~~ the vehicle to a department employee or  
 15 designated peace officer for inspection at a regional  
 16 inspection site authorized under 61-3-202(7). An owner may  
 17 obtain a 72-hour temporary registration permit from the  
 18 department or its designee for the purpose of moving a  
 19 ~~rebuilt~~ salvage ~~or-reconstructed~~ vehicle to and from the  
 20 designated inspection site.

21 (2) (a) The inspector shall inspect the vehicle to  
 22 verify that:

23 ~~{i}--if-the-vehicle-is-a-rebuilt-salvage-vehicle, it--is~~  
 24 ~~the--same-vehicle-for-which-the-salvage-certificate-has-been~~  
 25 ~~issued; or~~

1 ~~{ii}-if-the-vehicle-is-a-reconstructed--vehicle,--it--is~~  
 2 ~~the--same-vehicle-for-which-the-certificate-of-ownership-was~~  
 3 ~~issued THE IDENTITY OF THE VEHICLE.~~

4 (b) The inspector shall verify that the component parts  
 5 used to rebuild ~~or-reconstruct~~ the vehicle are evidenced by  
 6 traceable receipts or bills of sale and that there are no  
 7 indications the vehicle or any of its parts are stolen.

8 (3) Following inspection and prior to operating the  
 9 vehicle on the roads and highways of this state, the owner  
 10 shall apply for a new certificate of ownership by submitting  
 11 the application, the salvage certificate ~~for--a--rebuilt~~  
 12 ~~salvage---vehicle---or---certificate---of--ownership--for--a~~  
 13 ~~reconstructed-vehicle,~~ receipts or bills of sale, and a copy  
 14 of the inspection report to the department.

15 (4) Upon receipt of the application, required  
 16 documentation, and payment of the fee for a ~~rebuilt~~ salvage  
 17 vehicle ~~or-a-reconstructed-vehicle~~ required in 61-3-202(8),  
 18 the department shall issue a new certificate of ownership.

19 (5) A person failing to comply with the provisions of  
 20 this part is guilty of a misdemeanor and upon conviction  
 21 shall be fined an amount not to exceed \$500. A  
 22 salvage-vehicle purchaser may not possess or retain a  
 23 salvage vehicle that does not have a duly assigned salvage  
 24 certificate. The salvage-vehicle purchaser shall produce the  
 25 salvage certificate upon request of a public official

1 legally entitled to request the certificate. A person may  
2 not operate or use a salvage vehicle on the roads or  
3 highways of this state except when a permit has been issued.

4 Section 5, Section 75-10-513, MCA, is amended to read:

5 "75-10-513. Disposal of junk vehicles ----- fees and  
6 records. (1) When a motor vehicle wrecking facility submits  
7 a junk vehicle to the disposal program, it shall pay a  
8 disposal fee of \$2 for each vehicle submitted, and the  
9 vehicle is then the property of the state.

10 (2) Quarterly, each wrecking facility shall mail to the  
11 department of justice a list, on a form approved by the  
12 department of justice, of all junk vehicles received during  
13 the quarter, stating the year, make, and the complete  
14 identification number of each vehicle. Any certificate of  
15 ownership received for junk vehicles must accompany each  
16 list. The department of justice shall issue a receipt of  
17 (for) the certificate of ownership if requested by the  
18 licensed facility, and such receipt may serve as an  
19 instrument for reclaiming the certificate of ownership if  
20 the vehicle is rebuilt.

21 (3) A motor vehicle graveyard shall submit to the  
22 department the records, documents, and other information  
23 concerning junk vehicles received by it that are required by  
24 rules of the department. An authorized representative of the  
25 department of justice who presents his credentials may also

1 inspect, have access to, and copy records required under  
2 75-10-512. Authorized representatives of the department of  
3 justice may report violations of this part to the department  
4 of health and environmental sciences."

5 Section 6, Section 75-10-514, MCA, is amended to read:

6 "75-10-514. Denial, suspension, or revocation of  
7 license ----- grounds. The department may deny, suspend, or  
8 revoke a motor vehicle wrecking facility's license when it  
9 proves the business:

10 (1) sold or otherwise disposed of a motor vehicle,  
11 trailer, or any part thereof when it knew the vehicle or  
12 part was stolen or was appropriated without the consent of  
13 the owner;

14 (2) committed forgery on a certificate of title  
15 covering a vehicle that has been reassembled from parts  
16 obtained from the disassembling of other vehicles;

17 (3) committed any illegal act or omission which has  
18 caused loss as the result of a sale of a motor vehicle,  
19 trailer, or part thereof;

20 (4) failed to comply with this part, or with a rule of  
21 the department or violated a provision of this part pursuant  
22 to information received and reported by the department of  
23 justice, or

24 (5) obtained a license fraudulently."

25 **SECTION 5. SECTION 75-10-512, MCA, IS AMENDED TO READ:**

1 "75-10-512. Records required of facilities. (1) Every  
2 motor vehicle wrecking facility shall maintain books or  
3 files in which are kept a record and description of every  
4 junk vehicle obtained by it, together with the name and  
5 address of the person from whom the vehicle was purchased.

6 (2) This record shall also contain:

7 (a) the certificate of ownership, sheriff's certificate  
8 of sale, notarized bill of sale from the former owner, or  
9 sheriff's release;

10 (b) the name of the state where the vehicle was last  
11 registered;

12 (c) the make of the vehicle;

13 (d) the motor or identification number or serial  
14 number;

15 (e) the date purchased;

16 (f) the disposition of the vehicle.

17 (3) An authorized representative of the department of  
18 justice who presents his credentials may also inspect, have  
19 access to, and copy records required under this section.  
20 Authorized representatives of the department of justice may  
21 report violations of this part to the department."

22 NEW SECTION. Section 6. Codification instruction.

23 [Sections 1, 3, and 4] are intended to be codified as an  
24 integral part of Title 61, chapter 3, part 2, and the  
25 provisions of Title 61, chapter 3, part 2, apply to

1 [sections 1, 3, and 4].

-End-

HOUSE STANDING COMMITTEE REPORT

April 4, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that Senate Bill 232 (reference copy -- salmon) be concurred in as amended.

Signed:   
Francis Bardanoue, Chairman

Carried by: Rep. Mary Lou Peterson

And, that such amendments read:

1. Title, line 19.

Following: ";"

Insert: "TO PROVIDE AN APPROPRIATION;"

2. Page 6, line 17.

Strike: "\$18.50"

Insert: "\$11.50"

3. Page 6, line 20.

Strike: "\$18.50"

Insert: "\$11.50"

4. Page 16, line 18.

Following: "75-10-513(2)"

Insert: "discovered during department of justice inspections"

5. Page 16.

Following: line 18

Insert: "NEW SECTION." Section 7. Appropriation. There is appropriated to the motor vehicle division in the department of justice from the general fund \$417,300 in fiscal year 1992 and \$769,140 in fiscal year 1993 to fund the creation and operation of the statewide vehicle identification number inspection program."

Renumber: subsequent section

SB 232

HOUSE

CORRECTED

HOUSE COMMITTEE OF THE WHOLE AMENDMENT  
Senate Bill 232  
Representative Mary Lou Peterson

April 12, 1991 11:50 am  
Page 1 of 1

Mr. Chairman: I move to amend Senate Bill 232 (reference copy -- salmon).

Signed: Mary Lou Peterson  
Representative Mary Lou Peterson

And, that such amendments to Senate Bill 232 read as follows:

1. Amend the House Committee on Appropriations amendments dated April 4, 1991 as follows:

Strike: amendments #2 and #3

Amend amendment #5 as follows:

Strike: "\$417,300"

Insert: "\$42,750"

Strike: "\$769,140"

Insert: "\$57,000"

Amend Senate Bill 232 (reference copy -- salmon) as follows:

2. Page 6, lines 3 through 5.

Following: "(6) A" on line 3

Strike: remainder of line 3 through "a" on line 5

3. Page 6, lines 17 through 19.

Following: "collect" on line 17

Strike: remainder of line 17 through "and" on line 19

4. Page 6, lines 23 through 25.

Following: "(a)" on line 23

Strike: remainder of line 23 through "and" on line 25

5. Page 8, lines 1 through 8.

Strike: subsection (11) in its entirety

Renumber: subsequent sections

ADOPT

REJECT

HOUSE

SB 232

SENATE BILL NO. 232

INTRODUCED BY DOHERTY, PINSONEAULT

BY REQUEST OF THE DEPARTMENT OF JUSTICE

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE SURRENDER TO THE DEPARTMENT OF JUSTICE THE CERTIFICATE OF OWNERSHIP OF A VEHICLE THAT IS LESS THAN 5 YEARS OF AGE DETERMINED TO BE A SALVAGE VEHICLE; TO ALLOW THE DEPARTMENT TO ISSUE A SALVAGE CERTIFICATE FOR A SALVAGE VEHICLE CAPABLE OF BEING REBUILT; TO PROVIDE FOR THE RETITLING OF A REBUILT SALVAGE VEHICLE; TO CREATE A VEHICLE IDENTIFICATION NUMBER INSPECTION PROGRAM; TO IMPOSE A VEHICLE IDENTIFICATION NUMBER INSPECTION FEE; ~~TO REQUIRE THE ISSUANCE OF A SALVAGE CERTIFICATE FOR ALL JUNK VEHICLES;~~ TO AUTHORIZE THE DEPARTMENT TO INSPECT THE RECORDS OF LICENSED MOTOR VEHICLE WRECKING FACILITIES; TO ALLOW THE DEPARTMENT TO REPORT ~~TO THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES~~ SUE TO COLLECT CIVIL PENALTIES FOR CERTAIN VIOLATIONS OF TITLE 75, CHAPTER 107, PART 57, MCA; AND AMENDING SECTIONS 61-3-2027, 75-10-5137, AND 75-10-514 AND, 75-10-512, AND 75-10-541, MCA."

STATEMENT OF INTENT

A statement of intent is necessary for this bill because it grants the department of justice additional rulemaking

authority with respect to the implementation and administration of a vehicle identification and inspection program and additional rulemaking authority with respect to salvage vehicles.

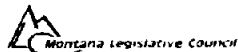
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Definitions.** As used in this part, the following definitions apply:

(1) "Cab" means the passenger compartment of a common truck or pickup truck. It is a unit of construction that includes the top or roof and the cowl and may or may not include glass, instrumentation, the steering column and a seat or seats.

(2) "Center structure" includes the section of either a unibody or frame-type passenger vehicle that consists of a unit of sheet metal that extends from the firewall to the back of the rear seat or the centerline of the rear wheels. The structure may comprise the roof, side and rear window posts, cowl panel, dash panel, floor pans, doors, and rocker panels if two or more of these parts are assembled together as one unit.

(3) "Component part" means the front-end assembly, center structure, or tail section of an automobile, the cab of a truck, the bed of a 1-ton or lighter truck, the frame of a vehicle, or any part of a vehicle that contains a





1 vehicle identification number or a derivative of a vehicle  
2 identification number.

3 (4) "Frame" means the structure that supports the  
4 automobile body and other external component parts.

5 (5) "Front-end assembly" includes the hood, right front  
6 and left front fenders, grill, bumper, and radiator supports  
7 if two or more of these parts are assembled together as one  
8 unit forward of the firewall.

9 ~~{6}--"Rebuilt-salvage-vehicle"--means-a--salvage--vehicle  
10 that--has--been--rebuilt--and--inspected--for--the--purpose--of  
11 registration--and--title--~~

12 ~~{7}--"Reconstructed-vehicle"--means--a--vehicle--that--is  
13 materially--altered--from--its--original--construction--by--the  
14 removal,--addition,--or--substitution--of--new--or--used--component  
15 parts--~~

16 {8}{6} "Salvage certificate" means a certificate of  
17 ownership issued by the department for a salvage vehicle  
18 that may be used to retitle the vehicle.

19 {9}{7} "Salvage vehicle" means a vehicle damaged by  
20 collision, fire, flood, accident, trespass, or other  
21 occurrence to the extent that the owner, an insurer, or  
22 other person acting on behalf of the owner determines that  
23 the cost of parts and labor makes it uneconomical to repair  
24 the vehicle.

25 {10}{8} "Salvage-vehicle purchaser" means a person,

1 other than an insurer, who purchases or otherwise obtains  
2 possession of a salvage vehicle.

3 {11}{9} "Tail section" includes the floor pan, right  
4 rear and left rear quarter panels, deck lid, upper rear and  
5 lower rear panels, and rear bumper if two or more of these  
6 parts are assembled together as one unit.

7 {12}{10} "Vehicle identification number" means the  
8 number, letters, or combination of numbers and letters  
9 assigned by the manufacturer, by the department, or in  
10 accordance with the laws of another state or country for the  
11 purpose of identifying the vehicle or a component part of  
12 the vehicle.

13 **Section 2.** Section 61-3-202, MCA, is amended to read:

14 "61-3-202. Certificate of ownership -- issuance --  
15 contents -- joint ownership -- inspection -- fees. (1) Upon  
16 completion of the application for certificate of ownership,  
17 on forms furnished by the department, the county treasurer  
18 shall forward one copy of the application to the department,  
19 which shall enter the information contained in the  
20 application upon the corresponding records of its office  
21 and, except as provided in 61-3-103(1) and 61-3-201(2)  
22 concerning applications by creditors or secured parties,  
23 shall furnish the applicant a certificate of ownership  
24 subject to the provisions of 61-3-103.

25 (2) The certificate of ownership shall contain upon the

1 face thereof:

2 (a) the date issued;

3 (b) the name and complete address of the owner or the  
4 names and addresses of joint owners;

5 (c) except as provided in 61-3-103, the name and  
6 complete address of any holder of a perfected security  
7 interest in the registered vehicle;

8 (d) a description of the registered vehicle, including  
9 the year built and ~~serial--number~~ vehicle identification  
10 number;

11 (e) except as provided in 61-3-103, the filing date of  
12 any lien against such motor vehicle; and

13 (f) such other statement of facts as may be determined  
14 by the department.

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

19 (4) Upon receipt of the application, the department  
20 shall recheck the application. If there is any error in the  
21 application it may be returned to the county treasurer to  
22 effectively secure the correction of such error, who shall  
23 return the same to the department.

24 (5) The certificate of ownership shall contain a notice  
25 to the department of a transfer of interest of the owner and

1 such other statements as may be determined by the  
2 department.

3 (6) A new vehicle purchased outside the state by anyone  
4 other than a new car dealer licensed in this state, a used  
5 vehicle brought into this state, or a rebuilt salvage  
6 vehicle or-reconstructed-vehicle for which a certificate of  
7 ownership is sought must be inspected for the vehicle  
8 identification number to authenticate the identity of the  
9 vehicle before a certificate of ownership can be issued. The  
10 inspection may not attest to the roadworthiness or safety  
11 condition of the vehicle and must be performed by department  
12 employees or peace officers designated by the department.

13 (7) The department may contract with a person or entity  
14 for use of a facility as a regional inspection site for  
15 rebuilt salvage vehicles or-reconstructed-vehicles.

16 (8) To defray the cost of the vehicle inspection  
17 program, the department shall collect a fee of \$15 \$18.50  
18 for the inspection of each vehicle entering the state for  
19 which a certificate of ownership is sought and a fee of \$75  
20 \$18.50 for the inspection of each rebuilt salvage vehicle or  
21 reconstructed--vehicle for which a certificate of ownership  
22 is sought. The fees must be distributed as follows:

23 (a) The entire fee for inspecting each vehicle entering  
24 the state that requires inspection under [subsection (6)]  
25 and \$50 A PORTION of the inspection fee for each rebuilt

1 salvage and-reconstructed vehicle must be remitted by the  
 2 department to the state treasurer for deposit in the general  
 3 fund.

4 (b) ~~Twenty-five-dollars~~ A PORTION of the inspection fee  
 5 for each ~~rebuild~~ salvage vehicle and-reconstructed-vehicle  
 6 must be remitted by the department to the inspection site  
 7 that has contractually permitted the use of its facility for  
 8 the inspection.

9 (9) (a) An authorized inspector may seize and hold a  
 10 vehicle:

11 (i) the inspector has probable cause to believe is  
 12 stolen;

13 (ii) on which a motor number or vehicle identification  
 14 number has been defaced, altered, removed, covered,  
 15 destroyed, or obliterated; or

16 (iii) that does not conform with the vehicle  
 17 identification number on the certificate of ownership.

18 (b) A seized vehicle may be held until the identity of  
 19 the vehicle is established and arrangements are made for its  
 20 lawful disposition. An authorized inspector may use any  
 21 means necessary to identify a vehicle by its vehicle  
 22 identification number or numbers.

23 (10) The department may not issue a certificate of  
 24 ownership for a vehicle until the identity of the vehicle is  
 25 established.

1 (11) One-way rental vehicles owned by a rental company  
 2 that is authorized to conduct business in this state are  
 3 exempt from the inspection and fee requirements for vehicles  
 4 entering this state if the application for certificate of  
 5 ownership and registration are accompanied by a  
 6 certification signed by an authorized agent of the rental  
 7 company verifying that the vehicle identification number has  
 8 been reviewed and determined to be correct.

9 (12) The department may adopt rules for the  
 10 implementation and administration of the vehicle inspection  
 11 program."

12 NEW SECTION. Section 3. Surrender of certificate of  
 13 ownership -- issuance of salvage certificate -- salvage  
 14 retitling requirements. (1) An insurer acquiring ownership  
 15 of a vehicle THAT IS LESS THAN 5 YEARS OF AGE that he  
 16 determines to be a salvage vehicle shall surrender the  
 17 certificate of ownership to the department within 15 days  
 18 after acquiring the certificate. If the insurer has not sold  
 19 the salvage vehicle prior to the time of surrendering the  
 20 certificate of ownership, the insurer shall apply for a  
 21 salvage certificate on a form prescribed by the department.  
 22 If the certificate of ownership names one or more holders of  
 23 a perfected security interest in the vehicle, the insurer  
 24 shall secure and deliver to the department a release from  
 25 each secured party of the secured interest.

1 (2) Upon receipt of a properly executed certificate of  
 2 ownership and a salvage certificate application from an  
 3 insurer, the department shall issue a salvage certificate to  
 4 the insurer within 5 working days of the date of receipt of  
 5 the application. Upon receipt of a salvage certificate  
 6 issued by the department, an insurer may possess, retain,  
 7 transport, sell, transfer, or otherwise dispose of the  
 8 salvage vehicle. The salvage certificate is prima facie  
 9 evidence of ownership of a salvage vehicle.

10 (3) If the insurer sells a salvage vehicle within the  
 11 15-day period established in subsection (1) prior to  
 12 surrendering the certificate of ownership, the insurer shall  
 13 complete a salvage receipt on a form prescribed by the  
 14 department. The insurer shall deliver the original salvage  
 15 receipt to the salvage vehicle purchaser ONLY AFTER  
 16 OBTAINING A CLEAR TITLE AND LIEN RELEASE. Prior to disposing  
 17 of the salvage vehicle, the salvage vehicle purchaser shall  
 18 apply for a salvage certificate by completing the salvage  
 19 receipt and submitting it to the department. The insurer  
 20 shall deliver a copy of the salvage receipt with the  
 21 surrendered certificate of ownership to the department. Upon  
 22 receipt of the certificate of ownership from the insurer and  
 23 the application from the salvage vehicle purchaser, the  
 24 department shall issue a salvage certificate to the salvage  
 25 vehicle purchaser that is prima facie evidence of ownership.

1 (4) ~~If ownership of a salvage vehicle has not been~~  
 2 ~~acquired by an insurer, the owner shall surrender the~~  
 3 ~~certificate of ownership for the vehicle to the department~~  
 4 ~~prior to any sale or disposition of the vehicle and not~~  
 5 ~~later than 30 days from the date the vehicle becomes~~  
 6 ~~salvage. If an insurer determines that a salvage vehicle~~  
 7 ~~will remain with the owner after an agreed settlement, the~~  
 8 ~~insurer shall notify the department of the settlement on a~~  
 9 ~~form prescribed by the department. Upon receipt of the~~  
 10 ~~notice, the department may require the owner to surrender~~  
 11 ~~the certificate of ownership in compliance with this part,~~  
 12 ~~regardless of whether ownership of the salvage vehicle was~~  
 13 ~~obtained in a jurisdiction not requiring the surrender of~~  
 14 ~~the certificate of ownership or a comparable ownership~~  
 15 ~~document.~~

16 (5) At the time of surrender of a certificate of  
 17 ownership for a salvage vehicle not acquired by an insurer,  
 18 the department shall issue a salvage certificate to the  
 19 owner. Upon receipt of a salvage certificate issued by the  
 20 department to a noninsurer, the owner may possess, retain,  
 21 transport, sell, transfer, or otherwise dispose of the  
 22 salvage vehicle. A salvage certificate is prima facie  
 23 evidence of ownership of a salvage vehicle.

24 (6) A fee of \$5 must be paid to the department for the  
 25 issuance of a salvage certificate.

1 (7) A SALVAGE VEHICLE OWNED BY OR IN THE INVENTORY OF A  
 2 MOTOR VEHICLE WRECKING FACILITY ON OCTOBER 1, 1991, IS  
 3 EXEMPT FROM THE PROVISIONS OF THIS SECTION IF THE OWNER OF  
 4 THE FACILITY HAS COMPLIED WITH THE PROVISIONS OF  
 5 75-10-513(2)."

6 NEW SECTION. Section 4. Retitling ~~rebuild~~ salvage  
 7 vehicles and reconstructed vehicles -- penalty. (1) Prior to  
 8 operating a ~~rebuild~~ salvage vehicle ~~or-reconstructed-vehicle~~  
 9 on the roads and highways of this state, the owner shall  
 10 present the vehicle and the salvage certificate, ~~if it-is-a~~  
 11 ~~rebuild--salvage--vehicle~~ ONE HAS BEEN ISSUED, or the  
 12 certificate of ownership, ~~if-it-is-a-reconstructed-vehicle,~~  
 13 the appropriate receipts or bills of sale establishing  
 14 ownership, and the source of component parts used to rebuild  
 15 ~~or--reconstruct~~ the vehicle to a department employee or  
 16 designated peace officer for inspection at a regional  
 17 inspection site authorized under 61-3-202(7). An owner may  
 18 obtain a 72-hour temporary registration permit from the  
 19 department or its designee for the purpose of moving a  
 20 ~~rebuild~~ salvage ~~or--reconstructed~~ vehicle to and from the  
 21 designated inspection site.

22 (2) (a) The inspector shall inspect the vehicle to  
 23 verify that:

24 ~~(i)--if--the-vehicle-is-a-rebuild-salvage-vehicle,-it-is~~  
 25 ~~the-same-vehicle-for-which-the-salvage-certificate-has--been~~

1 ~~issued,-or~~

2 ~~(ii)--if--the--vehicle--is-a-reconstructed-vehicle,-it-is~~  
 3 ~~the-same-vehicle-for-which-the-certificate-of-ownership--was~~  
 4 ~~issued~~ THE IDENTITY OF THE VEHICLE.

5 (b) The inspector shall verify that the component parts  
 6 used to rebuild ~~or-reconstruct~~ the vehicle are evidenced by  
 7 traceable receipts or bills of sale and that there are no  
 8 indications the vehicle or any of its parts are stolen.

9 (3) Following inspection and prior to operating the  
 10 vehicle on the roads and highways of this state, the owner  
 11 shall apply for a new certificate of ownership by submitting  
 12 the application, the salvage certificate ~~for--a-rebuild~~  
 13 ~~salvage--vehicle--or--certificate--of--ownership--for--a~~  
 14 ~~reconstructed-vehicle,~~ receipts or bills of sale, and a copy  
 15 of the inspection report to the department.

16 (4) Upon receipt of the application, required  
 17 documentation, and payment of the fee for a ~~rebuild~~ salvage  
 18 vehicle ~~or-a-reconstructed-vehicle~~ required in 61-3-202(8),  
 19 the department shall issue a new certificate of ownership.

20 (5) A person failing to comply with the provisions of  
 21 this part is guilty of a misdemeanor and upon conviction  
 22 shall be fined an amount not to exceed \$500. A  
 23 ~~salvage-vehicle--purchaser--may--not--possess--or--retain--a~~  
 24 ~~salvage-vehicle-that-does-not-have-a-dui--assigned--salvage~~  
 25 ~~certificate.~~ The salvage-vehicle purchaser shall produce the

1 salvage certificate upon request of a public official  
2 legally entitled to request the certificate. A person may  
3 not operate or use a salvage vehicle on the roads or  
4 highways of this state except when a permit has been issued.

5 Section 5. Section 75-10-513, MCA, is amended to read:

6 "75-10-513. Disposal of junk vehicles ----- fees and  
7 records. (1) When a motor vehicle wrecking facility submits  
8 a junk vehicle to the disposal program, it shall pay a  
9 disposal fee of \$2 for each vehicle submitted, and the  
10 vehicle is then the property of the state.

11 (2) Quarterly, each wrecking facility shall mail to the  
12 department of justice a list, on a form approved by the  
13 department of justice, of all junk vehicles received during  
14 the quarter, stating the year, make, and the complete  
15 identification number of each vehicle. Any certificate of  
16 ownership received for junk vehicles must accompany each  
17 list. The department of justice shall issue a receipt of  
18 [for] the certificate of ownership if requested by the  
19 licensed facility, and such receipt may serve as an  
20 instrument for reclaiming the certificate of ownership if  
21 the vehicle is rebuilt.

22 (3) A motor vehicle graveyard shall submit to the  
23 department the records, documents, and other information  
24 concerning junk vehicles received by it that are required by  
25 rules of the department. An authorized representative of the

1 department of justice who presents his credentials may also  
2 inspect, have access to, and copy records required under  
3 75-10-512. Authorized representatives of the department of  
4 justice may report violations of this part to the department  
5 of health and environmental sciences."

6 Section 6. Section 75-10-514, MCA, is amended to read:

7 "75-10-514. Denial, suspension, or revocation of  
8 license ----- grounds. The department may deny, suspend, or  
9 revoke a motor vehicle wrecking facility's license when it  
10 proves the business:

11 (1) sold or otherwise disposed of a motor vehicle,  
12 trailer, or any part thereof when it knew the vehicle or  
13 part was stolen or was appropriated without the consent of  
14 the owner;

15 (2) committed forgery on a certificate of title  
16 covering a vehicle that has been reassembled from parts  
17 obtained from the disassembling of other vehicles;

18 (3) committed any illegal act or omission which has  
19 caused loss as the result of a sale of a motor vehicle,  
20 trailer, or part thereof;

21 (4) failed to comply with this part or with a rule of  
22 the department or violated a provision of this part pursuant  
23 to information received and reported by the department of  
24 justice; or

25 (5) obtained a license fraudulently."

1 **SECTION 5. SECTION 75-10-512, MCA, IS AMENDED TO READ:**

2 "75-10-512. Records required of facilities. (1) Every  
3 motor vehicle wrecking facility shall maintain books or  
4 files in which are kept a record and description of every  
5 junk vehicle obtained by it, together with the name and  
6 address of the person from whom the vehicle was purchased.

7 (2) This record shall also contain:

8 (a) the certificate of ownership, sheriff's certificate  
9 of sale, notarized bill of sale from the former owner OR  
10 PERSON SELLING THE VEHICLE, RELEASE OF OWNERSHIP OR INTEREST  
11 IN THE MOTOR VEHICLE, or sheriff's release;

12 (b) the name of the state where the vehicle was last  
13 registered;

14 (c) the make of the vehicle;

15 (d) the motor or identification number or serial  
16 number;

17 (e) the date purchased;

18 (f) the disposition of the vehicle.

19 (3) An authorized representative of the department of  
20 justice who presents his credentials may also inspect, have  
21 access to, and copy records required under this section.  
22 Authorized-representatives-of-the-department-of-justice--may  
23 report-violations-of-this-part-to-the-department."

24 **SECTION 6. SECTION 75-10-541, MCA, IS AMENDED TO READ:**

25 "75-10-541. Injunction -- action to collect civil

1 penalty -- authority of department of justice. (1) The  
2 department, through the attorney general or the county  
3 attorney of the county in which a facility is located, may  
4 sue to enjoin the operation or maintenance of a motor  
5 vehicle wrecking facility or graveyard either permanently or  
6 until compliance with this part, the rules of the  
7 department, or an order issued pursuant to this part has  
8 been demonstrated.

9 (2) The department, through the attorney general or the  
10 county attorney of the county in which a motor vehicle  
11 wrecking facility or graveyard is located, may sue in  
12 district court to collect a civil penalty as provided in  
13 75-10-542.

14 (3) The department of justice, through the attorney  
15 general or the county attorney of the county in which a  
16 facility is located, may sue in district court to collect a  
17 civil penalty as provided in 75-10-542 for violations of  
18 75-10-512 or 75-10-513(2)."

19 **NEW SECTION. Section 7. Codification instruction.**  
20 [Sections 1, 3, and 4] are intended to be codified as an  
21 integral part of Title 61, chapter 3, part 2, and the  
22 provisions of Title 61, chapter 3, part 2, apply to  
23 [sections 1, 3, and 4].

-End-

## 1 SENATE BILL NO. 232

2 INTRODUCED BY DOHERTY, PINSONEAULT

3 BY REQUEST OF THE DEPARTMENT OF JUSTICE

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE SURRENDER TO  
6 THE DEPARTMENT OF JUSTICE THE CERTIFICATE OF OWNERSHIP OF A  
7 VEHICLE THAT IS LESS THAN 5 YEARS OF AGE DETERMINED TO BE A  
8 SALVAGE VEHICLE; TO ALLOW THE DEPARTMENT TO ISSUE A SALVAGE  
9 CERTIFICATE FOR A SALVAGE VEHICLE CAPABLE OF BEING REBUILT;  
10 TO PROVIDE FOR THE RETITLING OF A REBUILT SALVAGE VEHICLE;  
11 TO CREATE A VEHICLE IDENTIFICATION NUMBER INSPECTION  
12 PROGRAM; TO IMPOSE A VEHICLE IDENTIFICATION NUMBER  
13 INSPECTION FEE; ~~TO REQUIRE THE ISSUANCE OF A SALVAGE~~  
14 ~~CERTIFICATE FOR ALL JUNK VEHICLES;~~ TO AUTHORIZE THE  
15 DEPARTMENT TO INSPECT THE RECORDS OF LICENSED MOTOR VEHICLE  
16 WRECKING FACILITIES; TO ALLOW THE DEPARTMENT TO REPORT TO  
17 ~~THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES~~ SUE TO  
18 COLLECT CIVIL PENALTIES FOR CERTAIN VIOLATIONS OF TITLE 75,  
19 CHAPTER 107-PART 57-MCA; TO PROVIDE AN APPROPRIATION; AND  
20 AMENDING SECTIONS 61-3-2027--75-10-5137-AND-75-10-514 AND,  
21 75-10-512, AND 75-10-541, MCA."

## 22 STATEMENT OF INTENT

23  
24 A statement of intent is necessary for this bill because  
25 it grants the department of justice additional rulemaking

1 authority with respect to the implementation and  
2 administration of a vehicle identification and inspection  
3 program and additional rulemaking authority with respect to  
4 salvage vehicles.

5  
6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

7 NEW SECTION. Section 1. Definitions. As used in this  
8 part, the following definitions apply:

9 (1) "Cab" means the passenger compartment of a common  
10 truck or pickup truck. It is a unit of construction that  
11 includes the top or roof and the cowl and may or may not  
12 include glass, instrumentation, the steering column and a  
13 seat or seats.

14 (2) "Center structure" includes the section of either a  
15 unibody or frame-type passenger vehicle that consists of a  
16 unit of sheet metal that extends from the firewall to the  
17 back of the rear seat or the centerline of the rear wheels.  
18 The structure may comprise the roof, side and rear window  
19 posts, cowl panel, dash panel, floor pans, doors, and rocker  
20 panels if two or more of these parts are assembled together  
21 as one unit.

22 (3) "Component part" means the front-end assembly,  
23 center structure, or tail section of an automobile, the cab  
24 of a truck, the bed of a 1-ton or lighter truck, the frame  
25 of a vehicle, or any part of a vehicle that contains a



1 vehicle identification number or a derivative of a vehicle  
2 identification number.

3 (4) "Frame" means the structure that supports the  
4 automobile body and other external component parts.

5 (5) "Front-end assembly" includes the hood, right front  
6 and left front fenders, grill, bumper, and radiator supports  
7 if two or more of these parts are assembled together as one  
8 unit forward of the firewall.

9 ~~{6}--"Rebuilt-salvage-vehicle"-means-a--salvage--vehicle  
10 that--has--been--rebuilt--and--inspected--for-the-purpose-of  
11 registration-and-title-~~

12 ~~{7}--"Reconstructed-vehicle"-means--a--vehicle--that--is  
13 materially--altered--from--its--original--construction-by-the  
14 removal,-addition,-or-substitution-of-new-or-used--component  
15 parts-~~

16 {8}{6} "Salvage certificate" means a certificate of  
17 ownership issued by the department for a salvage vehicle  
18 that may be used to retitle the vehicle.

19 {9}{7} "Salvage vehicle" means a vehicle damaged by  
20 collision, fire, flood, accident, trespass, or other  
21 occurrence to the extent that the owner, an insurer, or  
22 other person acting on behalf of the owner determines that  
23 the cost of parts and labor makes it uneconomical to repair  
24 the vehicle.

25 {10}{8} "Salvage-vehicle purchaser" means a person,

1 other than an insurer, who purchases or otherwise obtains  
2 possession of a salvage vehicle.

3 ~~{11}{9}~~ "Tail section" includes the floor pan, right  
4 rear and left rear quarter panels, deck lid, upper rear and  
5 lower rear panels, and rear bumper if two or more of these  
6 parts are assembled together as one unit.

7 ~~{12}{10}~~ "Vehicle identification number" means the  
8 number, letters, or combination of numbers and letters  
9 assigned by the manufacturer, by the department, or in  
10 accordance with the laws of another state or country for the  
11 purpose of identifying the vehicle or a component part of  
12 the vehicle.

13 **Section 2.** Section 61-3-202, MCA, is amended to read:

14 **"61-3-202. Certificate of ownership -- issuance --**  
15 **contents -- joint ownership -- inspection -- fees.** (1) Upon  
16 completion of the application for certificate of ownership,  
17 on forms furnished by the department, the county treasurer  
18 shall forward one copy of the application to the department,  
19 which shall enter the information contained in the  
20 application upon the corresponding records of its office  
21 and, except as provided in 61-3-103(1) and 61-3-201(2)  
22 concerning applications by creditors or secured parties,  
23 shall furnish the applicant a certificate of ownership  
24 subject to the provisions of 61-3-103.

25 (2) The certificate of ownership shall contain upon the

1 face thereof:

2 (a) the date issued;

3 (b) the name and complete address of the owner or the  
4 names and addresses of joint owners;

5 (c) except as provided in 61-3-103, the name and  
6 complete address of any holder of a perfected security  
7 interest in the registered vehicle;

8 (d) a description of the registered vehicle, including  
9 the year built and ~~serial--number~~ vehicle identification  
10 number;

11 (e) except as provided in 61-3-103, the filing date of  
12 any lien against such motor vehicle; and

13 (f) such other statement of facts as may be determined  
14 by the department.

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

19 (4) Upon receipt of the application, the department  
20 shall recheck the application. If there is any error in the  
21 application it may be returned to the county treasurer to  
22 effectively secure the correction of such error, who shall  
23 return the same to the department.

24 (5) The certificate of ownership shall contain a notice  
25 to the department of a transfer of interest of the owner and

1 such other statements as may be determined by the  
2 department.

3 ~~(6) A new-vehicle-purchased-outside-the-state-by-anyone~~  
4 ~~other--than--a-new-car-dealer-licensed-in-this-state,-a-used~~  
5 ~~vehicle-brought--into--this--state,-or--a rebuilt salvage~~  
6 ~~vehicle or-reconstructed-vehicle for which a certificate of~~  
7 ~~ownership is sought must be inspected for the vehicle~~  
8 ~~identification number to authenticate the identity of the~~  
9 ~~vehicle before a certificate of ownership can be issued. The~~  
10 ~~inspection may not attest to the roadworthiness or safety~~  
11 ~~condition of the vehicle and must be performed by department~~  
12 ~~employees or peace officers designated by the department.~~

13 ~~(7) The department may contract with a person or entity~~  
14 ~~for use of a facility as a regional inspection site for~~  
15 ~~rebuilt salvage vehicles or-reconstructed-vehicles.~~

16 ~~(8) To defray the cost of the vehicle inspection~~  
17 ~~program, the department shall collect a-fee--of \$15 \$18.50~~  
18 ~~\$11.50 \$18.50 for--the-inspection-of-each-vehicle-entering~~  
19 ~~the-state-for-which-a-certificate-of-ownership-is-sought-and~~  
20 ~~a fee of \$75 \$18.50 \$11.50 \$18.50 for the inspection of each~~  
21 ~~rebuilt salvage vehicle or-reconstructed-vehicle for which a~~  
22 ~~certificate of ownership is sought. The fees FEE must be~~  
23 ~~distributed as follows:~~

24 ~~(a) The-entire-fee-for-inspecting-each-vehicle-entering~~  
25 ~~the--state--that--requires-inspection-under-(subsection-(6))~~

1 and \$50 A A PORTION of the inspection fee for each rebuilt  
 2 salvage and-reconstructed vehicle must be remitted by the  
 3 department to the state treasurer for deposit in the general  
 4 fund.

5 (b) Twenty-five-dollars A PORTION of the inspection fee  
 6 for each rebuilt salvage vehicle and-reconstructed-vehicle  
 7 must be remitted by the department to the inspection site  
 8 that has contractually permitted the use of its facility for  
 9 the inspection.

10 (9) (a) An authorized inspector may seize and hold a  
 11 vehicle:

12 (i) the inspector has probable cause to believe is  
 13 stolen;

14 (ii) on which a motor number or vehicle identification  
 15 number has been defaced, altered, removed, covered,  
 16 destroyed, or obliterated; or

17 (iii) that does not conform with the vehicle  
 18 identification number on the certificate of ownership.

19 (b) A seized vehicle may be held until the identity of  
 20 the vehicle is established and arrangements are made for its  
 21 lawful disposition. An authorized inspector may use any  
 22 means necessary to identify a vehicle by its vehicle  
 23 identification number or numbers.

24 (10) The department may not issue a certificate of  
 25 ownership for a vehicle until the identity of the vehicle is

1 established.

2 ~~(11) One-way rental vehicles owned by a rental company~~  
 3 ~~that is authorized to conduct business in this state are~~  
 4 ~~exempt from the inspection and fee requirements for vehicles~~  
 5 ~~entering this state if the application for certificate of~~  
 6 ~~ownership and registration are accompanied by a~~  
 7 ~~certification signed by an authorized agent of the rental~~  
 8 ~~company verifying that the vehicle identification number has~~  
 9 ~~been reviewed and determined to be correct.~~

10 ~~(11) The department may adopt rules for the~~  
 11 ~~implementation and administration of the vehicle inspection~~  
 12 ~~program."~~

13 **NEW SECTION. Section 3.** Surrender of certificate of  
 14 ownership -- issuance of salvage certificate -- salvage  
 15 retitling requirements. (1) An insurer acquiring ownership  
 16 of a vehicle THAT IS LESS THAN 5 YEARS OF AGE that he  
 17 determines to be a salvage vehicle shall surrender the  
 18 certificate of ownership to the department within 15 days  
 19 after acquiring the certificate. If the insurer has not sold  
 20 the salvage vehicle prior to the time of surrendering the  
 21 certificate of ownership, the insurer shall apply for a  
 22 salvage certificate on a form prescribed by the department.  
 23 If the certificate of ownership names one or more holders of  
 24 a perfected security interest in the vehicle, the insurer  
 25 shall secure and deliver to the department a release from

1 each secured party of the secured interest.

2 (2) Upon receipt of a properly executed certificate of  
3 ownership and a salvage certificate application from an  
4 insurer, the department shall issue a salvage certificate to  
5 the insurer within 5 working days of the date of receipt of  
6 the application. Upon receipt of a salvage certificate  
7 issued by the department, an insurer may possess, retain,  
8 transport, sell, transfer, or otherwise dispose of the  
9 salvage vehicle. The salvage certificate is prima facie  
10 evidence of ownership of a salvage vehicle.

11 (3) If the insurer sells a salvage vehicle within the  
12 15-day period established in subsection (1) prior to  
13 surrendering the certificate of ownership, the insurer shall  
14 complete a salvage receipt on a form prescribed by the  
15 department. The insurer shall deliver the original salvage  
16 receipt to the salvage vehicle purchaser ONLY AFTER  
17 OBTAINING A CLEAR TITLE AND LIEN RELEASE. Prior to disposing  
18 of the salvage vehicle, the salvage vehicle purchaser shall  
19 apply for a salvage certificate by completing the salvage  
20 receipt and submitting it to the department. The insurer  
21 shall deliver a copy of the salvage receipt with the  
22 surrendered certificate of ownership to the department. Upon  
23 receipt of the certificate of ownership from the insurer and  
24 the application from the salvage vehicle purchaser, the  
25 department shall issue a salvage certificate to the salvage

1 vehicle purchaser that is prima facie evidence of ownership.

2 (4) ~~If ownership of a salvage vehicle has not been~~  
3 ~~acquired by an insurer, the owner shall surrender the~~  
4 ~~certificate of ownership for the vehicle to the department~~  
5 ~~prior to any sale or disposition of the vehicle and not~~  
6 ~~later than 30 days from the date the vehicle becomes~~  
7 ~~salvage. If an insurer determines that a salvage vehicle~~  
8 ~~will remain with the owner after an agreed settlement, the~~  
9 ~~insurer shall notify the department of the settlement on a~~  
10 ~~form prescribed by the department. Upon receipt of the~~  
11 ~~notice, the department may require the owner to surrender~~  
12 ~~the certificate of ownership in compliance with this part,~~  
13 ~~regardless of whether ownership of the salvage vehicle was~~  
14 ~~obtained in a jurisdiction not requiring the surrender of~~  
15 ~~the certificate of ownership or a comparable ownership~~  
16 ~~document.~~

17 (5) At the time of surrender of a certificate of  
18 ownership for a salvage vehicle not acquired by an insurer,  
19 the department shall issue a salvage certificate to the  
20 owner. Upon receipt of a salvage certificate issued by the  
21 department to a noninsurer, the owner may possess, retain,  
22 transport, sell, transfer, or otherwise dispose of the  
23 salvage vehicle. A salvage certificate is prima facie  
24 evidence of ownership of a salvage vehicle.

25 (6) A fee of \$5 must be paid to the department for the

1 issuance of a salvage certificate.

2 (7) A SALVAGE VEHICLE OWNED BY OR IN THE INVENTORY OF A  
 3 MOTOR VEHICLE WRECKING FACILITY ON OCTOBER 1, 1991, IS  
 4 EXEMPT FROM THE PROVISIONS OF THIS SECTION IF THE OWNER OF  
 5 THE FACILITY HAS COMPLIED WITH THE PROVISIONS OF  
 6 75-10-513(2)."

7 NEW SECTION. Section 4. Retitling ~~rebuild~~ salvage  
 8 vehicles and reconstructed vehicles -- penalty. (1) Prior to  
 9 operating a ~~rebuild~~ salvage vehicle ~~or-reconstructed-vehicle~~  
 10 on the roads and highways of this state, the owner shall  
 11 present the vehicle and the salvage certificate, if ~~it-is-a~~  
 12 ~~rebuild--salvage--vehicle~~ ONE HAS BEEN ISSUED, or the  
 13 certificate of ownership, ~~if-it-is-a-reconstructed-vehicle,~~  
 14 the appropriate receipts or bills of sale establishing  
 15 ownership, and the source of component parts used to rebuild  
 16 ~~or--reconstruct~~ the vehicle to a department employee or  
 17 designated peace officer for inspection at a regional  
 18 inspection site authorized under 61-3-202(7). An owner may  
 19 obtain a 72-hour temporary registration permit from the  
 20 department or its designee for the purpose of moving a  
 21 ~~rebuild~~ salvage ~~or--reconstructed~~ vehicle to and from the  
 22 designated inspection site.

23 (2) (a) The inspector shall inspect the vehicle to  
 24 verify that:

25 ~~(1) if the vehicle is a rebuild salvage vehicle, it is~~

1 ~~the same vehicle for which the salvage certificate has been~~  
 2 ~~issued, or~~

3 ~~(1) if the vehicle is a reconstructed vehicle, it is~~  
 4 ~~the same vehicle for which the certificate of ownership was~~  
 5 ~~issued THE IDENTITY OF THE VEHICLE.~~

6 (b) The inspector shall verify that the component parts  
 7 used to rebuild ~~or-reconstruct~~ the vehicle are evidenced by  
 8 traceable receipts or bills of sale and that there are no  
 9 indications the vehicle or any of its parts are stolen.  
 10 DOCUMENTATION PROVIDED BY THE OWNER OR EMPLOYEE OF A  
 11 WRECKING FACILITY LICENSED UNDER THE PROVISIONS OF TITLE 75,  
 12 CHAPTER 10, PART 5, IS PRIMA FACIE EVIDENCE OF THE FACTS  
 13 STATED IN THE DOCUMENTATION.

14 (3) Following inspection and prior to operating the  
 15 vehicle on the roads and highways of this state, the owner  
 16 shall apply for a new certificate of ownership by submitting  
 17 the application, the salvage certificate ~~for--a-rebuild~~  
 18 ~~salvage--vehicle--or--certificate--of--ownership--for--a~~  
 19 ~~reconstructed-vehicle~~, receipts or bills of sale, and a copy  
 20 of the inspection report to the department.

21 (4) Upon receipt of the application, required  
 22 documentation, and payment of the fee for a ~~rebuild~~ salvage  
 23 vehicle ~~or-a-reconstructed-vehicle~~ required in 61-3-202(8),  
 24 the department shall issue a new certificate of ownership.

25 (5) A person failing to comply with the provisions of

1 this part is guilty of a misdemeanor and upon conviction  
 2 shall be fined an amount not to exceed \$500. A  
 3 ~~salvage vehicle purchaser may not possess or retain a~~  
 4 ~~salvage vehicle that does not have a duly assigned salvage~~  
 5 ~~certificate.~~ The salvage vehicle purchaser shall produce the  
 6 salvage certificate upon request of a public official  
 7 legally entitled to request the certificate. A person may  
 8 not operate or use a salvage vehicle on the roads or  
 9 highways of this state except when a permit has been issued.

10 Section 5, Section 75-10-513, MCA, is amended to read:

11 "75-10-513. Disposal of junk vehicles ----- fees and  
 12 records:--(1) When a motor vehicle wrecking facility submits  
 13 a junk vehicle to the disposal program, it shall pay a  
 14 disposal fee of \$2 for each vehicle submitted, and the  
 15 vehicle is then the property of the state.

16 (2) Quarterly, each wrecking facility shall mail to the  
 17 department of justice a list, on a form approved by the  
 18 department of justice, of all junk vehicles received during  
 19 the quarter, stating the year, make, and the complete  
 20 identification number of each vehicle. Any certificate of  
 21 ownership received for junk vehicles must accompany each  
 22 list. The department of justice shall issue a receipt of  
 23 {for} the certificate of ownership if requested by the  
 24 licensed facility, and such receipt may serve as an  
 25 instrument for reclaiming the certificate of ownership if

1 the vehicle is rebuilt.

2 (3) A motor vehicle graveyard shall submit to the  
 3 department the records, documents, and other information  
 4 concerning junk vehicles received by it that are required by  
 5 rules of the department. An authorized representative of the  
 6 department of justice who presents his credentials may also  
 7 inspect, have access to, and copy records required under  
 8 75-10-512. Authorized representatives of the department of  
 9 justice may report violations of this part to the department  
 10 of health and environmental sciences."

11 Section 6, Section 75-10-514, MCA, is amended to read:

12 "75-10-514. Denial, suspension, or revocation of  
 13 license ----- grounds: The department may deny, suspend, or  
 14 revoke a motor vehicle wrecking facility's license when it  
 15 proves the business:

16 (1) sold or otherwise disposed of a motor vehicle,  
 17 trailer, or any part thereof when it knew the vehicle or  
 18 part was stolen or was appropriated without the consent of  
 19 the owner;

20 (2) committed forgery on a certificate of title  
 21 covering a vehicle that has been reassembled from parts  
 22 obtained from the disassembling of other vehicles;

23 (3) committed any illegal act or omission which has  
 24 caused loss as the result of a sale of a motor vehicle,  
 25 trailer, or part thereof;

1 ~~{4}--failed-to-comply-with-this-part, or with a rule of~~  
2 ~~the department or violated a provision of this part pursuant~~  
3 ~~to--information--received--and--reported--by--the--department--of~~  
4 ~~justice, or~~

5 ~~{5}--obtained-a-license-fraudulently--"~~

6 **SECTION 5. SECTION 75-10-512, MCA, IS AMENDED TO READ:**

7 "75-10-512. Records required of facilities. (1) Every  
8 motor vehicle wrecking facility shall maintain books or  
9 files in which are kept a record and description of every  
10 junk vehicle obtained by it, together with the name and  
11 address of the person from whom the vehicle was purchased.

12 (2) This record shall also contain:

13 (a) the certificate of ownership, sheriff's certificate  
14 of sale, notarized bill of sale from the former owner OR  
15 PERSON SELLING THE VEHICLE, RELEASE OF OWNERSHIP OR INTEREST  
16 IN THE MOTOR VEHICLE, or sheriff's release;

17 (b) the name of the state where the vehicle was last  
18 registered;

19 (c) the make of the vehicle;

20 (d) the motor or identification number or serial  
21 number;

22 (e) the date purchased;

23 (f) the disposition of the vehicle.

24 {3} An authorized representative of the department of  
25 justice who presents his credentials may also inspect, have

1 access to, and copy records required under this section.  
2 Authorized representatives of the department of justice may  
3 report violations of this part to the department."

4 **SECTION 6. SECTION 75-10-541, MCA, IS AMENDED TO READ:**

5 "75-10-541. Injunction -- action to collect civil  
6 penalty -- authority of department of justice. (1) The  
7 department, through the attorney general or the county  
8 attorney of the county in which a facility is located, may  
9 sue to enjoin the operation or maintenance of a motor  
10 vehicle wrecking facility or graveyard either permanently or  
11 until compliance with this part, the rules of the  
12 department, or an order issued pursuant to this part has  
13 been demonstrated.

14 (2) The department, through the attorney general or the  
15 county attorney of the county in which a motor vehicle  
16 wrecking facility or graveyard is located, may sue in  
17 district court to collect a civil penalty as provided in  
18 75-10-542.

19 {3} The department of justice, through the attorney  
20 general or the county attorney of the county in which a  
21 facility is located, may sue in district court to collect a  
22 civil penalty as provided in 75-10-542 for violations of  
23 75-10-512 or 75-10-513(2) DISCOVERED DURING DEPARTMENT OF  
24 JUSTICE INSPECTIONS."

25 NEW SECTION. SECTION 7. APPROPRIATION. THERE IS

1 APPROPRIATED TO THE MOTOR VEHICLE DIVISION IN THE DEPARTMENT  
2 OF JUSTICE FROM THE GENERAL FUND ~~\$417,300~~ \$42,750 IN FISCAL  
3 YEAR 1992 AND ~~\$769,140~~ \$57,000 IN FISCAL YEAR 1993 TO FUND  
4 THE CREATION AND OPERATION OF THE STATEWIDE VEHICLE  
5 IDENTIFICATION NUMBER INSPECTION PROGRAM.

6 NEW SECTION. Section 8. Codification instruction.  
7 [Sections 1, 3, and 4] are intended to be codified as an  
8 integral part of Title 61, chapter 3, part 2, and the  
9 provisions of Title 61, chapter 3, part 2, apply to  
10 [sections 1, 3, and 4].

-End-





AN ACT TO REQUIRE SURRENDER TO THE DEPARTMENT OF JUSTICE THE CERTIFICATE OF OWNERSHIP OF A VEHICLE THAT IS LESS THAN 5 YEARS OF AGE DETERMINED TO BE A SALVAGE VEHICLE; TO ALLOW THE DEPARTMENT TO ISSUE A SALVAGE CERTIFICATE FOR A SALVAGE VEHICLE CAPABLE OF BEING REBUILT; TO PROVIDE FOR THE RETITLING OF A SALVAGE VEHICLE; TO CREATE A VEHICLE IDENTIFICATION NUMBER INSPECTION PROGRAM; TO IMPOSE A VEHICLE IDENTIFICATION NUMBER INSPECTION FEE; TO AUTHORIZE THE DEPARTMENT TO INSPECT THE RECORDS OF LICENSED MOTOR VEHICLE WRECKING FACILITIES; TO ALLOW THE DEPARTMENT TO SUE TO COLLECT CIVIL PENALTIES FOR CERTAIN VIOLATIONS; TO PROVIDE AN APPROPRIATION; AND AMENDING SECTIONS 61-3-202, 75-10-512, AND 75-10-541, MCA.

#### STATEMENT OF INTENT

A statement of intent is necessary for this bill because it grants the department of justice additional rulemaking authority with respect to the implementation and administration of a vehicle identification and inspection program and additional rulemaking authority with respect to salvage vehicles.

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

Section 1. Definitions. As used in this part, the following definitions apply:

(1) "Cab" means the passenger compartment of a common truck or pickup truck. It is a unit of construction that includes the

top or roof and the cowl and may or may not include glass, instrumentation, the steering column and a seat or seats.

(2) "Center structure" includes the section of either a unibody or frame-type passenger vehicle that consists of a unit of sheet metal that extends from the firewall to the back of the rear seat or the centerline of the rear wheels. The structure may comprise the roof, side and rear window posts, cowl panel, dash panel, floor pans, doors, and rocker panels if two or more of these parts are assembled together as one unit.

(3) "Component part" means the front-end assembly, center structure, or tail section of an automobile, the cab of a truck, the bed of a 1-ton or lighter truck, the frame of a vehicle, or any part of a vehicle that contains a vehicle identification number or a derivative of a vehicle identification number.

(4) "Frame" means the structure that supports the automobile body and other external component parts.

(5) "Front-end assembly" includes the hood, right front and left front fenders, grill, bumper, and radiator supports if two or more of these parts are assembled together as one unit forward of the firewall.

(6) "Salvage certificate" means a certificate of ownership issued by the department for a salvage vehicle that may be used to retitle the vehicle.

(7) "Salvage vehicle" means a vehicle damaged by collision, fire, flood, accident, trespass, or other occurrence to the extent

that the owner, an insurer, or other person acting on behalf of the owner determines that the cost of parts and labor makes it uneconomical to repair the vehicle.

(8) "Salvage-vehicle purchaser" means a person, other than an insurer, who purchases or otherwise obtains possession of a salvage vehicle.

(9) "Tail section" includes the floor pan, right rear and left rear quarter panels, deck lid, upper rear and lower rear panels, and rear bumper if two or more of these parts are assembled together as one unit.

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

Section 2. Section 61-3-202, MCA, is amended to read:

"61-3-202. Certificate of ownership -- issuance -- contents -- joint ownership -- inspection -- fees. (1) Upon completion of the application for certificate of ownership, on forms furnished by the department, the county treasurer shall forward one copy of the application to the department, which shall enter the information contained in the application upon the corresponding records of its office and, except as provided in 61-3-103(1) and 61-3-201(2) concerning applications by creditors or secured parties, shall furnish the applicant a certificate of ownership

subject to the provisions of 61-3-103.

(2) The certificate of ownership shall contain upon the face thereof:

(a) the date issued;

(b) the name and complete address of the owner or the names and addresses of joint owners;

(c) except as provided in 61-3-103, the name and complete address of any holder of a perfected security interest in the registered vehicle;

(d) a description of the registered vehicle, including the year built and ~~serial~~ vehicle identification number;

(e) except as provided in 61-3-103, the filing date of any lien against such motor vehicle; and

(f) such other statement of facts as may be determined by the department.

(3) 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.

(4) Upon receipt of the application, the department shall recheck the application. If there is any error in the application it may be returned to the county treasurer to effectively secure the correction of such error, who shall return the same to the department.

(5) The certificate of ownership shall contain a notice to

the department of a transfer of interest of the owner and such other statements as may be determined by the department.

(6) A salvage vehicle for which a certificate of ownership is sought must be inspected for the vehicle identification number to authenticate the identity of the vehicle before a certificate of ownership can be issued. The inspection may not attest to the roadworthiness or safety condition of the vehicle and must be performed by department employees or peace officers designated by the department.

(7) The department may contract with a person or entity for use of a facility as a regional inspection site for salvage vehicles.

(8) To defray the cost of the vehicle inspection program, the department shall collect a fee of \$18.50 for the inspection of each salvage vehicle for which a certificate of ownership is sought. The fee must be distributed as follows:

(a) A portion of the inspection fee for each salvage vehicle must be remitted by the department to the state treasurer for deposit in the general fund.

(b) A portion of the inspection fee for each salvage vehicle must be remitted by the department to the inspection site that has contractually permitted the use of its facility for the inspection.

(9) (a) An authorized inspector may seize and hold a vehicle:  
(i) the inspector has probable cause to believe is stolen;

(ii) on which a motor number or vehicle identification number has been defaced, altered, removed, covered, destroyed, or obliterated; or

(iii) that does not conform with the vehicle identification number on the certificate of ownership.

(b) A seized vehicle may be held until the identity of the vehicle is established and arrangements are made for its lawful disposition. An authorized inspector may use any means necessary to identify a vehicle by its vehicle identification number or numbers.

(10) The department may not issue a certificate of ownership for a vehicle until the identity of the vehicle is established.

(11) The department may adopt rules for the implementation and administration of the vehicle inspection program."

Section 3. Surrender of certificate of ownership -- issuance of salvage certificate -- salvage retitling requirements. (1) An insurer acquiring ownership of a vehicle that is less than 5 years of age that he determines to be a salvage vehicle shall surrender the certificate of ownership to the department within 15 days after acquiring the certificate. If the insurer has not sold the salvage vehicle prior to the time of surrendering the certificate of ownership, the insurer shall apply for a salvage certificate on a form prescribed by the department. If the certificate of ownership names one or more holders of a perfected security interest in the vehicle, the insurer shall secure and deliver to

the department a release from each secured party of the secured interest.

(2) Upon receipt of a properly executed certificate of ownership and a salvage certificate application from an insurer, the department shall issue a salvage certificate to the insurer within 5 working days of the date of receipt of the application. Upon receipt of a salvage certificate issued by the department, an insurer may possess, retain, transport, sell, transfer, or otherwise dispose of the salvage vehicle. The salvage certificate is prima facie evidence of ownership of a salvage vehicle.

(3) If the insurer sells a salvage vehicle within the 15-day period established in subsection (1) prior to surrendering the certificate of ownership, the insurer shall complete a salvage receipt on a form prescribed by the department. The insurer shall deliver the original salvage receipt to the salvage vehicle purchaser only after obtaining a clear title and lien release. Prior to disposing of the salvage vehicle, the salvage vehicle purchaser shall apply for a salvage certificate by completing the salvage receipt and submitting it to the department. The insurer shall deliver a copy of the salvage receipt with the surrendered certificate of ownership to the department. Upon receipt of the certificate of ownership from the insurer and the application from the salvage vehicle purchaser, the department shall issue a salvage certificate to the salvage vehicle purchaser that is prima facie evidence of ownership.

(4) If an insurer determines that a salvage vehicle will remain with the owner after an agreed settlement, the insurer shall notify the department of the settlement on a form prescribed by the department. Upon receipt of the notice, the department may require the owner to surrender the certificate of ownership in compliance with this part, regardless of whether ownership of the salvage vehicle was obtained in a jurisdiction not requiring the surrender of the certificate of ownership or a comparable ownership document.

(5) At the time of surrender of a certificate of ownership for a salvage vehicle not acquired by an insurer, the department shall issue a salvage certificate to the owner. Upon receipt of a salvage certificate issued by the department to a noninsurer, the owner may possess, retain, transport, sell, transfer, or otherwise dispose of the salvage vehicle. A salvage certificate is prima facie evidence of ownership of a salvage vehicle.

(6) A fee of \$5 must be paid to the department for the issuance of a salvage certificate.

(7) A salvage vehicle owned by or in the inventory of a motor vehicle wrecking facility on October 1, 1991, is exempt from the provisions of this section if the owner of the facility has complied with the provisions of 75-10-513(2).

Section 4. Retitling salvage vehicles and reconstructed vehicles -- penalty. (1) Prior to operating a salvage vehicle on the roads and highways of this state, the owner shall present the

vehicle and the salvage certificate, if one has been issued, or the certificate of ownership, the appropriate receipts or bills of sale establishing ownership, and the source of component parts used to rebuild the vehicle to a department employee or designated peace officer for inspection at a regional inspection site authorized under 61-3-202(7). An owner may obtain a 72-hour temporary registration permit from the department or its designee for the purpose of moving a salvage vehicle to and from the designated inspection site.

(2) (a) The inspector shall inspect the vehicle to verify the identity of the vehicle.

(b) The inspector shall verify that the component parts used to rebuild the vehicle are evidenced by traceable receipts or bills of sale and that there are no indications the vehicle or any of its parts are stolen. Documentation provided by the owner or employee of a wrecking facility licensed under the provisions of Title 75, chapter 10, part 5, is prima facie evidence of the facts stated in the documentation.

(3) Following inspection and prior to operating the vehicle on the roads and highways of this state, the owner shall apply for a new certificate of ownership by submitting the application, the salvage certificate, receipts or bills of sale, and a copy of the inspection report to the department.

(4) Upon receipt of the application, required documentation, and payment of the fee for a salvage vehicle required in

61-3-202(8), the department shall issue a new certificate of ownership.

(5) A person failing to comply with the provisions of this part is guilty of a misdemeanor and upon conviction shall be fined an amount not to exceed \$500. The salvage-vehicle purchaser shall produce the salvage certificate upon request of a public official legally entitled to request the certificate. A person may not operate or use a salvage vehicle on the roads or highways of this state except when a permit has been issued.

Section 5. Section 75-10-512, MCA, is amended to read:

\*75-10-512. Records required of facilities. (1) Every motor vehicle wrecking facility shall maintain books or files in which are kept a record and description of every junk vehicle obtained by it, together with the name and address of the person from whom the vehicle was purchased.

(2) This record shall also contain:

(a) the certificate of ownership, sheriff's certificate of sale, notarized bill of sale from the former owner or person selling the vehicle, release of ownership or interest in the motor vehicle, or sheriff's release;

(b) the name of the state where the vehicle was last registered;

(c) the make of the vehicle;

(d) the motor or identification number or serial number;

(e) the date purchased;

(f) the disposition of the vehicle.

(3) An authorized representative of the department of justice who presents his credentials may also inspect, have access to, and copy records required under this section."

Section 6. Section 75-10-541, MCA, is amended to read:

"75-10-541. Injunction -- action to collect civil penalty -- authority of department of justice. (1) The department, through the attorney general or the county attorney of the county in which a facility is located, may sue to enjoin the operation or maintenance of a motor vehicle wrecking facility or graveyard either permanently or until compliance with this part, the rules of the department, or an order issued pursuant to this part has been demonstrated.

(2) The department, through the attorney general or the county attorney of the county in which a motor vehicle wrecking facility or graveyard is located, may sue in district court to collect a civil penalty as provided in 75-10-542.

(3) The department of justice, through the attorney general or the county attorney of the county in which a facility is located, may sue in district court to collect a civil penalty as provided in 75-10-542 for violations of 75-10-512 or 75-10-513(2) discovered during department of justice inspections."

Section 7. Appropriation. There is appropriated to the motor vehicle division in the department of justice from the general fund \$42,750 in fiscal year 1992 and \$57,000 in fiscal year 1993

to fund the creation and operation of the statewide vehicle identification number inspection program.

Section 8. Codification instruction. [Sections 1, 3, and 4] are intended to be codified as an integral part of Title 61, chapter 3, part 2, and the provisions of Title 61, chapter 3, part 2, apply to [sections 1, 3, and 4].