

CHAPTER NO. 557.

HOUSE BILL NO. 570

INTRODUCED BY MENAHAN

BY REQUEST OF THE DEPARTMENT OF BUSINESS REGULATION

IN THE HOUSE

February 5, 1979	Introduced and referred to Committee on State Administration.
February 17, 1979	Committee recommend bill do pass. Report adopted.
February 20, 1979	Second reading, do pass.
February 21, 1979	Considered correctly engrossed. Third reading, passed. Transmitted to second house.

IN THE SENATE

February 22, 1979	Introduced and referred to Committee on Business and Industry.
March 13, 1979	Committee recommend bill be concurred in as amended. Report adopted.
March 15, 1979	Second reading, pass consideration.
March 16, 1979	Second reading, concurred in.
March 19, 1979	Third reading, concurred in as amended.

IN THE HOUSE

March 20, 1979	Returned from second house. Concurred in as amended.
March 21, 1979	On motion consideration passed until the 71st Legislative Day.

March 29, 1979

Second reading, amendments
rejected.

On motion Free Conference
Committee requested.

March 30, 1979

Free Conference Committee
appointed.

April 2, 1979

Free Conference Committee
dissolved.

On motion Senate amendments
placed on second reading
for the 76th Legislative Day.

April 3, 1979

Second reading, amendments
adopted.

April 4, 1979

Third reading, amendments
adopted. Sent to enrolling.

Reported correctly enrolled.

1 House BILL NO. 570
 2 INTRODUCED BY Menaker
 3 BY REQUEST OF THE DEPARTMENT OF BUSINESS REGULATION

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT NEW
 6 MOTOR VEHICLE DEALERS BE LICENSED ALSO WITH THE DEPARTMENT
 7 OF BUSINESS REGULATION; PROVIDING FOR AN EARMARKED REVENUE
 8 ACCOUNT; RAISING LICENSE FEES FOR MANUFACTURERS,
 9 DISTRIBUTORS, FACTORY BRANCHES, AND DISTRIBUTOR BRANCHES;
 10 AND AMENDING SECTION 61-4-202, MCA."

11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 13 Section 1. Section 61-4-202, MCA, is amended to read:
 14 "61-4-202. License requirements. (1) No new motor
 15 vehicle dealer, manufacturer, distributor, factory branch,
 16 or distributor branch may engage in business in Montana
 17 except in accordance with the requirements of this part. The
 18 provisions of this part do not apply to a public officer
 19 engaged in the discharge of his official duties or to a
 20 trustee, receiver, or other officer acting under the
 21 jurisdiction of a court; to financial institutions disposing
 22 of repossessed vehicles; or to a person disposing of his
 23 personal vehicle. The provisions of this part regulating and
 24 licensing new motor vehicle dealers, manufacturers,
 25 distributors, factory branches, distributor branches, and

1 franchisors apply only to those new motor vehicle dealers,
 2 manufacturers, distributors, factory branches, distributor
 3 branches, and franchisors of motor vehicles as defined by
 4 this part.

5 (2) A new motor vehicle dealer or a manufacturer,
 6 distributor, factory branch, distributor branch, importer,
 7 or franchisor transacting business within Montana by
 8 offering, selling, trading, consigning, or otherwise
 9 transferring a new motor vehicle to a new motor vehicle
 10 dealer must be licensed by the state of Montana. The
 11 department shall issue licenses to qualified applicants upon
 12 receipt of a license fee in the amount of \$15 20
 13 accompanied by the information required in this section.

14 (3) The following information if applicable shall be
 15 submitted by an applicant upon forms supplied by the
 16 department:

- 17 (a) the name and address of the applicant;
- 18 (b) the make and model of each new motor vehicle to be
 19 franchised;
- 20 (c) the name and address of each of the applicant's
 21 franchisees within the state; and
- 22 (d) the name and address of each factory branch,
 23 distributor branch, agent, or representative within the
 24 state.
- 25 (4) The license may be renewed each year if the

1 applicant is in compliance with the provisions of this part.
 2 remits a renewal fee in the amount of \$15 120, and notifies
 3 the department of any changes in the information previously
 4 supplied.

5 (5) No new motor vehicle may be sold in this state
 6 unless either the manufacturer on direct dealership of
 7 domestic vehicles, the importer of foreign manufactured
 8 vehicles on direct dealership, or the distributor on
 9 indirect dealerships of either domestic or foreign vehicles
 10 is licensed as provided in this part. Notwithstanding any
 11 other licensing provision contained in Montana law, every
 12 new motor vehicle dealer must also obtain a license under
 13 this part. The obtaining of a license under this part
 14 conclusively establishes that a new motor vehicle dealer,
 15 manufacturer, distributor, or importer is subject to the
 16 laws of this state regulating new motor vehicle dealers,
 17 manufacturers, importers, and distributors."

18 NEW SECTION. Section 2. Earmarked revenue account.
 19 All license fees collected under this part by the department
 20 must be deposited in an earmarked revenue account
 21 established for the use of the department in the
 22 administration of this part.

23 Section 3. Codification. (1) Section 2 is intended to
 24 be codified as an integral part of Title 61, chapter 4, part
 25 2, and the provisions contained in Title 61, chapter 4, part

1 2, apply to section 2.

2 (2) If section 2 is not codified in Title 61, chapter
 3 4, part 2, the code commissioner shall add to the MCA, if
 4 necessary, statutory language to convey the intent of this
 5 section.

-End-

STATE OF MONTANA

Request No. 248-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 9, 1979, there is hereby submitted a Fiscal Note for House Bill 570 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to require new motor vehicle dealers be licensed with the Department of Business Regulation, raising license fees, and provide an Earmarked Revenue Account.

ASSUMPTIONS:

1. It is assumed that 665 licenses will be issued.
2. It is assumed this act will be administered by the Consumer Protection Div.

FISCAL IMPACT:

	<u>FY 80</u>	<u>FY 81</u>
Revenue under proposed law	\$13,300	\$13,300
Expenditures under proposed law	<u>13,300</u>	<u>13,300</u>
Net Fiscal Impact	<u>\$ 0</u>	<u>\$ 0</u>

Richard L. Drang for

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/12/79

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 21 jurisdiction of a court; to financial institutions disposing
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 2 manufacturers, distributors, factory branches, distributor
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5 (2) A new motor vehicle dealer or a manufacturer,
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 7 or franchisor transacting business within Montana by
 8 offering, selling, trading, consigning, or otherwise
 9 transferring a new motor vehicle to a new motor vehicle
 10 dealer must be licensed by the state of Montana. The
 11 department shall issue licenses to qualified applicants upon
 12 receipt of a license fee in the amount of \$15 ~~\$20~~
 13 accompanied by the information required in this section.

14 (3) The following information if applicable shall be
 15 submitted by an applicant upon forms supplied by the
 16 department:

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19 franchised;
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21 franchisees within the state; and
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1 applicant is in compliance with the provisions of this part,
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5 (5) No new motor vehicle may be sold in this state
6 unless either the manufacturer on direct dealership of
7 domestic vehicles, the importer of foreign manufactured
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9 indirect dealerships of either domestic or foreign vehicles
10 is licensed as provided in this part. Notwithstanding any
11 other licensing provision contained in Montana law, every
12 new motor vehicle dealer must also obtain a license under
13 this part. The obtaining of a license under this part
14 conclusively establishes that a new motor vehicle dealer,
15 manufacturer, distributor, or importer is subject to the
16 laws of this state regulating new motor vehicle dealers,
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March 13, 1979

SENATE STANDING COMMITTEE REPORT
(Business & Industry)

That House Bill No. 570 be amended as follows:

1. Title, lines 8 and 9.

Following: "ACCOUNT;" on line 8

Strike: the remainder of line 8 and line 9 in its entirety

2. Page 2, line 12.

Following: "~~6~~15"

Strike: "\$20"

Insert: "15"

3. Page 3, line 2.

Following: "~~6~~15"

Strike: "\$20"

Insert: "15"