

CHAPTER NO. 502

HOUSE BILL NO. 712

INTRODUCED BY COONEY

BY REQUEST OF THE DEPARTMENT OF JUSTICE

IN THE HOUSE

February 10, 1979	Introduced and referred to Committee on Judiciary.
February 16, 1979	Committee recommend bill do pass. Report adopted.
February 17, 1979	Second reading, do pass.
February 19, 1979	Considered correctly engrossed.  Third reading, passed. Transmitted to second house.

IN THE SENATE

February 20, 1979	Introduced and referred to Committee on Judiciary.
March 16, 1979	Committee recommend bill be concurring in as amended. Report adopted.
March 19, 1979	Motion pass consideration.
March 20, 1979	Second reading, concurred in.
March 23, 1979	Third reading, concurred in as amended.

IN THE HOUSE

March 24, 1979	Returned from second house. Concurring in as amended.
March 26, 1979	On motion consideration passed until the 71st Legislative Day.
March 30, 1979	Second reading, amendments adopted.

March 31, 1979

Third reading, amendments  
adopted. Sent to enrolling.

Reported correctly enrolled.

1 House BILL NO. 712  
 2 INTRODUCED BY Crosby  
 3 BY REQUEST OF THE DEPARTMENT OF JUSTICE

4  
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE LAWS  
 6 RELATING TO THE FILING OF LIENS ON MOTOR VEHICLES; TO LIMIT  
 7 THE NUMBER OF LIENS WHICH MAY BE PERFECTED AGAINST ANY MOTOR  
 8 VEHICLE; TO INCREASE THE LIEN FILING FEE AND FEE FOR A COPY  
 9 OF A LIEN ON A TITLE TO \$5; AMENDING SECTIONS 61-3-103,  
 10 61-3-202, 61-3-303, AND 61-3-322, MCA."

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

12 Section 1. Section 61-3-103, MCA, is amended to read:  
 13 "61-3-103. Filing of ~~liens~~ security interests, rights,  
 14 procedure, fees. (1) No ~~chattel mortgage conditional sales~~  
 15 ~~contract lease or other lien on~~ security interest in a  
 16 motor vehicle shall be valid as against creditors,  
 17 subsequent purchasers or encumbrancers unless ~~and until such~~  
 18 ~~mortgage conditional sales contract lease or other lien~~  
 19 ~~the security agreement or other lien instrument that creates~~  
 20 ~~the security interest~~ or a true copy thereof certified by a  
 21 notary public has been filed with the division as  
 22 hereinafter provided in this section. The division shall not  
 23 file any ~~mortgage conditional sales contract lease or~~  
 24 ~~other lien~~ security agreement or other lien instrument

1 ~~unless such mortgage conditional sales contract lease or~~  
 2 ~~other lien it~~ is accompanied by the certificate of ownership  
 3 of such ~~the~~ vehicle encumbered, except in the sale of a new  
 4 motor vehicle by a duly licensed dealer, ~~and when such~~  
 5 ~~mortgage conditional sales contract lease or other lien~~  
 6 ~~or certified copy thereof is so presented for filing the~~ the  
 7 division shall file the ~~same~~ security agreement, lien  
 8 instrument, or its certified copy by entering upon its  
 9 records the name and address of the ~~mortgage conditional~~  
 10 ~~sales vendor lessor or other lienor~~ secured party together  
 11 with the amount of the ~~lien~~ security interest and shall ~~at~~  
 12 ~~the same time~~ endorse the same information upon the face of  
 13 the certificate of ownership, ~~withing~~ The division shall  
 14 mail a statement certifying to the filing of such mortgage  
 15 conditional sales contract lease or other lien a security  
 16 agreement or lien instrument to the mortgagee, vendor, or  
 17 other lienor secured party, and mail the certificate of  
 18 ownership to the owner at the address given on ~~said~~ the  
 19 certificate, ~~the~~ the owner being of a motor vehicle is the  
 20 person entitled to operate and possess such motor vehicle.

21 (2) No security agreement or lien instrument may be  
 22 filed by the division against a motor vehicle which is  
 23 subject to two security interests previously perfected by  
 24 filing under this section.

25 ~~(2)(1)~~ (1) Satisfactions or statements of release filed

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 INTRODUCED BILL

1 with the division under this chapter shall be retained by it  
 2 for a period of 8 years after receipt, after which they may  
 3 be destroyed. ~~Chattel mortgages, conditional sales~~  
 4 ~~contracts, leases, or other liens~~ Security agreements and  
 5 other lien instruments filed with the division, and all  
 6 renewals and assignments thereof, shall be retained by it  
 7 for a period of 8 years after the maturity date stated in  
 8 ~~such mortgage, conditional sales contract, lease, or other~~  
 9 ~~lien, the security agreement, lien instrument,~~ or renewal,  
 10 or if no maturity date is therein stated, for a period of 13  
 11 years after receipt, after which they may be destroyed.

12 ~~(3) From and after the filing of any mortgage,~~  
 13 ~~conditional sales contract, lease, or other lien, or copy~~  
 14 ~~thereof on any motor vehicle, as herein provided, then and~~  
 15 ~~in that event such mortgage, conditional sales contract,~~  
 16 ~~lease, or other lien shall be constructive notice of the~~  
 17 ~~mortgage, conditional sales contract, lease, or other lien~~  
 18 ~~and its contents to subsequent purchasers and encumbrancers.~~

19 (4) The filing of a security agreement or other lien  
 20 instrument or copy thereof as herein provided, perfects a  
 21 security interest which has attached under the document  
 22 filed. Filing of a security agreement or other lien  
 23 instrument constitutes constructive notice to subsequent  
 24 purchasers or encumbrancers, from the time of filing, of the  
 25 existence of the security interest created by the document

1 filed.

2 ~~(4)(5)~~ Upon default under a chattel mortgage or  
 3 conditional sales contract covering a motor vehicle the  
 4 mortgagee or vendor has the same remedies as in the case of  
 5 other personal property, except that the remedy of seizure  
 6 prescribed by 30-9-508 shall be available upon delivery to  
 7 the sheriff of the original instrument or a copy certified  
 8 by the division and such undertaking as may be required by  
 9 the sheriff. In case of attachment of motor vehicles all  
 10 the provisions of 27-18-413, 27-18-414, and 27-18-804 shall  
 11 be applicable except that deposits must be made with the  
 12 division.

13 ~~(5)(6) In the event any A conditional sales vendor or~~  
 14 ~~chattel mortgagee or assignee who fails to file a~~  
 15 ~~satisfaction of a chattel mortgage, assignment, or~~  
 16 ~~conditional sales contract within 15 days after receiving~~  
 17 ~~final payment on such mortgage, assignment, or conditional~~  
 18 ~~sales contract he shall be required to pay the division the~~  
 19 ~~sum of \$1 for each and every day thereafter that he fails to~~  
 20 ~~file such satisfaction.~~

21 ~~(5)(7)~~ Upon receipt of any liens, or notice of liens  
 22 dependent on possession, or attachments, etc., against the  
 23 record of any motor vehicle registered in this state, the  
 24 division shall within 24 hours mail to the owner,  
 25 conditional sale vendor, mortgagees, or assignees of any

1 thereof a notice showing the name and address of the lien  
2 claimant, amount of the lien, date of execution of lien, and  
3 in the case of attachment the full title of the court and  
4 the action and the name of the attorneys for the plaintiff  
5 and/or attaching creditor.

6 ~~77~~(B) It shall not be necessary to refile with the  
7 division any instruments on file in the offices of the  
8 county clerk and recorders at the time this law takes  
9 effect.

10 ~~87~~(9) A fee of ~~\$2~~ \$5 shall be paid to the division  
11 ~~upon and for filing to file~~ any ~~lien or lien instrument~~  
12 ~~security agreement or other lien instrument~~ against any a  
13 motor vehicle ~~and said fee of \$2 shall further~~ The \$5 fee  
14 shall include and cover the cost of filing a satisfaction or  
15 release of the ~~lien or lien instrument security interest~~ and  
16 also the cost of endorsing such satisfaction or release on  
17 the face of the certificate of ownership or and on the  
18 records of the division ~~or both~~. A fee of ~~\$2~~ \$5 shall be  
19 paid the division for issuing a certified copy of a ~~chattel~~  
20 ~~mortgage, conditional sales contract, or other lien or~~  
21 ~~instrument of encumbrance security agreement or other lien~~  
22 instrument on file in the office of the division, or for  
23 filing any an assignment of any instrument on file with the  
24 Division. All fees provided for in this section shall be  
25 deposited by the division in the motor vehicle recording

1 account of the earmarked revenue fund."

2 Section 2. Section 61-3-202, MCA, is amended to read:  
3 "61-3-202. Certificate of ownership -- contents --  
4 issuance. (1) Upon completion of the application for  
5 ~~registration certificate of ownership~~, on forms furnished by  
6 the division, the county treasurer shall forward one copy of  
7 the application to the division which shall cause to be  
8 entered the information contained in said application upon  
9 the corresponding records of its office and shall furnish  
10 the applicant a certificate of ownership subject to the  
11 provisions of 61-3-103.

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

14 (a) the date issued;

15 (b) the ~~registration~~ certificate of ownership number  
16 assigned to the owner and the vehicle;

17 (c) the name and complete address of the owner, or the  
18 names and addresses of joint owners;

19 (d) the name and complete address of any ~~conditional~~  
20 ~~sales vendor, and also the name and address of any other~~  
21 ~~lienor as shown by said application holder of a perfected~~  
22 security interest in the registered vehicle;

23 (e) a description of the registered vehicle including  
24 the year built and serial number ~~if any;~~

25 (f) the filing date of any lien against such motor

1 vehicle ~~and the amount due at the date of registration~~; and

2 (g) such other statement of facts as may be determined  
3 by the division.

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

9 (4) Upon receipt of the application the division shall  
10 make a recheck of the application and in the event that  
11 there is any error in the application it may be returned to  
12 the county treasurer to effectively secure the correction of  
13 such error, who shall return the same to the division.

14 (5) The certificate of ownership shall contain a form  
15 of notice to the division of a transfer of title or interest  
16 of the owner and such other statement on forms as may be  
17 determined by the division."

18 Section 3. Section 61-3-303, MCA, is amended to read:

19 "61-3-303. Application for registration. (1) Every  
20 owner of a motor vehicle operated or driven upon the public  
21 highways of this state shall for each motor vehicle owned,  
22 except as herein otherwise expressly provided, file or cause  
23 to be filed in the office of the county treasurer where the  
24 motor vehicle is owned or taxable an application for  
25 registration or reregistration upon a blank form to be

1 prepared and furnished by the division. The application  
2 shall contain:

3 (a) name and address of owner, giving county, school  
4 district, and town or city within whose corporate limits the  
5 motor vehicle is taxable;

6 (b) name and address of ~~conditional sales vendor,~~  
7 ~~mortgagee, or the~~ holder of other ~~lien against~~ any security  
8 interest in the motor vehicle, ~~with statement of amount~~  
9 ~~owing under such contract or lien;~~

10 (c) description of motor vehicle, including make, year  
11 model, engine or serial number, manufacturer's model or  
12 letter, gross weight, type of body, and if truck, the rated  
13 capacity;

14 (d) in case of reregistration, the license number for  
15 the preceding year; and

16 (e) such other information as the division may  
17 require.

18 (2) A person who files an application for registration  
19 or reregistration of a motor vehicle, except of a mobile  
20 home as defined in 15-1-101(1), shall upon the filing of the  
21 application:

22 (a) pay to the county treasurer the registration fee,  
23 as provided in 61-3-311 and 61-3-321; and

24 (b) pay the personal property taxes assessed on the  
25 new motor vehicle sales tax against the vehicle for the

1 current year of registration, unless the same shall have  
2 been theretofore paid for the year, before the application  
3 for registration or reregistration may be accepted by the  
4 county treasurer.

5 (3) The county treasurer may make full and complete  
6 investigation of the tax status of the vehicle. Any  
7 applicant for registration or reregistration must submit  
8 proof from the tax records of the proper county at the  
9 request of the county treasurer."

10 Section 4. Section 61-3-322, MCA, is amended to read:

11 "61-3-322. Certificates of registration -- issuance.

12 (1) Upon completion of the application for registration, on  
13 forms furnished by the division, the county treasurer shall  
14 issue to the applicant two copies of the application marked  
15 "Owner's Certificate of Registration and Tax Receipt", one  
16 of which shall be marked "file copy".

17 (2) The certificate of registration shall contain upon  
18 the face thereof ~~the information described in 61-3-202(2).~~

19 ~~(a) -- the date issued;~~

20 ~~(b) -- the registration number assigned to the owner and~~  
21 ~~the vehicle;~~

22 ~~(c) -- the name and complete address of the owner, or the~~  
23 ~~names and addresses of joint owners;~~

24 ~~(d) -- the name and complete address of any conditional~~  
25 ~~sales vendor, and also the name and address of any other~~

1 ~~lienor as shown by said application;~~

2 ~~(e) -- a description of the registered vehicle -- including~~  
3 ~~the year built and serial number, if any;~~

4 ~~(f) -- any lien against such motor vehicle and the amount~~  
5 ~~due at the date of registration; and~~

6 ~~(g) -- such other statement of facts as may be determined~~  
7 ~~by the division.~~

8 (3) Every owner, upon receiving a registration receipt  
9 shall write his signature thereon with pen and ink in the  
10 space provided. Every such registration receipt or a  
11 notarized photostatic copy thereof or a duplicate thereof  
12 furnished by the division shall at all times be carried in  
13 the vehicle to which it refers or shall be carried by the  
14 person driving or in control of such vehicle, who shall  
15 display the same upon demand of a police officer or any  
16 officer or employee of the division or the highway  
17 department.

18 (4) Upon receipt of application for registration, ~~in~~  
19 ~~quintuplicate,~~ and payment of license fees and taxes as herein  
20 provided, the county treasurer shall:

21 (a) file one copy of said application in his office;

22 (b) issue to the applicant two copies of the  
23 application entitled "Owner's Certificate of Registration  
24 and Tax Receipt" one of which shall be marked "file copy";  
25 and

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1 (c) forward one copy to the county clerk and recorder.

2 (5) The county treasurer shall daily forward to the  
3 division one copy of the application for registration.

4 (6) It shall not be necessary for the county  
5 treasurer, in said receipt, to segregate the amount of said  
6 taxes for state, county, school district, and municipal  
7 purposes."

8 NEW SECTION. Section 5. Saving clause. Nothing  
9 contained herein shall affect the perfected status of a  
10 security interest filed prior to [the effective date of this  
11 act]. The division shall endorse information regarding any  
12 security interest perfected prior to [the effective date of  
13 this act] upon the face of any certificate of ownership in  
14 the same manner as any other security interest.

-End-



1 House BILL NO. 712  
 2 INTRODUCED BY Casney  
 3 BY REQUEST OF THE DEPARTMENT OF JUSTICE

4  
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE LAWS  
 6 RELATING TO THE FILING OF LIENS ON MOTOR VEHICLES; TO LIMIT  
 7 THE NUMBER OF LIENS WHICH MAY BE PERFECTED AGAINST ANY MOTOR  
 8 VEHICLE; TO INCREASE THE LIEN FILING FEE AND FEE FOR A COPY  
 9 OF A LIEN ON A TITLE TO \$5; AMENDING SECTIONS 61-3-103,  
 10 61-3-202, 61-3-303, AND 61-3-322, MCA."

11  
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 13 Section 1. Section 61-3-103, MCA, is amended to read:  
 14 "61-3-103. Filing of ~~liens~~ security interests, rights,  
 15 procedure, fees. (1) No ~~chattel mortgage, conditional sales~~  
 16 ~~contract, lease or other lien on~~ security interest in a  
 17 motor vehicle shall be valid as against creditors,  
 18 subsequent purchasers or encumbrancers unless ~~and until~~ such  
 19 ~~mortgage, conditional sales contract, lease or other~~ lien  
 20 the security agreement or other lien instrument that creates  
 21 the security interest or a true copy thereof certified by a  
 22 notary public has been filed with the division as  
 23 hereinafter provided in this section. The division shall not  
 24 file any ~~mortgage, conditional sales contract, lease or~~  
 25 ~~other~~ lien security agreement or other lien instrument

1 unless ~~such mortgage, conditional sales contract, lease or~~  
 2 ~~other~~ lien ~~it~~ is accompanied by the certificate of ownership  
 3 of such ~~the~~ vehicle encumbered, except in the sale of a new  
 4 motor vehicle by a duly licensed dealer, ~~and when such~~  
 5 ~~mortgage, conditional sales contract, lease or other~~ lien  
 6 ~~or certified copy thereof is so presented for filing~~ the  
 7 division shall file the ~~same~~ security agreement, lien  
 8 instrument, or its certified copy by entering upon its  
 9 records the name and address of the ~~mortgage, conditional~~  
 10 ~~sales vendor, lessor, or other~~ lienor secured party together  
 11 with the amount of the lien security interest and shall ~~at~~  
 12 ~~the same time~~ endorse the same information upon the face of  
 13 the certificate of ownership, ~~and~~ the division shall  
 14 mail a statement certifying to the filing of such ~~mortgage~~  
 15 ~~conditional sales contract, lease or other~~ lien a security  
 16 agreement or lien instrument to the ~~mortgage vendor or~~  
 17 ~~other~~ lienor secured party, and mail the certificate of  
 18 ownership to the owner at the address given on said ~~the~~  
 19 certificate, ~~the~~ the owner being of a motor vehicle is the  
 20 person entitled to operate and possess such motor vehicle.  
 21 (2) No security agreement or lien instrument may be  
 22 filed by the division against a motor vehicle which is  
 23 subject to two security interests previously perfected by  
 24 filing under this section.  
 25 (2)(3) Satisfactions or statements of release filed

1 with the division under this chapter shall be retained by it  
 2 for a period of 8 years after receipt, after which they may  
 3 be destroyed. ~~Chattel mortgages, conditional sales~~  
 4 ~~contracts, leases, or other liens~~ Security agreements and  
 5 other lien instruments filed with the division, and all  
 6 renewals and assignments thereof, shall be retained by it  
 7 for a period of 8 years after the maturity date stated in  
 8 ~~such mortgage, conditional sales contract, lease, or other~~  
 9 ~~lien~~ the security agreement, lien instrument, or renewal,  
 10 or if no maturity date is therein stated, for a period of 13  
 11 years after receipt, after which they may be destroyed.

12 ~~(3) From and after the filing of any mortgage,~~  
 13 ~~conditional sales contract, lease, or other lien, or copy~~  
 14 ~~thereof on any motor vehicle, as herein provided, then and~~  
 15 ~~in that event such mortgage, conditional sales contract,~~  
 16 ~~lease, or other lien shall be constructive notice of the~~  
 17 ~~mortgage, conditional sales contract, lease, or other lien~~  
 18 ~~and its contents to subsequent purchasers and encumbrancers.~~

19 (4) The filing of a security agreement or other lien  
 20 instrument or copy thereof, as herein provided, perfects a  
 21 security interest which has attached under the document  
 22 filed. Filing of a security agreement or other lien  
 23 instrument constitutes constructive notice to subsequent  
 24 purchasers or encumbrancers, from the time of filing, of the  
 25 existence of the security interest created by the document

1 filed.

2 ~~(4)(5)~~ Upon default under a chattel mortgage or  
 3 conditional sales contract covering a motor vehicle the  
 4 mortgagee or vendor has the same remedies as in the case of  
 5 other personal property, except that the remedy of seizure  
 6 prescribed by 30-9-508 shall be available upon delivery to  
 7 the sheriff of the original instrument or a copy certified  
 8 by the division and such undertaking as may be required by  
 9 the sheriff. In case of attachment of motor vehicles all  
 10 the provisions of 27-18-413, 27-18-414, and 27-18-804 shall  
 11 be applicable except that deposits must be made with the  
 12 division.

13 ~~(5)(6)~~ In the event any A conditional sales vendor or  
 14 chattel mortgagee or assignee who fails to file a  
 15 satisfaction of a chattel mortgage, assignment, or  
 16 conditional sales contract within 15 days after receiving  
 17 final payment ~~on such mortgage, assignment, or conditional~~  
 18 ~~sales contract~~ he shall be required to pay the division the  
 19 sum of \$1 for each ~~and every~~ day thereafter that he fails to  
 20 file such satisfaction.

21 ~~(6)(7)~~ Upon receipt of any liens, or notice of liens  
 22 dependent on possession, or attachments, etc., against the  
 23 record of any motor vehicle registered in this state, the  
 24 division shall within 24 hours mail to the owner,  
 25 conditional sale vendor, mortgagees, or assignees of any

1 thereof a notice showing the name and address of the lien  
2 claimant, amount of the lien, date of execution of lien, and  
3 in the case of attachment the full title of the court and  
4 the action and the name of the attorneys for the plaintiff  
5 and/or attaching creditor.

6 ~~(7)(8)~~ It shall not be necessary to refile with the  
7 division any instruments on file in the offices of the  
8 county clerk and recorders at the time this law takes  
9 effect.

10 ~~(8)(9)~~ A fee of \$2 ~~15~~ shall be paid to the division  
11 ~~upon-and-for-filing to file any lien-or--lien--instrument~~  
12 ~~security agreement or other lien instrument~~ against any a  
13 motor vehicle ~~and said fee of \$2 shall further the \$5 fee~~  
14 shall include and cover the cost of filing a satisfaction or  
15 release of the ~~lien-or--lien--instrument~~ security interest and  
16 also the cost of endorsing such satisfaction or release on  
17 the face of the certificate of ownership or and on the  
18 records of the division ~~or-both~~. A fee of \$2 ~~15~~ shall be  
19 paid the division for issuing a certified copy of a ~~chattel~~  
20 ~~mortgage--conditional--sales--contract--or--other--lien--or~~  
21 ~~instrument-of-encumbrance~~ security agreement or other lien  
22 instrument on file in the office of the division, or for  
23 filing any an assignment of any instrument on file with the  
24 division. All fees provided for in this section shall be  
25 deposited by the division in the motor vehicle recording

1 account of the earmarked revenue fund."

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

3 "61-3-202. Certificate of ownership -- contents --  
4 issuance. (1) Upon completion of the application for  
5 registration certificate of ownership, on forms furnished by  
6 the division, the county treasurer shall forward one copy of  
7 the application to the division which shall cause to be  
8 entered the information contained in said application upon  
9 the corresponding records of its office and shall furnish  
10 the applicant a certificate of ownership subject to the  
11 provisions of 61-3-103.

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

14 (a) the date issued;

15 (b) the registration certificate of ownership number  
16 assigned to the owner and the vehicle;

17 (c) the name and complete address of the owner, or the  
18 names and addresses of joint owners;

19 (d) the name and complete address of any conditioned  
20 sales-vendor--and--also--the--name--and--address--of--any--other  
21 liener--as--shown--by--said--application--holder--of--a--perfected  
22 security interest in the registered vehicle;

23 (e) a description of the registered vehicle including  
24 the year built and serial number, ~~if any~~;

25 (f) the filing date of any lien against such motor

1 vehicle ~~and the amount due at the date of registration~~; and  
 2 (g) such other statement of facts as may be determined  
 3 by the division.

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

9 (4) Upon receipt of the application the division shall  
 10 make a recheck of the application and in the event that  
 11 there is any error in the application it may be returned to  
 12 the county treasurer to effectively secure the correction of  
 13 such error, who shall return the same to the division.

14 (5) The certificate of ownership shall contain a form  
 15 of notice to the division of a transfer of title or interest  
 16 of the owner and such other statement on forms as may be  
 17 determined by the division."

18 Section 3. Section 61-3-303, MCA, is amended to read:

19 "61-3-303. Application for registration. (1) Every  
 20 owner of a motor vehicle operated or driven upon the public  
 21 highways of this state shall for each motor vehicle owned,  
 22 except as herein otherwise expressly provided, file or cause  
 23 to be filed in the office of the county treasurer where the  
 24 motor vehicle is owned or taxable an application for  
 25 registration or reregistration upon a blank form to be

1 prepared and furnished by the division. The application  
 2 shall contain:

3 (a) name and address of owner, giving county, school  
 4 district, and town or city within whose corporate limits the  
 5 motor vehicle is taxable;

6 (b) name and address of conditional ~~sales~~ vendor,  
 7 mortgagee, ~~or the~~ holder of other ~~lien~~ against any security  
 8 interest in the motor vehicle, ~~with statement of amount~~  
 9 ~~owing under such contract or lien~~;

10 (c) description of motor vehicle, including make, year  
 11 model, engine or serial number, manufacturer's model or  
 12 letter, gross weight, type of body, and if truck, the rated  
 13 capacity;

14 (d) in case of reregistration, the license number for  
 15 the preceding year; and

16 (e) such other information as the division may  
 17 require.

18 (2) A person who files an application for registration  
 19 or reregistration of a motor vehicle, except of a mobile  
 20 home as defined in 15-1-101(1), shall upon the filing of the  
 21 application:

22 (a) pay to the county treasurer the registration fee,  
 23 as provided in 61-3-311 and 61-3-321; and

24 (b) pay the personal property taxes assessed or the  
 25 new motor vehicle sales tax against the vehicle for the

1 current year of registration, unless the same shall have  
2 been theretofore paid for the year, before the application  
3 for registration or reregistration may be accepted by the  
4 county treasurer.

5 (3) The county treasurer may make full and complete  
6 investigation of the tax status of the vehicle. Any  
7 applicant for registration or reregistration must submit  
8 proof from the tax records of the proper county at the  
9 request of the county treasurer."

10 Section 4. Section 61-3-322, MCA, is amended to read:

11 "61-3-322. Certificates of registration — issuance.

12 (1) Upon completion of the application for registration, on  
13 forms furnished by the division, the county treasurer shall  
14 issue to the applicant two copies of the application marked  
15 "Owner's Certificate of Registration and Tax Receipt", one  
16 of which shall be marked "file copy".

17 (2) The certificate of registration shall contain upon  
18 the face thereof ~~the information described in 61-3-202(2).~~

19 ~~(a) the date issued;~~

20 ~~(b) the registration number assigned to the owner and  
21 the vehicle;~~

22 ~~(c) the name and complete address of the owner, or the  
23 names and addresses of joint owners;~~

24 ~~(d) the name and complete address of any conditional  
25 sales vendor, and also the name and address of any other~~

1 ~~liens as shown by said application;~~

2 ~~(e) a description of the registered vehicle including  
3 the year built and serial number, if any;~~

4 ~~(f) any lien against such motor vehicle and the amount  
5 due at the date of registration; and~~

6 ~~(g) such other statement of facts as may be determined  
7 by the division.~~

8 (3) Every owner, upon receiving a registration receipt  
9 shall write his signature thereon with pen and ink in the  
10 space provided. Every such registration receipt or a  
11 notarized photostatic copy thereof or a duplicate thereof  
12 furnished by the division shall at all times be carried in  
13 the vehicle to which it refers or shall be carried by the  
14 person driving or in control of such vehicle, who shall  
15 display the same upon demand of a police officer or any  
16 officer or employee of the division or the highway  
17 department.

18 (4) Upon receipt of application for registration ~~in~~  
19 ~~quintuplet~~, and payment of license fees and taxes as herein  
20 provided, the county treasurer shall:

21 (a) file one copy of said application in his office;

22 (b) issue to the applicant two copies of the  
23 application entitled "Owner's Certificate of Registration  
24 and Tax Receipt" one of which shall be marked "file copy";  
25 and

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1 (c) forward one copy to the county clerk and recorder.

2 (5) The county treasurer shall daily forward to the  
3 division one copy of the application for registration.

4 (6) It shall not be necessary for the county  
5 treasurer, in said receipt, to segregate the amount of said  
6 taxes for state, county, school district, and municipal  
7 purposes."

8 NEW SECTION. Section 5. Saving clause. Nothing  
9 contained herein shall affect the perfected status of a  
10 security interest filed prior to [the effective date of this  
11 act]. The division shall endorse information regarding any  
12 security interest perfected prior to [the effective date of  
13 this act] upon the face of any certificate of ownership in  
14 the same manner as any other security interest.

-End-

1 HOUSE BILL NO. 712  
 2 INTRODUCED BY COONEY  
 3 BY REQUEST OF THE DEPARTMENT OF JUSTICE  
 4  
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE LAWS  
 6 RELATING TO THE FILING OF LIENS ON MOTOR VEHICLES; TO LIMIT  
 7 THE NUMBER OF LIENS WHICH MAY BE PERFECTED AGAINST ANY MOTOR  
 8 VEHICLE MUST BE ENDORSED IN DETAIL ON THE FACE OF THE  
 9 CERTIFICATE OF OWNERSHIP; TO INCREASE THE LIEN FILING FEE  
 10 AND FEE FOR A COPY OF A LIEN ON A TITLE TO \$5 13; AMENDING  
 11 SECTIONS 61-3-103, 61-3-104, 61-3-202, 61-3-303, AND  
 12 61-3-322, MCA."

13  
 14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 15 Section 1. Section 61-3-103, MCA, is amended to read:  
 16 "61-3-103. Filing of liens security interests, rights,  
 17 procedure, fees. (1) No chattel ~~mortgage~~-~~conditional~~-~~sales~~  
 18 ~~contract~~-~~lease~~-~~or~~-~~other~~-~~lien~~-~~on~~ security interest in a  
 19 motor vehicle shall be valid as against creditors,  
 20 subsequent purchasers or encumbrancers unless ~~and~~-~~until~~-~~such~~  
 21 ~~mortgage~~-~~conditional~~-~~sales~~-~~contract~~-~~lease~~-~~or~~-~~other~~-~~lien~~  
 22 the security agreement or other lien instrument that creates  
 23 the security interest or a true copy thereof certified by a  
 24 notary public has been filed with the division as  
 25 hereinafter provided in this section. The division shall not

1 file any ~~mortgage~~-~~conditional~~-~~sales~~-~~contract~~-~~lease~~-~~or~~  
 2 ~~other~~-~~lien~~ security agreement or other lien instrument  
 3 unless such ~~mortgage~~-~~conditional~~-~~sales~~-~~contract~~-~~lease~~-~~or~~  
 4 ~~other~~-~~lien~~ it is accompanied by the certificate of ownership  
 5 of such ~~the~~ vehicle ~~encumbered~~, except in the sale of a new  
 6 motor vehicle by a duly licensed dealer ~~and when such~~  
 7 ~~mortgage~~-~~conditional~~-~~sales~~-~~contract~~-~~lease~~-~~or~~-~~other~~-~~lien~~  
 8 ~~or certified copy thereof is so presented for filing the~~ ~~the~~  
 9 division shall file the ~~same~~ security agreement, lien  
 10 instrument, or its certified copy by entering upon its  
 11 records the name and address of the ~~mortgage~~-~~conditional~~-  
 12 ~~sales~~-~~vendor~~-~~lessor~~-~~or~~-~~other~~-~~lien~~or secured party together  
 13 with the amount of the ~~lien~~ security interest and, EXCEPT AS  
 14 PROVIDED IN SUBSECTION (2), shall at the same time endorse  
 15 the same information upon the face of the certificate of  
 16 ownership ~~and~~-~~mailing~~-~~the~~ ~~the~~ division shall mail a statement  
 17 certifying to the filing of such ~~mortgage~~-~~conditional~~-~~sales~~  
 18 ~~contract~~-~~lease~~-~~or~~-~~other~~-~~lien~~ a security agreement or lien  
 19 instrument to the ~~mortgage~~-~~vendor~~-~~or~~-~~other~~-~~lien~~or secured  
 20 party, and mail the certificate of ownership to the owner at  
 21 the address given on said ~~the~~ certificate, the ~~the~~ owner  
 22 being of a motor vehicle is the person entitled to operate  
 23 and possess such motor vehicle.  
 24 (2) ~~No security agreement or lien instrument may be~~  
 25 ~~filed by the division against a motor vehicle which is~~

1 ~~subject to two security interests previously perfected by~~  
 2 ~~filing under this section.~~ WHENEVER A SECURITY AGREEMENT OR  
 3 LIEN INSTRUMENT IS FILED AGAINST A MOTOR VEHICLE THAT IS  
 4 SUBJECT TO TWO SECURITY INTERESTS PREVIOUSLY PERFECTED BY  
 5 FILING UNDER THIS SECTION, THE DIVISION SHALL ENDORSE ON THE  
 6 FACE OF THE CERTIFICATE OF OWNERSHIP, "NOTICE, THIS MOTOR  
 7 VEHICLE IS SUBJECT TO ADDITIONAL SECURITY INTERESTS ON FILE  
 8 WITH THE DIVISION OF MOTOR VEHICLES." NO OTHER INFORMATION  
 9 REGARDING SUCH ADDITIONAL SECURITY INTERESTS NEED BE  
 10 ENDORSED ON THE CERTIFICATE.

11 ~~(2)(3)~~ Satisfactions or statements of release filed  
 12 with the division under this chapter shall be retained by it  
 13 for a period of 8 years after receipt, after which they may  
 14 be destroyed. ~~Chattel mortgages, conditional sales~~  
 15 ~~contracts, leases, or other liens~~ Security agreements and  
 16 other lien instruments filed with the division, and all  
 17 renewals and assignments thereof, shall be retained by it  
 18 for a period of 8 years after the maturity date stated in  
 19 such ~~mortgage, conditional sales contract, lease, or other~~  
 20 ~~lien, the security agreement, lien instrument, or renewal,~~  
 21 or if no maturity date is therein stated, for a period of 13  
 22 years after receipt, after which they may be destroyed.

23 ~~(3) From and after the filing of any mortgage~~  
 24 ~~conditional sales contract, lease, or other lien, or copy~~  
 25 ~~thereof on any motor vehicle as herein provided, then and~~

1 in that event such mortgage, conditional sales contract,  
 2 lease, or other lien shall be constructive notice of the  
 3 mortgage, conditional sales contract, lease, or other lien  
 4 and its contents to subsequent purchasers and encumbrancers.

5 (4) The filing of a security agreement or other lien  
 6 instrument or copy thereof as herein provided, perfects a  
 7 security interest which has attached under the document  
 8 filed. Filing of a security agreement or other lien  
 9 instrument constitutes constructive notice to subsequent  
 10 purchasers or encumbrancers, from the time of filing, of the  
 11 existence of the security interest created by the document  
 12 filed.

13 (4)(5) Upon default under a chattel mortgage or  
 14 conditional sales contract covering a motor vehicle the  
 15 mortgagee or vendor has the same remedies as in the case of  
 16 other personal property, except that the remedy of seizure  
 17 prescribed by 30-9-508 shall be available upon delivery to  
 18 the sheriff of the original instrument or a copy certified  
 19 by the division and such undertaking as may be required by  
 20 the sheriff. In case of attachment of motor vehicles all  
 21 the provisions of 27-18-413, 27-18-414, and 27-18-804 shall  
 22 be applicable except that deposits must be made with the  
 23 division.

24 (5)(6) In the event any A conditional sales vendor or  
 25 chattel mortgagee or assignee who fails to file a



1 satisfaction of a chattel mortgage, assignment, or  
 2 conditional sales contract within 15 days after receiving  
 3 final payment ~~on such mortgage assignment or conditional~~  
 4 ~~sales contract~~ he shall be required to pay the division the  
 5 sum of \$1 for each ~~and every~~ day thereafter that he fails to  
 6 file such satisfaction.

7 ~~(6)(7)~~ Upon receipt of any liens, or notice of liens  
 8 dependent on possession, or attachments, etc., against the  
 9 record of any motor vehicle registered in this state, the  
 10 division shall within 24 hours mail to the owner,  
 11 conditional sale vendor, mortgagees, or assignees of any  
 12 thereof a notice showing the name and address of the lien  
 13 claimant, amount of the lien, date of execution of lien, and  
 14 in the case of attachment the full title of the court and  
 15 the action and the name of the attorneys for the plaintiff  
 16 and/or attaching creditor.

17 ~~(7)(8)~~ It shall not be necessary to refile with the  
 18 division any instruments on file in the offices of the  
 19 county clerk and recorders at the time this law takes  
 20 effect.

21 ~~(8)(9)~~ A fee of ~~\$2 \$5 \$3~~ shall be paid to the division  
 22 ~~upon and for filing to file~~ any ~~lien or lien instrument~~  
 23 ~~security agreement or other lien instrument~~ against any a  
 24 motor vehicle ~~and said fee of \$2 shall further be~~ ~~\$5 \$3~~  
 25 ~~fee shall~~ include and cover the cost of filing a

1 satisfaction or release of the ~~lien or lien instrument~~  
 2 ~~security interest~~ and also the cost of endorsing ~~ENTERING~~  
 3 such satisfaction or release on the ~~face of the certificate~~  
 4 ~~of ownership or and on~~ the records of the division or both  
 5 ~~AND DELETING THE ENDORSEMENT OF THE SECURITY INTEREST FROM~~  
 6 ~~THE FACE OF THE CERTIFICATE OF OWNERSHIP.~~ A fee of ~~\$2 \$5 \$3~~  
 7 shall be paid the division for issuing a certified copy of a  
 8 ~~chattel mortgage conditional sales contract or other lien~~  
 9 ~~or instrument of encumbrance security agreement or other~~  
 10 ~~lien instrument~~ on file in the office of the division, or  
 11 for filing any ~~an~~ assignment of any instrument on file with  
 12 the division. All fees provided for in this section shall be  
 13 deposited by the division in the ~~motor vehicle recording~~  
 14 ~~account of the~~ earmarked revenue fund."

15 SECTION 2. SECTION 61-3-104, MCA, IS AMENDED TO READ:

16 "61-3-104. Parts of motor vehicle subject to security  
 17 interest. Tires, casings, and/or tubes mounted on a motor  
 18 vehicle are an integral and component part of said motor  
 19 vehicle and any tire, casing, and/or tube placed thereon is  
 20 subject to any conditional sales contract, mortgage, lease,  
 21 or other lien on said motor vehicle in the order of filing  
 22 with the division ~~and endorsement on the certificate of~~  
 23 ownership."

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

25 "61-3-202. Certificate of ownership -- contents --

1 issuance. (1) Upon completion of the application for  
 2 ~~registration certificate of ownership~~, on forms furnished by  
 3 the division, the county treasurer shall forward one copy of  
 4 the application to the division which shall cause to be  
 5 entered the information contained in said application upon  
 6 the corresponding records of its office and shall furnish  
 7 the applicant a certificate of ownership subject to the  
 8 provisions of 61-3-103.

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

11 (a) the date issued;

12 (b) the ~~registration certificate of ownership~~ number  
 13 assigned to the owner and the vehicle;

14 (c) the name and complete address of the owner, or the  
 15 names and addresses of joint owners;

16 (d) ~~EXCEPT AS PROVIDED IN 61-3-103(2),~~ the name and  
 17 complete address of any conditional sales vendor, and also  
 18 ~~the name and address of any other lienor as shown by said~~  
 19 ~~application holder of a perfected security interest in the~~  
 20 ~~registered vehicle;~~

21 (e) a description of the registered vehicle including  
 22 the year built and serial number, if any;

23 (f) ~~EXCEPT AS PROVIDED IN 61-3-103(2),~~ the filing date  
 24 of any lien against such motor vehicle and the amount due at  
 25 the date of registration; and

1 (g) such other statement of facts as may be determined  
 2 by the division.

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

8 (4) Upon receipt of the application the division shall  
 9 make a recheck of the application and in the event that  
 10 there is any error in the application it may be returned to  
 11 the county treasurer to effectively secure the correction of  
 12 such error, who shall return the same to the division.

13 (5) The certificate of ownership shall contain a form  
 14 of notice to the division of a transfer of title or interest  
 15 of the owner and such other statement on forms as may be  
 16 determined by the division."

17 Section 4. Section 61-3-303, MCA, is amended to read:

18 "61-3-303. Application for registration. (1) Every  
 19 owner of a motor vehicle operated or driven upon the public  
 20 highways of this state shall for each motor vehicle owned,  
 21 except as herein otherwise expressly provided, file or cause  
 22 to be filed in the office of the county treasurer where the  
 23 motor vehicle is owned or taxable an application for  
 24 registration or reregistration upon a blank form to be  
 25 prepared and furnished by the division. The application

1 shall contain:

2 (a) name and address of owner, giving county, school  
3 district, and town or city within whose corporate limits the  
4 motor vehicle is taxable;

5 (b) name and address of ~~conditional sales vendor~~  
6 ~~mortgagee or the holder of other lien against any security~~  
7 ~~interest in the motor vehicle, with statement of amount~~  
8 ~~owing under such contract or lien;~~

9 (c) description of motor vehicle, including make, year  
10 model, engine or serial number, manufacturer's model or  
11 letter, gross weight, type of body, and if truck, the rated  
12 capacity;

13 (d) in case of reregistration, the license number for  
14 the preceding year; and

15 (e) such other information as the division may  
16 require.

17 (2) A person who files an application for registration  
18 or reregistration of a motor vehicle, except of a mobile  
19 home as defined in 15-1-101(1), shall upon the filing of the  
20 application:

21 (a) pay to the county treasurer the registration fee,  
22 as provided in 61-3-311 and 61-3-321; and

23 (b) pay the personal property taxes assessed on the  
24 new motor vehicle sales tax against the vehicle for the  
25 current year of registration, unless the same shall have

1 been theretofore paid for the year, before the application  
2 for registration or reregistration may be accepted by the  
3 county treasurer.

4 (3) The county treasurer may make full and complete  
5 investigation of the tax status of the vehicle. Any  
6 applicant for registration or reregistration must submit  
7 proof from the tax records of the proper county at the  
8 request of the county treasurer."

9 Section 5. Section 61-3-322, MCA, is amended to read:

10 "61-3-322. Certificates of registration -- issuance.

11 (1) Upon completion of the application for registration, on  
12 forms furnished by the division, the county treasurer shall  
13 issue to the applicant two copies of the application marked  
14 "Owner's Certificate of Registration and Tax Receipt", one  
15 of which shall be marked "file copy".

16 (2) The certificate of registration shall contain upon  
17 the face thereof ~~the information described in 61-3-202(2),~~

18 ~~(a) the date issued;~~

19 ~~(b) the registration number assigned to the owner and~~  
20 ~~the vehicle;~~

21 ~~(c) the name and complete address of the owner, or the~~  
22 ~~names and addresses of joint owners;~~

23 ~~(d) the name and complete address of any conditional~~  
24 ~~sales vendor, and also the name and address of any other~~  
25 ~~lienor as shown by said application;~~

1        ~~(e) -- a description of the registered vehicle including~~  
 2        ~~the year built and serial numbers, if any;~~  
 3        ~~(f) -- any lien against such motor vehicle and the amount~~  
 4        ~~due at the date of registration; and~~  
 5        ~~(g) -- such other statement of facts as may be determined~~  
 6        ~~by the division.~~

7        (3) Every owner, upon receiving a registration receipt  
 8        shall write his signature thereon with pen and ink in the  
 9        space provided. Every such registration receipt or a  
 10       notarized photostatic copy thereof or a duplicate thereof  
 11       furnished by the division shall at all times be carried in  
 12       the vehicle to which it refers or shall be carried by the  
 13       person driving or in control of such vehicle, who shall  
 14       display the same upon demand of a police officer or any  
 15       officer or employee of the division or the highway  
 16       department.

17       (4) Upon receipt of application for registration ~~and~~  
 18       ~~payment of license fees and taxes as herein~~  
 19       provided, the county treasurer shall:

- 20       (a) file one copy of said application in his office;
- 21       (b) issue to the applicant two copies of the
- 22       application entitled "Owner's Certificate of Registration
- 23       and Tax Receipt" one of which shall be marked "file copy";
- 24       and
- 25       (c) forward one copy to the county clerk and recorder.

1        (5) The county treasurer shall daily forward to the  
 2        division one copy of the application for registration.

3        (6) It shall not be necessary for the county  
 4        treasurer, in said receipt, to segregate the amount of said  
 5        taxes for state, county, school district, and municipal  
 6        purposes."

7        NEW SECTION. Section 6. Saving clause. Nothing  
 8        contained herein shall affect the perfected status of a  
 9        security interest filed prior to [the effective date of this  
 10       act]. The division shall endorse information regarding any  
 11       security interest perfected prior to [the effective date of  
 12       this act] upon the face of any certificate of ownership in  
 13       the same manner as any other security interest.

-End-

March 15, 1979

SENATE STANDING COMMITTEE REPORT  
(Judiciary)

That House Bill No. 712, third reading bill, be amended as follows:

1. Title, lines 7 and 8.

Following: "WHICH" on line 7

Strike: "MAY BE PERFECTED AGAINST ANY MOTOR VEHICLE"

Insert: "MUST BE ENDORSED IN DETAIL ON THE FACE OF THE  
CERTIFICATE OF OWNERSHIP"

2. Title, line 9.

Following: "TO"

Strike: "\$5"

Insert: "\$3"

Following: "61-3-103,"

Insert: "61-3-104,"

3. Page 2, line 11.

Following: "and"

Insert: ", except as provided in subsection (2),"

4. Page 2, lines 21 through 24.

Following: "(2)" on line 21

Strike: remainder of line 21 through "section" on line 24

Insert: "Whenever a security agreement or lien instrument is  
filed against a motor vehicle that is subject to two security  
interests previously perfected by filing under this section,  
the division shall endorse on the face of the certificate of  
ownership, "NOTICE. This motor vehicle is subject to additional  
security interests on file with the Division of Motor Vehicles."  
No other information regarding such additional security interests  
need be endorsed on the certificate."

5. Page 5, line 10.

Following: "62"

Strike: "\$5"

Insert: "\$3"

6. Page 5, line 13.

Following: "The"

Strike: "\$5"

Insert: "\$3"

7. Page 5, line 16.

Following: "of"

Strike: "endorsing"

Insert: "entering"

8. Page 5, line 17.

Strike: "the face of the certificate of ownership ~~or~~ and on"

9. Page 5, line 18.

Following: "both"

Insert: "and deleting the endorsement of the security interest  
from the face of the certificate of ownership"

Following: "§2"

Strike: "\$5"

Insert: "\$3"

10. Page 6.

Following: line 1

Insert: "Section 2. Section 61-3-104, MCA, IS AMENDED TO READ:

"61-3-104. Parts of motor vehicle subject to security interest.  
Tires, casings, and/or tubes mounted on a motor vehicle are an  
integral and component part of said motor vehicle and any tire,  
casing, and/or tube placed thereon is subject to any conditional  
sales contract, mortgage, lease, or other lien on said motor  
vehicle in the order of filing with the division ~~and-endorsement  
on-the-certificate-of-ownership.~~"

Renumber: subsequent sections

11. Page 6, line 19.

Following: "(d)"

Insert: "except as provided in 61-3-103(2),"

12. Page 6, line 25.

Following: "(f)"

Insert: "except as provided in 61-3-103(2),"