

MINUTES OF THE MEETING
HIGHWAYS AND TRANSPORTATION COMMITTEE
MONTANA STATE SENATE

March 21, 1985

The eighteenth meeting of the Highways and Transportation was called to order at 1 p.m. on March 21, 1985 by Chairman Lawrence G. Stimatz in Room 410 of the Capitol Building.

ROLL CALL: All members were present except Senator Williams and Senator Daniels, who were excused.

There were visitor's in attendance. (SEE ATTACHMENT)

CONSIDERATION OF HOUSE BILL 33: Representative Keenan, House District 66, was the sponsor of this bill. This bill was by request of the Department of Revenue and the Revenue Oversight Committee. This bill was to expand the exemption from an annual fee, define alternative fuel, and provide an immediate effective date. When this bill was heard in House Committee, there was some concern on paying a tax on alternate fuel. When people come to Montana as tourists, they have to obtain a sticker for special fuel permits, and if they go into Yellowstone Park and into Wyoming, the sticker would not be valid any longer; so a 90-day extension on the sticker expiration date was added and that would be at no cost to the users. They have expanded special fuel or alternate fuel; alternate fuel would be electricity, liquified petroleum gas, and hydrogen. The tax on this fuel would be collected by the county treasurer so they provided that a certain percentage of that tax be paid to the county treasurer for that collection. The license fee is prorated on a quarterly basis or may be paid quarterly, semi-annually, or annually; they provided these options because the industry had some concern. Representative Keenan stated that compressed natural gas was deleted from this bill because it was being addressed in another bill sponsored by Representative Iverson. (HB 544) Five percent of the fees collected by the county treasurer will be remitted to the county general fund to take care of that collection. There was an effective date for this bill upon passage and approval. Representative Keenan stated that they were simply trying to close a loophole that had been opened by people not paying their taxes on the alternate fuel they use. The general summary of this bill is attached as EXHIBIT 1A.

PROPONENTS: Representative Keenan, House District 66, spoke in support of HB 33.

Norris Nichols, Administrator of Motor Fuels, spoke in support of HB 33. He stated that the main portion of the bill was to put the selling of the permits in the hands of the county treasurer, where by fees would be collected the same as the GVW fees are collected. There would also be an increase in the fees from the present schedule to the figures outlined within the bill.

Don Copley, representing the Department of Highways, spoke in support of HB 33.

March 21, 1985

OPPONENTS: John Braunbeck, representing the Montana LP Gas Association, spoke against HB 33. (SEE EXHIBIT 2)

Questions from the committee were called for.

Senator Bengston asked Representative Keenan why natural gas was exempted as an alternate fuel? Representative Keenan replied because Representative Iverson's bill, HB 544, addressed natural gas, and the industry and the department both agreed that it should be handled that way.

Senator Bengston asked if that would have any effect on the fiscal note? Representative Keenan replied that even if it reduced the note, there wouldn't be any problems.

Senator Bengston asked how many people were using LPG other than the utility companies? Norris Nichols replied that the utility companies were not using LPG, they were using natural gas, but in turn agreed to buy permits under the LPG statute.

Senator Bengston asked if it was in the present law that people got a special permit to use the alternate fuels or was this law establishing a new permitting system? Norris Nichols replied that under the present statute any person who uses propane or liquid petroleum to power their vehicle must buy a permit and carry it at all times.

Senator Bengston asked if the users were going to have to carry the permit with them all the time, or could there be a simpler way to do it through registration? Norris Nichols replied that she was addressing the diesel fuel permit, and that was different than this permit.

Senator Bengston asked how the county treasurer was going to collect the taxes? Norris Nichols replied that they would collect at the time of registration or quarterly.

Senator Bengston asked why the county treasurer did not have to make quarterly reports to the state as did the diesel fuel people? Norris Nichols replied that there were not enough users to justify a report.

Senator Bengston asked how many people were using LPG fuel; i.e. alternate fuel? Don Copley replied that in 1984 there were about 1200 licenses issued, which included users of natural gas and that was about 200 of the total 1200 people that had licenses.

Senator Bengston asked if the LPG users were not included in this bill, then how many were left? Don Copley replied the LPG users will remain under this statute; the proposal was to broaden the LPG by changing to alternate fuel.

Senator Lybeck asked Don Copley, of the 1200 people, after you take out the 200 who use natural gas, do you feel you are getting them all? Don Copley replied that one of the problems under the current

law was the majority of the users of LPG were not required to stop at weigh stations, it is an honor system. So, hopefully the county treasurer would be able to get them because they would be issuing the permits.

Senator Lybeck stated that he sat on the Taxation Committee and heard Representative Iverson's bill, HB 544, on the compressed natural gas and the thinking there was that this bill was still on an experimental basis. There were real problems with natural gas in being able to compress enough of it down into a tank that could be carried by a smaller vehicle.

Senator Bengston asked how they handled creating a new category before? Norris Nichols replied that the portion of the LPG had been on the statutes for several years and the use of compressed natural gas had just come on board in the utility companies.

Senator Farrell asked Don Copley if the temporary trip permit mentioned in section 3, page 4 of the bill also included diesel as an alternate fuel? Don Copley replied that the diesel fuel trip permit was covered in another section.

Senator Farrell asked how many non-resident people stop at scales? Don Copley replied that it was questionable.

Senator Farrell asked what the difference was between the temporary trip permit and the 90-day courtesy permit? Senator Stimatz replied that one was for recreation use and the other for business. Don Copley stated that Senator Stimatz was correct.

Senator Bengston stated that this would be unenforceable if there was a fine involved.

Representative Keenan stated that the law they have now is not enforceable, and they are not getting any money.

Senator Bengston asked John Braunbeck if he was saying that the statute they are working under now was more workable and more equitable? Mr. Braunbeck replied that was correct. He stated that his organization felt a lot more comfortable in a program that was totally familiar to the industry. They also felt that if an alternative fuel category was necessary, perhaps some additional studies should be done. His organization felt when addressing the alternative fuels category, it should be addressed as a whole and HB 33 did not do that.

Senator Bengston asked Mr. Braunbeck if he would feel more comfortable if natural gas was put back into the law? He replied that he would. He also stated that if a bill was going to be created to create a category, all alternate fuels should be in that category.

Senator Hager asked Representative Keenan if this bill was drafted to get a little more income flowing into the state, then why are they dropping the income from \$10,000 to \$5,000 in HB 544? Representative Keenan replied that she was also confused, and she was assured

March 21, 1985

by Representative Harp and Iverson that it was all worked out with the industry and that if she was willing to take compressed natural gas out of the bill, then it would be addressed in a different area, and she agreed because she was trying to address the concerns of the industry.

Senator Weeding asked Representative Keenan if a tax was paid when you fill a propane tank at a station? Representative Keenan replied no.

Senator Stimatz stated that this bill addressed the alternative fuel situation as a kind of "fluid" situation and no one really has a handle on it. These bills are trying to get the taxes because people have been using the fuels without being taxed.

Senator Hager asked Norris Nichols if the permits that the natural gas people have been buying up until now have been agreements unenforceable by law? Norris Nichols replied that was correct. Don Copley answered the question also by stating that it had been strictly voluntary by the companies.

Senator Stimatz asked Don Copley if there were only three companies that made the compressed natural gas and if they only serviced their own fleets and not the general public? Don Copley replied that was correct.

Senator Hager asked Don Copley if the committee did not do anything with this bill, would there be reason to believe that the agreements would cease to exist? Mr. Copley replied that at this point he did not think so.

Senator Lybeck asked Don Copley if they were increasing or decreasing the amount in HB 544, in lieu of fees? Don Copley replied that they were decreasing from \$10,000 to \$5,000.

Senator Lybeck stated that he understood that the companies, in their position of such intense public scrutiny, voluntarily agreed to buy the permits.

Senator Farrell asked Norris Nichols if they could add a section to the bill that said the dealer could not sell special fuels unless the person displayed the fuel permit? Norris Nichols replied that he was getting into the diesel users, and that was not addressed here.

Representative Keenan closed by stating that she left the bill in the hands of the committee, and she requested Senator Lybeck to carry this on the floor.

The hearing was closed on HB 33.

CONSIDERATION OF HOUSE BILL 491: Representative Zabrocki, House District 26, was the sponsor of this bill. This bill was an act relating to motor vehicle wrecking facilities, junk vehicle records and requirements for reporting to the Department of Motor Vehicles. Representa-

March 21, 1985

tive Zabrocki talked a little about wrecking facilities. (SEE EXHIBIT 3) The general summary of this bill is attached as EXHIBIT 1B.

PROPONENTS: Representative Zabrocki, House District 26, spoke in support of HB 491.

Larry Majerus, Administrator of the Motor Vehicle Division, spoke in support of HB 491. This bill was requested by his department, and it was to implement the recommendation from the Performance Auditor. (SEE EXHIBIT 4) It required wreckers that had a dismantling business to surrender the title of a dismantled vehicle to the Motor Vehicle Division. The MVD will issue them a receipt so if that vehicle is rebuilt they could recover the title from their office. He felt this was the best way to start getting these titles into the Motor Vehicle system and getting them off their records. He stated that their record system kept growing and they could not delete from the computer or manual files until the title was surrendered. He also stated there were amendments to change the language throughout the bill from "junk" to "wrecked". He felt the amendments would not take away from the bill at all, and the MVD agreed to them in the House.

Henry Lohr, representing Hank's Salvage, Townsend, MT, spoke in support of HB 491. He presented the amendments and stated that he worked on them with Senator Hager. The amendments were dressing up the bill by taking out the word "junk" and putting in the words "scrap" or "wrecked". This wording would clarify the old adage of being called "junk people".

Loretta Miller, representing Green Meadow Auto Salvage, Helena, MT, spoke in support of HB 491. She stated that this bill was worked out with the Motor Vehicle Division and the Association of Auto Dismantlers and Recyclers, and they agreed that it would cause no problems.

Larry Mitchell, representing the Department of Health and Environmental Sciences, spoke in support of HB 491. He stated that he agreed with the Department of Motor Vehicles that there had to be something done about the paper trail that was lying in the wrecking yards, and he didn't feel it was too much to ask to turn the titles in to the MVD. He did not feel it was necessary to change the language in the bill. The statutes had been carefully worked out for over 10 years to make certain they were addressing one certain type of vehicle. He opposed the amendments to HB 491, but was a proponent to HB 491 as it appeared on the blue bill.

OPPONENTS: There were no opponents to HB 491.

Questions from the committee were called for.

Senator Bengston asked Henry Lohr if he would still be a proponent of the bill if they did not adopt the amendments? Mr. Lohr replied no.

Senator Shaw asked what the difference was between "junk vehicle" and "wrecked vehicle"? Henry Lohr replied that "junk" meant a trash and useless vehicle, whereas "wrecked" meant a reuseable vehicle.

Senator Hager asked Larry Mitchell if he would study the amendments and get back to him to see if there was any problem with them? Mr. Mitchell replied that he would.

Senator Weeding asked what the difference was between "scrap" and "junk"? Senator Hager replied that the reason for the word "scrap" in the amendments was because some of the vehicles had not been wrecked, so they were referred to as "scrap".

The hearing was closed on HB 491.

CONSIDERATION OF HOUSE BILL 492: Representative Peterson, House District 1, was the sponsor of this bill. This was by request of the Division of Motor Vehicles. She stated that this bill was requiring the issuance and placement of a 20-day sticker on a new vehicle and a copy of that sticker being transmitted to the county treasurer within ten days following. She talked about the bill (SEE EXHIBIT 5) and stated that this was currently being done, but it was not a statute. The general summary of this bill is attached as EXHIBIT 1C.

PROPOSERS: Representative Peterson, House District 1, spoke in support of HB 492.

Larry Majerus, Administrator of the Motor Vehicle Division, spoke in support of HB 492. He stated this bill just clarified, in law, what the responsibilities of a dealer are as it pertains to the sale of a new vehicle. This specifies what paper work must be transmitted to the county treasurer so that a dealer's obligation on a sale of a new vehicle can be printed out. He mentioned that dealers were doing it already, this bill only spells it out in a statute in case there would be any question on liability.

Dean Mansfield, representing the Montana Automobile Dealers Association, spoke in support of HB 492. He stated that the procedures outlined were in fact already being followed, and they had no problem with the bill.

OPPOSERS: There were no opponents to HB 492.

Questions from the committee were called for.

Senator Lybeck asked Larry Majerus to address the problem of when people keep putting a different date on the bill of sale sticker. Mr. Majerus replied that there was another bill introduced this session that would address this problem, but this was an enforcement problem. He thought that there was going to be standardized stickers or permits to be placed in the back window in order to make some of the problem diminish.

Senator Shaw asked Larry Majerus how he came upon this law? Mr.

March 21, 1985

Majerus replied it was probably an inquiry in his office involving a legal dispute as to whether the dealer fulfilled his obligation on a sale.

Senator Farrell asked Larry Majerus if this bill would correct or help the problem of people abusing the licensing system? Mr. Majerus replied that this bill merely commits to law what is the present practice.

The hearing was closed on HB 492.

CONSIDERATION OF HOUSE BILL 573: Representative Peterson, House District 1, was the sponsor of this bill. This was by request of the Motor Vehicle Division. She stated that this bill dealt with odometers and particularly with the practice of turning them back and making money while doing it. This bill was protecting the used car dealers, they are the ones being caught by the spinners; people who turn back the odometers. It was determined that of 1068 vehicles, 93% had been altered to reflect substantially lower milage readings. The average profit on those vehicles with altered odometers might be as much as \$750 per vehicle. Montana has had problems with "spinners", last year there were six wholesalers operating out of Missoula County. They were charging dealers \$165 per vehicle to alter odometers and launder titles in Montana. If Montana had an odometer tampering law, these spinners could have been charged and convicted in Montana. The general summary of this bill is attached as EXHIBIT 1D.

PROPONENTS: Representative Peterson, House District 1, spoke in support of HB 573.

Larry Majerus, Administrator of the Motor Vehicle Division, spoke in support of HB 573. He presented a summary of the national efforts trying to adopt the odometer law in all states. (SEE EXHIBIT 6) He stated that most people were not aware that there was no law in Montana prohibiting odometer altering. There had been in the last few years, some severe problems. It was not required to put the odometer information on the title in Montana, and this bill would make that mandatory if the vehicle was less than six years old. The division had no problem with the amendments the House put in.

Dean Mansfield, representing the Montana Auto Dealers Association, spoke in support of HB 573. He stated that Montana Automobile Dealers, as well as the National Automobile Dealers Association, had long been in support of tougher laws to crackdown on the odometer tampering. This was a fraud that effects both dealers and consumers, and they believed both consumers and dealers would be happy with the elimination of this illegal process.

Mona Rose, representing Myrl Rose Garage and Wrecking Service in Helena, spoke in support of HB 573. She stated that she found nothing wrong with this bill as a person who would have to do the paper work, because it could only enhance the image of their service.

OPPONENTS: There were no opponents to HB 573.

March 21, 1985

Questions from the committee were called for.

Senator Bengston asked how you laundered a title? Larry Majerus replied by removing the odometer statement from the title by passing it through a machine.

The hearing was closed on HB 573.

EXECUTIVE ACTION was called to order.

DISPOSITION OF HOUSE BILL 573: Senator Shaw moved HB 573 BE CONCURRED IN. The motion carried and passed unanimously. Senator Shaw was assigned to carry this bill on the floor.

Senator Bengston asked Senator Stimatz if Jim Jensen from the Montana Magistrates Association could give the committee some additional information requested on Representative Bradley's HB 332? Senator Stimatz replied yes, and gave Mr. Jensen the floor to present his information to the committee on HB 332.

Jim Jensen, representing the Montana Magistrate Association, stated that the current law allowed the Justice of the Peace only to fine up to \$250 for failure to have liability insurance when operating a motor vehicle. HB 332 would allow the Judge to have an additional jail sentence of up to 10 days. The reason the Judges felt they needed this additional option was because there were many cases where \$250 was substantially less than what the cost of the insurance would be. If the Judge could have 10 days of jail to suspend as a condition of getting the insurance, then people would be much more likely to obey the law and get insurance. They did not anticipate anyone going to jail unless they refused to get, as a condition of the suspended sentence, the liability insurance.

Senator Bengston stated that she also requested to know the average fine that the Justice's of Peace were charging.


Jim Jensen stated that it varied among counties. In larger counties, such as Missoula and Yellowstone, \$250 was the standard fine for failure to obtain insurance. The judge usually said if they got the insurance, the \$250 fine would be either reduced or suspended as a condition. He also stated that there were Judges who would levy a lesser fine if for example, the fine would prevent them from getting the insurance.

ANNOUNCEMENTS:

The committee will meet Tuesday, March 26, 1985, at 1 p.m. in Room 410.

ADJOURNMENT:

The meeting was adjourned at 2:25 p.m.


LAWRENCE G. STIMATZ
Chairman

ROLL CALL

HIGHWAY AND TRANSPORT. COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 3-21-85

SENATE
SEAT
#

NAME	PRESENT	ABSENT	EXCUSED
#7 SENATOR STIMATZ	X		
#25 SENATOR MANNING			
#27 SENATOR BENGTON	X		
#8 SENATOR DANIELS			X
#32 SENATOR FARRELL	X		
#42 SENATOR HAGER	X		
#48 SENATOR LYBECK	X		
#23 SENATOR SHAW	X		
#3 SENATOR TVEIT	X		
#39 SENATOR WILLIAMS			X
#26 SENATOR WEEDING	X		

Each day attach to minutes.

3-21-85

COMMITTEE ON Highways and Transportation

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
John Brannock	LP Gas Assoc.	HB-33		X
Steve Linn	Northwest Energy	HB-33		X
David Joseph	Petrolane	HB-33		X
T.A. Brown	Mont. Wood LPGA	HB-33		X
Don Copley	Dept. of Highways	HB 33	X	
Henry E. Lohr	Hank's Salvage	HB 491 HB 400	X	
Virgil Lohr	Hank's Salvage	HB 491 HB 400	X	
Larry Maguire	Div. of Motor Vehicle	HB 491	492 573	
Vicky Rose	Myrl Rose Garage	HB 491	X	
Nana Rose	" "	" "	X	
Larry M. Ehall	DHES - Solid Waste Bureau	HB 441	X	
Gretta Miller	Green Meadow Auto Sales	HB 449	X	
Nana Rose	5th St. Myrl Rose Garage	HB 573	X	

(Please leave prepared statement with Secretary)

SUMMARIES OF BILLS TO BE HEARD BY
SENATE COMMITTEE ON HIGHWAYS & TRANSPORTATION
THURSDAY, MARCH 21, 1985

- 1A HB 33, introduced by Representative Keenan, by request of the Department of Revenue and the Revenue Oversight Committee, requires the county treasurer to collect license tax fees on vehicles powered by alternate fuels, which includes liquified petroleum gas, hydrogen, and electricity. Five percent of the fee is to be retained in the county general fund, and the balance goes to the state highway fund.
- 1B HB 491, introduced by Representative Zabrocki, by the request of the Division of Motor Vehicles, Department of Justice, requires wrecking yards to keep certificates of ownership, bills of sale, sheriff's certificates of sales or other documents of ownership, of every junk vehicle obtained by it and to provide quarterly to the Motor Vehicle Division a list of junk vehicles received.
- 1C HB 492, introduced by Representative Peterson, by the request of the Motor Vehicle Division, Department of Justice, clarifies the notification responsibilities of a motor vehicle dealer upon sale of a vehicle.
- 1D HB 573, introduced by Representative Peterson by request of the Motor Vehicle Division, requires an odometer disclosure statement by the seller of a motor vehicle.

For the record, my name is John Braunbeck. For purposes of HB-33 I represent the Montana Wyoming LP Gas Association.

As some of the Committee members may recall, addressing a taxing mechanism for vehicles under 10,000 GVW for both diesel and alternate fuels has been around for a long time. Our organization believed that the intent of HB-33 was to remove liquid petroleum gas (propane), compressed natural gas, hydrogen, and electricity when actually sold as a motor vehicle fuel; from the current special fuels licensing requirements and create a separate category within Chapter 15-70-MCA relating to alternative fuels. Then it would be a simple matter to issue permits for the alternate fuel category based on equivalency taxing of a gallon of gasoline. We further understood that the Department of Revenue has requested this bill to simplify bookkeeping procedures in the alternative fuels category.

Originally, our Association opposed the introduced copy of HB-33. However, upon further review it was suggested that HB-33 be amended to correct a problem with tourist permits, allow an expanded permit purchase time-frame (quarterly, semiannually, annually), and the correction of temporary permits under Section 15-71-102, MCA. We also recommended that the Committee consider reducing the permitting fee for item #c (GVW 18,000 lbs or more) from the proposed \$270 to \$250. On second reading, HB-33 was amended to reflect the tourism permit problem and permitting dates time-frames. The third reading copy reflects an amendment removing compressed natural gas from HB-33.

We would like to point out to the Committee, at this time, that the procedure under the current law works very well and is admirably administered. Please keep in mind that liquid petroleum gas (propane) is currently listed under the special fuels designation. Again, we understood that the intent of HB-33 was to remove the above mentioned motor fuels from the special fuel category to an alternate fuel category for a simple permitting process. However, after review of the third reading copy, elimination of compressed natural gas amendment simply takes this fuel and transfers it back to the special fuels category and out of the proposed HB-33 alternative fuels designation. HB-544 is the transference vehicle and was heard in Senate Taxation yesterday. It would appear that HB-544 proposed a natural gas/gasoline BTU conversion equivalency at a 7¢/120 c.f. taxing rate. However, the current tax rate for special fuels is 17¢ per gallon.

In summary, we understood that HB-33 created an alternative fuel category for simplification of taxing these fuels (motor vehicle) under a simple permitting procedure. After yesterday's Senate Taxation Committee action, it would appear that the natural gas exemption has passed. Therefore, our Association respectfully requests that the entire idea of alternative fuels permitting be abandoned. As mentioned above, the current permitting procedure under the special fuels category presently works exceedingly well, is administered well and is equitable. We recommend, therefore, that HB-33 be amended to reflect only the increase in the permitting fee schedule as set forth in Section 2. The net result of this action would be the elimination of the alternate fuels category and a return to the current, workable and equitable statute.

HOUSE BILL 491

"AN ACT RELATING TO MOTOR VEHICLE WRECKING FACILITIES, JUNK VEHICLE RECORDS AND REQUIREMENT FOR REPORTING TO THE DEPARTMENT OF MOTOR VEHICLES; AMENDING SECTIONS 75-10-512 AND 75-10-513, MCA."

CURRENTLY ONLY A FEW WRECKING FACILITIES VOLUNTARILY SURRENDER RECORDS TO THE MOTOR VEHICLE DIVISION. VERY FEW OF THE WRECKING FACILITIES SUBMIT JUNK VEHICLES TO THE COUNTY DISPOSAL PROGRAM. THEY HAVE THEIR OWN CRUSHING DONE. CONSEQUENTLY, THEIR RECORDS ARE NOT SUBMITTED TO THE DEPARTMENT OF HEALTH AND NOT FORWARDED TO THE MOTOR VEHICLE DIVISION.

THIS BILL WAS RECOMMENDED BY THE LEGISLATIVE AUDITOR DURING A PERFORMANCE AUDIT.

AN AUTO THIEF CAN PURCHASE A JUNK VEHICLE AND OBTAIN A TITLE FOR IT MATCHING THE DESCRIPTION OF A STOLEN CAR AND USE THE TITLE TO DISPOSE OF THE STOLEN VEHICLE.

IF THE TITLES FOR JUNK VEHICLES WERE SURRENDERED TO THE DIVISION, THE DIVISION COULD IDENTIFY AND PURGE THOSE RECORDS AND DETER THE LICENSING OF STOLEN VEHICLES.

THIS BILL WAS AMENDED BY THE ^{House} HIGHWAY AND TRANSPORTATION COMMITTEE AFTER THE MONTANA DISMANTLERS ASSOCIATION AND THE MOTOR VEHICLE DIVISION WORKED OUT A COMPROMISE WHICH INCLUDED A RECEIPT WHICH MAY BE ISSUED FOR RECLAIMING THE TITLE IF A VEHICLE IS REBUILT.

HIGHWAYS & TRANSPORTATIONJUNK-VEHICLE TITLES

Currently, there is no requirement that junk-vehicle titles be surrendered to the Registrar's Bureau. Those titles which are presently received by the bureau from various junk-vehicle dealers are submitted voluntarily. Under these circumstances, the bureau cannot effectively purge its files of junk-vehicle records. The potential for titles being lost or misused increases without a surrender requirement. For example, a stolen vehicle could have its identification plate replaced with one from a junked vehicle. The corresponding title might then be purchased from the junk-vehicle dealer, so that the vehicle identification number on the title matched the number on the stolen vehicle. In this way, the theft is "disguised." The Automotive Dismantlers and Recyclers of America have suggested a mandatory surrender of junk-vehicle titles in order to avoid increased state vulnerability to vehicle-theft disguise. The president of the Montana Association of Automotive Dismantlers and Recyclers also expressed no objection to mandatory title surrender.

Motor Vehicle Division officials agree with the need for mandatory surrender of junk-vehicle titles. They have stated they will seek appropriate legislation in this regard.

RECOMMENDATION #6

WE RECOMMEND THAT LEGISLATION BE ENACTED REQUIRING THE SURRENDER OF JUNK-VEHICLE TITLES TO THE REGISTRAR'S BUREAU.

Office of the Legislative Auditor
Performance Audit
Motor Vehicle Division
April 1983

HIGHWAYS & TRANSPORTATION

HOUSE BILL 492

"AN ACT TO CLARIFY THE RESPONSIBILITY OF A MOTOR VEHICLE DEALER REGARDING PROVISION OF INFORMATION TO THE COUNTY TREASURER AND MOTOR VEHICLE DIVISION UPON TRANSFER OF A NEW MOTOR VEHICLE BY THE DEALER; AMENDING SECTION 61-4-112, MCA."

SECTION 61-4-112 REQUIRES THE ISSUANCE AND PLACEMENT OF A 20-DAY STICKER TO NEW MOTOR VEHICLE SALES AS WELL AS USED MOTOR VEHICLE SALES; AND A COPY OF THE STICKER TO BE TRANSMITTED TO THE COUNTY TREASURER WITHIN TEN DAYS FOLLOWING DELIVERY OF THE VEHICLE.

HOWEVER, THERE IS NO PROVISION IN EXISTING LANGUAGE TO REQUIRE THE DEALER TO TRANSMIT A TITLE APPLICATION FOR A NEW VEHICLE SALE TO THE COUNTY TREASURER, ONLY THE COPY OF THE 20-DAY STICKER.

UNDER CURRENT LAW, TITLE APPLICATIONS FOR USED CAR SALES MUST BE TRANSMITTED TO THE COUNTY TREASURER IN 4 DAYS. TITLE APPLICATION FOR NEW CAR SALES SHOULD BE PROCESSED THE SAME AS A USED VEHICLE.

HIGHWAYS & TRANSPORTATION

RESOLUTION

NATIONAL ODOMETER ENFORCEMENT ASSOCIATION

- WHEREAS, used car buyers rely heavily on the odometer reading of a vehicle in determining the resale value and safety of the vehicle; and
- WHEREAS, odometer tampering costs consumers an estimated \$2.8 billion annually; and
- WHEREAS, odometer tampering is facilitated by the "washing" of titles in order to alter or otherwise falsify odometer readings upon odometer statements and title documents; and
- WHEREAS, it is recognized that only concerted efforts among state and federal agencies, auto auctions, fleet and leasing companies, manufacturers and dealers in all states will stem this illegal activity; and
- WHEREAS, the National Odometer Enforcement Association (NOEA) is a four year old ad hoc organization of individuals working for state, provincial and federal law enforcement agencies, consumer protection agencies and state licensing and motor vehicle departments who are responsible for investigating and enforcing odometer tampering laws;
- THEREFORE, BE IT RESOLVED, that NOEA calls upon all states to enact legislation to prevent title washing activity, to require secure printing features, to place odometer readings on title documents and to require careful examination of title documents for alterations and forgery, and to provide felony penalties for odometer tampering;
- BE IT FURTHER RESOLVED, that NOEA urges that all states cooperate with federal and out-of-state law enforcement officials in the investigation and prosecution of odometer law violations and title washing schemes; and
- BE IT FURTHER RESOLVED, that NOEA encourages all states to return all foreign titles to the state of origin and encourages all states receiving those titles to examine them for alterations and forgery; and
- BE IT FURTHER RESOLVED, that NOEA invites and encourages all states to participate in the activities of NOEA especially the annual conference; and
- BE IT FURTHER RESOLVED, that NOEA authorizes these views to be made known to the Congress, the administration, all states and other interested parties.

STANDING COMMITTEE REPORT

MARCH 21

1985

MR. PRESIDENT

We, your committee on **HIGHWAYS AND TRANSPORTATION**

having had under consideration **HOUSE BILL** No. **573**

third reading copy (blue)
color

(SENATOR SHAW)

**ODOMETER DISCLOSURE UPON TRANSFER OF VEHICLE OWNERSHIP;
FUNCTIONING ODOM.**

Respectfully report as follows: That **HOUSE BILL** No. **573**

BE CONCURRED IN

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LAWRENCE G. STIMATEZ

Chairman.