

SENATE BILL NO. 466

INTRODUCED BY GRAHAM

IN THE SENATE

February 13, 1981	Introduced and referred to Committee on Taxation.
	Fiscal note requested.
February 19, 1981	Fiscal note returned.
March 23, 1981	Committee recommend bill do pass as amended. Report adopted.
March 24, 1981	Bill printed and placed on members' desks.
March 25, 1981	Second reading, do pass.
March 26, 1981	Correctly engrossed.
March 27, 1981	Third reading, passed. Ayes, 50; Noes, 0. Transmitted to House.

IN THE HOUSE

March 30, 1981	Introduced and referred to Committee on Taxation.
April 8, 1981	Committee recommend bill be concurrent in. Report adopted.
April 9, 1981	Second reading, concurred in.
	On motion rules suspended and bill placed on third reading this day.
	Third reading, concurred in. Ayes, 92; Noes, 1.

IN THE SENATE

April 10, 1981

Returned from House. Con-  
curred in. Sent to enrolling.

Reported correctly enrolled.

1 *Sen. Smith* BILL NO. 466  
2 INTRODUCED BY *Sen. Smith* \_\_\_\_\_  
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE MOTOR  
5 VEHICLE DEALER LAWS BY CHANGING THE FEES; REVISING  
6 DISTRIBUTION OF DEALER PLATES; PROVIDING FOR DEMONSTRATOR  
7 PLATES AND USES; PROVIDING FOR RECREATIONAL VEHICLE DEALER  
8 LICENSING; AND AMENDING SECTIONS 61-4-101 THROUGH 61-4-103,  
9 MCA."

10  
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 NEW SECTION. Section 1. Recreational vehicle. The  
13 term "recreational vehicle" as used in 61-4-101 through  
14 61-4-105 includes travel trailers as defined in 61-1-131,  
15 motor homes as defined in 61-1-130, and other self-propelled  
16 vehicles originally designed or permanently altered to  
17 provide temporary facilities for recreational, travel, or  
18 camping use.

19 Section 2. Section 61-4-101, MCA, is amended to read:

20 "61-4-101. Application for dealer's license. (1) Every  
21 person, firm, corporation, or association which, for  
22 commission or profit, engages in the business of buying,  
23 selling, exchanging, or acting as a broker of new motor  
24 vehicles, recreational vehicles, used motor vehicles,  
25 trailers (except trailers having an unloaded weight of less

1 than 500 pounds), semitrailers, or special mobile equipment  
2 as defined in 61-1-104 shall file, by mail or otherwise, in  
3 the office of the division a verified application for  
4 licensure as a dealer, on a blank to be furnished by the  
5 division for that purpose and containing the information  
6 required. The application and all of the information  
7 contained in it shall be verified by the Montana highway  
8 patrol. Each application must be accompanied by the license  
9 fee hereinafter specified. A dealer's license must be  
10 renewed and paid for annually, and an application for  
11 relicensure must be filed not later than January 1 of each  
12 year. If an application for ~~renewal~~ renewal of a license has  
13 been received by the division prior to the expiration of the  
14 license, the dealer may operate his business and display  
15 dealer plates under the expired license between January 1  
16 and February 15 following expiration.

17 (2) To qualify for licensure and the issuance and use  
18 of "D", "UD", "BY", "DTR", or "MCD" plates as hereinafter  
19 provided, the applicant must furnish the following  
20 information and qualify under the following provisions:

21 (a) To qualify as a new motor vehicle dealer and for  
22 the use of "D" plates, the applicant must:

23 (i) state the name under which the business is to be  
24 conducted and the location of the premises (street address,  
25 city, county, and state) where records are kept, sales are

1 made, and stock of motor vehicles is displayed;

2 (ii) state the name and address of all owners or  
3 persons having an interest in the business, provided that in  
4 the case of a corporation, the names and addresses of the  
5 president and secretary are sufficient;

6 (iii) state the name and make of all motor vehicles  
7 handled and the name and address of the manufacturer,  
8 importer, or distributor with whom the applicant has a  
9 written new motor vehicle franchise or sales agreement;

10 (iv) execute a certificate to the effect that the  
11 applicant has a permanent building for the display and sale  
12 of new motor vehicles at the location of the premises where  
13 sales are conducted;

14 (v) execute a certificate to the effect that the  
15 applicant has a bona fide service department for the repair,  
16 service, and maintenance of motor vehicles; and

17 (vi) execute a certificate to the effect that the  
18 applicant is a bona fide dealer in new motor vehicles and  
19 that he is recognized by a manufacturer, importer, or  
20 distributor as a dealer in new motor vehicles.

21 (b) To qualify as a used motor vehicle dealer and for  
22 the use of "UD" plates or as a recreational vehicle,  
23 trailer, semitrailer, or special mobile equipment dealer and  
24 for the use of "DTR" plates or as a motorcycle dealer and  
25 for the use of "MCD" plates, the applicant must, in addition

1 to the matters set forth in subsections (i) and (ii) of  
2 subsection (2)(a) above, provide:

3 (i) a statement that the applicant has a building or  
4 lot and a sign readable at a minimum distance of 150 feet  
5 and indicating the firm name and headquarters as the  
6 principal place of business; and

7 (ii) a certificate to the effect that the applicant is  
8 a bona fide dealer in used motor vehicles, recreational  
9 vehicles, trailers, semitrailers, special mobile equipment,  
10 or motorcycles. An applicant for a recreational vehicle  
11 dealer license must also indicate on the same certificate  
12 that he is recognized by a manufacturer, importer, or  
13 distributor as a dealer in recreational vehicles.

14 (c) To qualify for a used motor vehicle dealer's  
15 license, a person must submit an annual application for that  
16 license and comply with the provisions of 61-4-102(5) in  
17 addition to fulfilling the requirements of subsection (2)(b)  
18 above.

19 (d) The provisions of subsection (2)(c) above do not  
20 apply to an applicant who is licensed as a motor vehicle  
21 wrecking facility under the provisions of Title 75, chapter  
22 10, part 5.

23 (3) The applicant for a dealer's license shall also  
24 file with his application a good and sufficient bond in the  
25 sum of \$5,000, and the bond shall be conditioned that the

1 applicant shall conduct his business in accordance with the  
2 requirements of the law. All bonds shall run to the state of  
3 Montana and shall be approved by the division and filed in  
4 its office and shall be renewed annually."

5 Section 3. Section 61-4-102, MCA, is amended to read:

6 "61-4-102. Fees. (1) Upon making such application, the  
7 applicant shall pay to the division, in addition to the fees  
8 required of dealers under the provisions of subsection (2),  
9 a fee of \$5. Upon receipt of the application, fee, and bond,  
10 as provided above, the division shall examine the  
11 application, and may, prior to issuing a license, make  
12 individual investigation of the truth of the statements  
13 contained in the application. If the division is satisfied  
14 that the applicant qualifies for the issuance of a dealer's  
15 license under the provisions of this chapter, it may  
16 thereupon issue the same.

17 (2) Registration or license fees shall be paid upon  
18 registration or reregistration of dealers in motor  
19 vehicles, recreational vehicles, or trailers as follows:

20 (a) (i) all dealers in motor vehicles and recreational  
21 vehicles, a fee of \$45 ~~\$25~~, which shall entitle such dealer  
22 to two-sets ~~one set~~ of number plates, and \$5 ~~\$25~~ additional  
23 fee for each additional set of number plates ~~up-to-six-sets,~~  
24 ~~and--\$2--additional--fee--for--each--additional--set--of--number~~  
25 plates,~~as-may-be-applied-for,~~ subject to the following

1 limitations on the number of additional sets allowed a  
2 dealer:

3 (A) 5% of the first 100 vehicle sales for the previous  
4 year; plus

5 (B) 3% of the next 100 vehicle sales for the previous  
6 year; plus

7 (C) 2% of vehicle sales in excess of 200 for the  
8 previous year; and

9 (D) any additional sets upon a showing of good cause  
10 by the applicant dealer to the division.

11 (ii) in addition to the dealer plates allowed under  
12 subsection (2)(a)(i), a dealer who has purchased one or more  
13 sets of dealer plates is entitled to purchase demonstrator  
14 plates at a cost determined by the division to offset the  
15 cost of production. Demonstrator plates shall be used in  
16 lieu of a dealer plate but only as set forth in subsection  
17 (6) and must be distinguished from dealer plates in a manner  
18 determined by the division.

19 (b) dealers in motorcycles and trailers, including  
20 housetrainers, \$45.

21 (3) If any dealer is originally registered 6 months  
22 after the time of registration as set by law, the  
23 registration or license fee for the remainder of such year  
24 shall be one-half of the regular fee above given.

25 (4) A dealer in motor vehicles, recreational vehicles,

1 or trailers who shall maintain more than one place of  
 2 business or who shall maintain any branch establishment or  
 3 establishments must register and pay a registration or  
 4 license fee for each such place of business or  
 5 establishment.

6 (5) A new applicant for a used motor vehicle dealer  
 7 license shall pay \$300 to the division in addition to any  
 8 other sums required by this section or other provisions of  
 9 the law. An applicant for a renewal of a used motor vehicle  
 10 dealer license shall certify under oath that he has sold  
 11 more than five used motor vehicles during the preceding  
 12 calendar year or pay an additional \$300 before he may be  
 13 licensed.

14 (6) Demonstrator plates provided for in subsection  
 15 (2)(a)(iii) may be used only as follows:

16 (a) New and used motor vehicle or recreational vehicle  
 17 demonstrator plates may be used:

18 (i) to demonstrate motor vehicles held for sale, when  
 19 operated by an individual holding a valid operator's  
 20 license, provided that a dated demonstration permit, valid  
 21 for no more than 72 hours, is carried in the vehicle at all  
 22 times it is operated by any such individual;

23 (ii) on motor vehicles owned, held for sale and, in  
 24 fact, available for sale by the firm when operated by an  
 25 officer or bona fide full-time employee of the dealer. Any

1 such vehicle so operated may be used to transport the  
 2 dealer's own tools, parts, and equipment totaling less than  
 3 500 pounds.

4 (iii) on motor vehicles being tested for repair;

5 (iv) on motor vehicles being moved to or from a motor  
 6 vehicle dealer's place of business for sale;

7 (v) on motor vehicles being moved to or from motor  
 8 vehicle service and repair facilities before sale;

9 (vi) on motor vehicles being moved to or from motor  
 10 vehicle exhibitions within the state, provided any such  
 11 exhibition does not exceed a period of 20 days.

12 (b) Mobile home and trailer dealer demonstrator plates  
 13 may be used:

14 (i) on units hauled to or from the place of business  
 15 of the manufacturer and the place of business of the dealer  
 16 or to and from places of business of the dealer;

17 (ii) on mobile homes hauled to a customer's location  
 18 for set-up after sale;

19 (iii) on travel trailers held for sale to demonstrate  
 20 the towing capability of the vehicle, provided that a dated  
 21 demonstration permit, valid for not more than 72 hours, is  
 22 carried with the vehicle at all times;

23 (iv) on any motor vehicle owned by the dealer that is  
 24 used only to move vehicles legally bearing mobile home and  
 25 travel trailer dealer license plates of the dealer owning

1 any such motor vehicle;

2 (v) on vehicles being moved to or from vehicle  
 3 exhibitions within the state, provided any such exhibition  
 4 does not exceed a period of 20 days."

5 Section 4. Section 61-4-103, MCA, is amended to read:

6 "61-4-103. Assignment of dealer plates. (1) Upon the  
 7 licensing of a dealer as a new motor vehicle dealer, used  
 8 motor vehicle dealer, recreational vehicle dealer, or  
 9 trailer, semitrailer, or special mobile equipment dealer, or  
 10 a dealer of the motorcycle-type vehicle, the division shall  
 11 assign to such dealer a distinctive serial license number as  
 12 a dealer and after payment of fees furnish every qualified  
 13 dealer in motor vehicles with ~~not-less-than-two~~ such sets of  
 14 number plates, ~~and-as-many-more~~ as required according to  
 15 need, which need shall be justified by the dealer with the  
 16 initial application for license and each renewal. Assigned  
 17 number plates shall be similar to number plates furnished to  
 18 owners of motor vehicles but shall bear thereon, in addition  
 19 to the serial number assigned such dealer, the letter "D" if  
 20 the dealer is authorized to sell new motor vehicles  
 21 (including trucks and truck trailers); the letters "RV" if  
 22 the dealer is authorized to sell recreational vehicles; the  
 23 letters "UD" if the dealer is authorized to sell used motor  
 24 vehicles (including used trucks and used truck trailers);  
 25 the letters "DTR" if the dealer is authorized to sell

1 trailers, semitrailers, or special mobile equipment (new or  
 2 used); and the letters "MCD" if the dealer is authorized to  
 3 sell vehicles of the motorcycle type (new or used).

4 (2) With the exception of a dealer authorized to sell  
 5 new motor vehicles (including trucks and truck trailers) and  
 6 to use the "D" plate or demonstrator plate, no dealer  
 7 authorized to transact business under the provisions of this  
 8 section may offer for sale or trade any vehicle described in  
 9 this section except such vehicles as are authorized by the  
 10 plates assigned to him. If an applicant wishes to sell more  
 11 than one type of vehicle, he shall make application for each  
 12 separate authorization. No dealer plate assigned to a dealer  
 13 may be used on any vehicle other than the type described in  
 14 this section. A dealer authorized to sell new motor vehicles  
 15 and assigned a "D" plate or demonstrator plate is authorized  
 16 to sell both new and used motor vehicles (including trucks  
 17 and truck trailers), and "D" such plates may be displayed on  
 18 either new or used motor vehicles by a licensed dealer in  
 19 new vehicles.

20 (3) The division shall cause to be placed on each set  
 21 of license plates issued to a dealer a serial number  
 22 assigned to each dealer and the actual number of license  
 23 plates issued to each dealer. The number of the dealer shall  
 24 follow the prefix of the county, and the number of plates  
 25 issued the dealer shall follow the prefix of the county and

1 the number of the dealer, the dealer's number to be  
 2 separated from the county prefix by a dash, and the number  
 3 of plates issued to a dealer to be separated from the  
 4 dealer's number by a dash, as follows: dealer number 4 in  
 5 Lewis and Clark County would be numbered 5-4, and if the  
 6 dealer were issued three sets of plates, they would be  
 7 numbered consecutively as follows, 5-4-1, 5-4-2, and 5-4-3.

8 (4) Dealers properly licensed under this section are  
 9 authorized to use and display dealer's license plates on any  
 10 motor vehicle held for bona fide sale or used in the conduct  
 11 of the dealer's business in selling or demonstrating motor  
 12 vehicles, and operated by or under the control of the  
 13 dealer, his officers or employees. For purposes of this  
 14 provision, "officers and employees" include only such  
 15 persons listed on the manufacturer's franchise agreement or  
 16 the importer's distribution agreement and their spouses, or  
 17 such other persons upon whom the dealer has paid social  
 18 security taxes as a full-time employee. No dealer's license  
 19 plate shall be used or displayed on vehicles normally used  
 20 for hire, lease, or rental or for purposes not incident to  
 21 the business of a motor vehicle dealer. Each dealer is  
 22 accountable for each plate issued and shall certify  
 23 quarterly to the division the disposition of each dealer  
 24 plate assigned to the dealer, including the name, address,  
 25 and occupation of the person primarily using each plate.

1 (5) If it shall appear to the satisfaction of the  
 2 division, from information furnished to it by the sheriff or  
 3 any other law enforcement officer, that any such dealer has  
 4 been improperly licensed, has used the dealer's license in a  
 5 manner other than the one herein authorized, or is not  
 6 qualified as a dealer under the requirements of this  
 7 section, the division may revoke such dealer's license. No  
 8 person, firm, corporation, or association shall, for  
 9 commission or profit, engage in the business of buying,  
 10 selling, exchanging, or acting as a broker of new motor  
 11 vehicles, trailers, or semitrailers unless duly licensed in  
 12 compliance with this section (except trailers having an  
 13 unladen weight of less than 500 pounds)."

14 Section 5. Codification Instruction. Section 1 is  
 15 intended to be codified as an integral part of Title 61,  
 16 chapter 1, part 1, and the provisions of Title 61 apply to  
 17 section 1.

-End-

STATE OF MONTANA

REQUEST NO. 373-81

FISCAL NOTE

Form BD-15

In compliance with a written request received February 13, 19 81, there is hereby submitted a Fiscal Note for Senate Bill 466 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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

Senate Bill 466 is an act to revise the motor vehicle dealer laws by changing the fees; revising the distribution of dealer plates; providing for demonstrator plates and uses; providing for recreational vehicle dealer licensing.

Assumptions

1. As of July 1, 1980, there were the following licensed motor vehicle dealers in the State of Montana:

New car dealers	358 with 5,814 sets of dealer plates;
Used car dealers	302 with 2,166 sets of dealer plates;
Motorcycle dealers	94 with 305 sets of dealer plates;
Trailer dealers	297 with 898 sets of dealer plates.

2. Recreational vehicle dealers are presently required to be licensed. This bill will require them to be a separate class, but will not increase the total number of licensed dealers.

3. The cost to produce the demonstrator plate would be \$2 per set, so the fee would be \$2.

4. Dealers would purchase plates in the following configuration:

	<u>Additional Dealer Plates</u>	<u>Demonstration Plates</u>
New car dealers	8 sets	10 sets
Used car dealers	4 sets	5 sets
Motorcycle dealers	2 sets	3 sets
Trailer dealers	1 set	2 sets

Revenue Projection

	Number of <u>Dealers</u>	Present Fee <u>\$45</u>	Proposed Fee <u>\$25</u>
New Car	358	\$16,110	\$ 8,950
Used Car	302	13,590	7,550
Motorcycle	94	4,230	2,350
Trailer	297	13,365	7,425
<b>Total</b>	<b>1,051</b>	<b>\$47,295</b>	<b>\$26,275</b>

*David M. Lewis*

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-19-81

Additional Plate Revenue

In FY 1980, \$24,508 was collected for additional dealer plates. Each dealer received 2 sets with the dealer registration fee. They could purchase up to 6 additional sets at \$5 per set. Each additional set requested above the 6 were \$2 per set.

Under the proposed change, they would receive one set with registration fee and purchase the following additional plates:

DEALER PLATES - \$25 PER SET

New Car	8 sets x 358 dealers x \$25 =	\$ 71,600
Used Car	4 sets x 302 dealers x 25 =	30,200
Motorcycle	2 sets x 94 dealers x 25 =	4,700
Trailer	1 set x 297 dealers x 25 =	<u>7,425</u>
		\$113,925

DEMONSTRATION PLATES - \$2 PER SET

New Car	10 sets x 358 dealers x \$ 2 =	\$ 7,160
Used Car	5 sets x 302 dealers x 2 =	3,020
Motorcycle	3 sets x 94 dealers x 2 =	564
Trailer	2 sets x 297 dealers x 2 =	<u>1,188</u>
		\$ 11,932

Total Revenue \$125,857

Expenditures

Operating Expense:	<u>FY 1982</u>
Cost of demonstration permits 300,000 at \$24.66/m	\$ 7,398
Cost to redesign demonstration plate	<u>5,000</u>
	\$12,398

Cost of demonstration permits only	<u>FY 1983</u>
	\$ 7,398

Fiscal Impact

Additional funds would be deposited in the motor vehicle account (02212) as follows:

	<u>FY 1982</u>	<u>FY 1983</u>
Revenue:		
Dealer registrations		
Current Law	\$ 47,295	\$ 47,295
Proposed Law	<u>26,275</u>	<u>26,275</u>
Total	\$(21,020)	\$(21,020)
Dealer Plates		
Current Law	\$ 24,508	\$ 24,508
Proposed Law	<u>125,857</u>	<u>125,857</u>
Total	\$101,349	\$101,349
Expenditure:	\$ 12,398	\$ 7,398
Total increase to motor vehicle account	\$ 67,931	\$ 72,931

Approved by Committee  
on Taxation

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1 made, and stock of motor vehicles is displayed;

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16 service, and maintenance of motor vehicles; and

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3 establishments must register and pay a registration or  
4 license fee for each such place of business or  
5 establishment.

6 (5) A new applicant for a used motor vehicle dealer  
7 license shall pay \$300 to the division in addition to any  
8 other sums required by this section or other provisions of  
9 the law. An applicant for a renewal of a used motor vehicle  
10 dealer license shall certify under oath that he has sold  
11 more than five used motor vehicles during the preceding  
12 calendar year or pay an additional \$300 before he may be  
13 licensed.

14 (6) Demonstrator plates provided for in subsection  
15 (2)(a)(ii) may be used only as follows:

16 (a) New and used motor vehicle or recreational vehicle  
17 demonstrator plates may be used:

18 (i) to demonstrate motor-vehicles, FOR NO MORE THAN 72  
19 HOURS, AN AUTHORIZED VEHICLE held for sale, when operated by  
20 an individual holding a valid operator's license--provided  
21 that a dated demonstration permit valid for no more than 72  
22 hours, is carried in the vehicle at all times it is operated  
23 by any such individual;

24 (ii) on motor AUTHORIZED vehicles owned, held for sale  
25 and, in fact, available for sale by the firm when operated

1 by an officer or bona fide full-time employee of the dealer;  
2 Any--such--vehicle--so--operated--may--be AND used to transport  
3 the dealer's own tools, parts, and equipment totaling--less  
4 than 500 pounds.

5 (iii) on motor AUTHORIZED vehicles being tested for  
6 repair;

7 (iv) on motor AUTHORIZED vehicles being moved to or  
8 from a motor-vehicle dealer's place of business for sale;

9 (v) on motor AUTHORIZED vehicles being moved to or  
10 from motor-vehicle service and repair facilities before  
11 sale;

12 (vi) on motor AUTHORIZED vehicles being moved to or  
13 from motor-vehicle exhibitions within the state, provided  
14 any such exhibition does not exceed a period of 20 days.

15 (b) Mobile home and trailer dealer demonstrator plates  
16 may be used:

17 (i) on units hauled to or from the place of business  
18 of the manufacturer and the place of business of the dealer  
19 or to and from places of business of the dealer;

20 (ii) on mobile homes hauled to a customer's location  
21 for set-up after sale;

22 (iii) on travel trailers held for sale to demonstrate  
23 the towing capability of the vehicle, provided that a dated  
24 demonstration permit, valid for not more than 72 hours, is  
25 carried with the vehicle at all times;

1 (iv) on any motor vehicle owned by the dealer that is  
 2 used only to move vehicles legally bearing mobile home and  
 3 travel trailer dealer license plates of the dealer owning  
 4 any such motor vehicle;

5 (v) on vehicles being moved to or from vehicle  
 6 exhibitions within the state, provided any such exhibition  
 7 does not exceed a period of 20 days."

8 Section 4. Section 61-4-103, MCA, is amended to read:

9 "61-4-103. Assignment of dealer plates. (1) Upon the  
 10 licensing of a dealer as a new motor vehicle dealer, used  
 11 motor vehicle dealer, recreational vehicle dealer, or  
 12 trailer, semitrailer, or special mobile equipment dealer, or  
 13 a dealer of the motorcycle-type vehicle, the division shall  
 14 assign to such dealer a distinctive serial license number as  
 15 a dealer and after payment of fees furnish every qualified  
 16 dealer in motor vehicles with ~~not less than two~~ such sets of  
 17 number plates ~~and as many more~~ as required according to  
 18 need, which need shall be justified by the dealer with the  
 19 initial application for license and each renewal. Assigned  
 20 number plates shall be similar to number plates furnished to  
 21 owners of motor vehicles but shall bear thereon, in addition  
 22 to the serial number assigned such dealer, the letter "D" if  
 23 the dealer is authorized to sell new motor vehicles  
 24 (including trucks and truck trailers); the letters "RV" if  
 25 the dealer is authorized to sell recreational vehicles; the

1 letters "UD" if the dealer is authorized to sell used motor  
 2 vehicles (including used trucks and used truck trailers);  
 3 the letters "DTR" if the dealer is authorized to sell  
 4 trailers, semitrailers, or special mobile equipment (new or  
 5 used); and the letters "MCD" if the dealer is authorized to  
 6 sell vehicles of the motorcycle type (new or used).

7 (2) With the exception of a dealer authorized to sell  
 8 new motor vehicles (including trucks and truck trailers) and  
 9 to use the "D" plate or demonstrator plate, no dealer  
 10 authorized to transact business under the provisions of this  
 11 section may offer for sale or trade any vehicle described in  
 12 this section except such vehicles as are authorized by the  
 13 plates assigned to him. If an applicant wishes to sell more  
 14 than one type of vehicle, he shall make application for each  
 15 separate authorization. No ~~dealer~~ plate assigned to a dealer  
 16 may be used on any vehicle other than the type described in  
 17 this section. A dealer authorized to sell new motor vehicles  
 18 and assigned a "D" plate or demonstrator plate is authorized  
 19 to sell both new and used motor vehicles (including trucks  
 20 and truck trailers), and ~~"D"~~ such plates may be displayed on  
 21 either new or used motor vehicles by a licensed dealer in  
 22 new vehicles.

23 (3) The division shall cause to be placed on each set  
 24 of license plates issued to a dealer a serial number  
 25 assigned to each dealer and the actual number of license

1 plates issued to each dealer. The number of the dealer shall  
 2 follow the prefix of the county, and the number of plates  
 3 issued the dealer shall follow the prefix of the county and  
 4 the number of the dealer, the dealer's number to be  
 5 separated from the county prefix by a dash, and the number  
 6 of plates issued to a dealer to be separated from the  
 7 dealer's number by a dash, as follows: dealer number 4 in  
 8 Lewis and Clark County would be numbered 5-4, and if the  
 9 dealer were issued three sets of plates, they would be  
 10 numbered consecutively as follows, 5-4-1, 5-4-2, and 5-4-3.

11 (4) Dealers properly licensed under this section are  
 12 authorized to use and display dealer's license plates on any  
 13 motor vehicle held for bona fide sale or used in the conduct  
 14 of the dealer's business in selling or demonstrating motor  
 15 vehicles, and operated by or under the control of the  
 16 dealer, his officers or employees. For purposes of this  
 17 provision, "officers and employees" include only such  
 18 persons listed on the manufacturer's franchise agreement or  
 19 the importer's distribution agreement and their spouses, or  
 20 such other persons upon whom the dealer has paid social  
 21 security taxes as a full-time employee. No dealer's license  
 22 plate shall be used or displayed on vehicles normally used  
 23 for hire, lease, or rental or for purposes not incident to  
 24 the business of a motor vehicle dealer. Each dealer is  
 25 accountable for each plate issued and shall certify

1 quarterly to the division the disposition of each dealer  
 2 plate assigned to the dealer, including the name, address,  
 3 and occupation of the person primarily using each plate.

4 (5) If it shall appear to the satisfaction of the  
 5 division, from information furnished to it by the sheriff or  
 6 any other law enforcement officer, that any such dealer has  
 7 been improperly licensed, has used the dealer's license in a  
 8 manner other than the one herein authorized, or is not  
 9 qualified as a dealer under the requirements of this  
 10 section, the division may revoke such dealer's license. No  
 11 person, firm, corporation, or association shall, for  
 12 commission or profit, engage in the business of buying,  
 13 selling, exchanging, or acting as a broker of new motor  
 14 vehicles, trailers, or semitrailers unless duly licensed in  
 15 compliance with this section (except trailers having an  
 16 unladen weight of less than 500 pounds)."

17 Section 5. Codification instruction. Section 1 is  
 18 intended to be codified as an integral part of Title 61,  
 19 chapter 1, part 1, and the provisions of Title 61 apply to  
 20 section 1.

-End-

1 SENATE BILL NO. 466

2 INTRODUCED BY GRAHAM

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE MOTOR  
5 VEHICLE DEALER LAWS BY CHANGING THE FEES; REVISING  
6 DISTRIBUTION OF DEALER PLATES; PROVIDING FOR DEMONSTRATOR  
7 PLATES AND USES; PROVIDING FOR RECREATIONAL VEHICLE DEALER  
8 LICENSING; AND AMENDING SECTIONS 61-4-101 THROUGH 61-4-103,  
9 MCA."

10  
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 NEW SECTION. Section 1. Recreational vehicle. The  
13 term "recreational vehicle" as used in 61-4-101 through  
14 61-4-105 includes travel trailers as defined in 61-1-131,  
15 motor homes as defined in 61-1-130, and other self-propelled  
16 vehicles originally designed or permanently altered to  
17 provide temporary facilities for recreational, travel, or  
18 camping use.

19 Section 2. Section 61-4-101, MCA, is amended to read:

20 "61-4-101. Application for dealer's license. (1) Every  
21 person, firm, corporation, or association which, for  
22 commission or profit, engages in the business of buying,  
23 selling, exchanging, or acting as a broker of new motor  
24 vehicles, recreational vehicles, used motor vehicles,  
25 trailers (except trailers having an unloaded weight of less

1 than 500 pounds), semitrailers, or special mobile equipment  
2 as defined in 61-1-104 shall file, by mail or otherwise, in  
3 the office of the division a verified application for  
4 licensure as a dealer, on a blank to be furnished by the  
5 division for that purpose and containing the information  
6 required. The application and all of the information  
7 contained in it shall be verified by the Montana highway  
8 patrol. Each application must be accompanied by the license  
9 fee hereinafter specified. A dealer's license must be  
10 renewed and paid for annually, and an application for  
11 relicensure must be filed not later than January 1 of each  
12 year. If an application for ~~renewal~~ renewal of a license has  
13 been received by the division prior to the expiration of the  
14 license, the dealer may operate his business and display  
15 dealer plates under the expired license between January 1  
16 and February 15 following expiration.

17 (2) To qualify for licensure and the issuance and use  
18 of "D", "UD", "RV", "DTR", or "MCD" plates as hereinafter  
19 provided, the applicant must furnish the following  
20 information and qualify under the following provisions:

21 (a) To qualify as a new motor vehicle dealer and for  
22 the use of "D" plates, the applicant must:

23 (i) state the name under which the business is to be  
24 conducted and the location of the premises (street address,  
25 city, county, and state) where records are kept, sales are

1 made, and stock of motor vehicles is displayed;

2 (ii) state the name and address of all owners or  
3 persons having an interest in the business, provided that in  
4 the case of a corporation, the names and addresses of the  
5 president and secretary are sufficient;

6 (iii) state the name and make of all motor vehicles  
7 handled and the name and address of the manufacturer,  
8 importer, or distributor with whom the applicant has a  
9 written new motor vehicle franchise or sales agreement;

10 (iv) execute a certificate to the effect that the  
11 applicant has a permanent building for the display and sale  
12 of new motor vehicles at the location of the premises where  
13 sales are conducted;

14 (v) execute a certificate to the effect that the  
15 applicant has a bona fide service department for the repair,  
16 service, and maintenance of motor vehicles; and

17 (vi) execute a certificate to the effect that the  
18 applicant is a bona fide dealer in new motor vehicles and  
19 that he is recognized by a manufacturer, importer, or  
20 distributor as a dealer in new motor vehicles.

21 (b) To qualify as a used motor vehicle dealer and for  
22 the use of "UU" plates or as a recreational vehicle,  
23 trailer, semitrailer, or special mobile equipment dealer and  
24 for the use of "DTR" plates or as a motorcycle dealer and  
25 for the use of "MCD" plates, the applicant must, in addition

1 to the matters set forth in subsections (i) and (ii) of  
2 subsection (2)(a) above, provide:

3 (i) a statement that the applicant has a building or  
4 lot and a sign readable at a minimum distance of 150 feet  
5 and indicating the firm name and headquarters as the  
6 principal place of business; and

7 (ii) a certificate to the effect that the applicant is  
8 a bona fide dealer in used motor vehicles, recreational  
9 vehicles, trailers, semitrailers, special mobile equipment,  
10 or motorcycles. An applicant for a recreational vehicle  
11 dealer license must also indicate on the same certificate  
12 that he is recognized by a manufacturer, importer, or  
13 distributor as a dealer in recreational vehicles.

14 (c) To qualify for a used motor vehicle dealer's  
15 license, a person must submit an annual application for that  
16 license and comply with the provisions of 61-4-102(5) in  
17 addition to fulfilling the requirements of subsection (2)(b)  
18 above.

19 (d) The provisions of subsection (2)(c) above do not  
20 apply to an applicant who is licensed as a motor vehicle  
21 wrecking facility under the provisions of Title 75, chapter  
22 10, part 5.

23 (3) The applicant for a dealer's license shall also  
24 file with his application a good and sufficient bond in the  
25 sum of \$5,000, and the bond shall be conditioned that the

1 applicant shall conduct his business in accordance with the  
2 requirements of the law. All bonds shall run to the state of  
3 Montana and shall be approved by the division and filed in  
4 its office and shall be renewed annually."

5 Section 3. Section 61-4-102, MCA, is amended to read:  
6 "61-4-102. Fees. (1) Upon making such application, the  
7 applicant shall pay to the division, in addition to the fees  
8 required of dealers under the provisions of subsection (2),  
9 a fee of \$5. Upon receipt of the application, fee, and bond,  
10 as provided above, the division shall examine the  
11 application, and may, prior to issuing a license, make  
12 individual investigation of the truth of the statements  
13 contained in the application. If the division is satisfied  
14 that the applicant qualifies for the issuance of a dealer's  
15 license under the provisions of this chapter, it may  
16 thereupon issue the same.

17 (2) Registration or license fees shall be paid upon  
18 registration or reregistration of dealers in motor  
19 vehicles, recreational vehicles, or trailers as follows:

20 (a) (i) all dealers in motor vehicles and recreational  
21 vehicles, a fee of ~~\$45~~ \$25, which shall entitle such dealer  
22 to ~~two-sets~~ one set of number plates, and ~~\$5~~ \$25 additional  
23 fee for each additional set of number plates ~~up-to-six-sets~~  
24 ~~and--\$2--additronal--fee--for--each--additional--set--of--number~~  
25 ~~plates--as--may--be--applied--for--~~ subject to the following

1 limitations on the number of additional sets allowed a  
2 dealer:

3 (A) 5% of the first 100 vehicle sales for the previous  
4 year; plus

5 (B) 3% of the next 100 vehicle sales for the previous  
6 year; plus

7 (C) 2% of vehicle sales in excess of 200 for the  
8 previous year; and

9 (D) any additional sets upon a showing of good cause  
10 by the applicant dealer to the division.

11 (ii) in addition to the dealer plates allowed under  
12 subsection (2)(a)(i), a dealer who has purchased one or more  
13 sets of dealer plates is entitled to purchase demonstrator  
14 plates at a cost determined by the division to offset the  
15 cost of production. Demonstrator plates shall be used in  
16 lieu of a dealer plate but only as set forth in subsection  
17 (6) and must be distinguished from dealer plates in a manner  
18 determined by the division.

19 (b) dealers in motorcycles and trailers, including  
20 housetrainers, \$45.

21 (3) If any dealer is originally registered 6 months  
22 after the time of registration as set by law, the  
23 registration or license fee for the remainder of such year  
24 shall be one-half of the regular fee above given.

25 (4) A dealer in motor vehicles, recreational vehicles,

1 or trailers who shall maintain more than one place of  
2 business or who shall maintain any branch establishment or  
3 establishments must register and pay a registration or  
4 license fee for each such place of business or  
5 establishment.

6 (5) A new applicant for a used motor vehicle dealer  
7 license shall pay \$300 to the division in addition to any  
8 other sums required by this section or other provisions of  
9 the law. An applicant for a renewal of a used motor vehicle  
10 dealer license shall certify under oath that he has sold  
11 more than five used motor vehicles during the preceding  
12 calendar year or pay an additional \$300 before he may be  
13 licensed.

14 (6) Demonstrator plates provided for in subsection  
15 (2)(a)(ii) may be used only as follows:

16 (a) New and used motor vehicle or recreational vehicle  
17 demonstrator plates may be used:

18 (i) to demonstrate motor-vehicles, FOR NO MORE THAN 72  
19 HOURS, AN AUTHORIZED VEHICLE held for sale, when operated by  
20 an individual holding a valid operator's license--provided  
21 that a dated demonstration permit, valid for no more than 72  
22 hours, is carried in the vehicle at all times it is operated  
23 by any such individual;

24 (ii) on motor AUTHORIZED vehicles owned, held for sale  
25 and, in fact, available for sale by the firm when operated

1 by an officer or bona fide full-time employee of the dealers  
2 ~~Any such vehicle so operated may be~~ AND used to transport  
3 the dealer's own tools, parts, and equipment totaling less  
4 than 500 pounds.

5 (iii) on motor AUTHORIZED vehicles being tested for  
6 repair;

7 (iv) on motor AUTHORIZED vehicles being moved to or  
8 from a motor-vehicle dealer's place of business for sale;

9 (v) on motor AUTHORIZED vehicles being moved to or  
10 from motor-vehicle service and repair facilities before  
11 sale;

12 (vi) on motor AUTHORIZED vehicles being moved to or  
13 from motor-vehicle exhibitions within the state, provided  
14 any such exhibition does not exceed a period of 20 days.

15 (b) Mobile home and trailer dealer demonstrator plates  
16 may be used:

17 (i) on units hauled to or from the place of business  
18 of the manufacturer and the place of business of the dealer  
19 or to and from places of business of the dealer;

20 (ii) on mobile homes hauled to a customer's location  
21 for set-up after sale;

22 (iii) on travel trailers held for sale to demonstrate  
23 the towing capability of the vehicle, provided that a dated  
24 demonstration permit, valid for not more than 72 hours, is  
25 carried with the vehicle at all times;

1 (iv) on any motor vehicle owned by the dealer that is  
 2 used only to move vehicles legally bearing mobile home and  
 3 travel trailer dealer license plates of the dealer owning  
 4 any such motor vehicle;

5 (v) on vehicles being moved to or from vehicle  
 6 exhibitions within the state, provided any such exhibition  
 7 does not exceed a period of 20 days."

8 Section 4. Section 61-4-103, MCA, is amended to read:

9 "61-4-103. Assignment of dealer plates. (1) Upon the  
 10 licensing of a dealer as a new motor vehicle dealer, used  
 11 motor vehicle dealer, recreational vehicle dealer, or  
 12 trailer, semitrailer, or special mobile equipment dealer, or  
 13 a dealer of the motorcycle-type vehicle, the division shall  
 14 assign to such dealer a distinctive serial license number as  
 15 a dealer and after payment of fees furnish every qualified  
 16 dealer in motor vehicles with ~~not less than two~~ such sets of  
 17 number plates, ~~and as many more~~ as required according to  
 18 need, which need shall be justified by the dealer with the  
 19 initial application for license and each renewal. Assigned  
 20 number plates shall be similar to number plates furnished to  
 21 owners of motor vehicles but shall bear thereon, in addition  
 22 to the serial number assigned such dealer, the letter "D" if  
 23 the dealer is authorized to sell new motor vehicles  
 24 (including trucks and truck trailers); the letters "RV" if  
 25 the dealer is authorized to sell recreational vehicles; the

1 letters "UD" if the dealer is authorized to sell used motor  
 2 vehicles (including used trucks and used truck trailers);  
 3 the letters "DTR" if the dealer is authorized to sell  
 4 trailers, semitrailers, or special mobile equipment (new or  
 5 used); and the letters "MCD" if the dealer is authorized to  
 6 sell vehicles of the motorcycle type (new or used).

7 (2) With the exception of a dealer authorized to sell  
 8 new motor vehicles (including trucks and truck trailers) and  
 9 to use the "D" plate or demonstrator plate, no dealer  
 10 authorized to transact business under the provisions of this  
 11 section may offer for sale or trade any vehicle described in  
 12 this section except such vehicles as are authorized by the  
 13 plates assigned to him. If an applicant wishes to sell more  
 14 than one type of vehicle, he shall make application for each  
 15 separate authorization. No ~~dealer~~ plate assigned to a dealer  
 16 may be used on any vehicle other than the type described in  
 17 this section. A dealer authorized to sell new motor vehicles  
 18 and assigned a "D" plate or demonstrator plate is authorized  
 19 to sell both new and used motor vehicles (including trucks  
 20 and truck trailers), and ~~"B"~~ such plates may be displayed on  
 21 either new or used motor vehicles by a licensed dealer in  
 22 new vehicles.

23 (3) The division shall cause to be placed on each set  
 24 of license plates issued to a dealer a serial number  
 25 assigned to each dealer and the actual number of license

1 plates issued to each dealer. The number of the dealer shall  
 2 follow the prefix of the county, and the number of plates  
 3 issued the dealer shall follow the prefix of the county and  
 4 the number of the dealer, the dealer's number to be  
 5 separated from the county prefix by a dash, and the number  
 6 of plates issued to a dealer to be separated from the  
 7 dealer's number by a dash, as follows: dealer number 4 in  
 8 Lewis and Clark County would be numbered 5-4, and if the  
 9 dealer were issued three sets of plates, they would be  
 10 numbered consecutively as follows, 5-4-1, 5-4-2, and 5-4-3.

11 (4) Dealers properly licensed under this section are  
 12 authorized to use and display dealer's license plates on any  
 13 motor vehicle held for bona fide sale or used in the conduct  
 14 of the dealer's business in selling or demonstrating motor  
 15 vehicles and operated by or under the control of the  
 16 dealer, his officers or employees. For purposes of this  
 17 provision, "officers and employees" include only such  
 18 persons listed on the manufacturer's franchise agreement or  
 19 the importer's distribution agreement and, their spouses, or  
 20 such other persons upon whom the dealer has paid social  
 21 security taxes as a full-time employee. No dealer's license  
 22 plate shall be used or displayed on vehicles normally used  
 23 for hire, lease, or rental or for purposes not incident to  
 24 the business of a motor vehicle dealer. Each dealer is  
 25 accountable for each plate issued and shall certify

1 quarterly to the division the disposition of each dealer  
 2 plate assigned to the dealer, including the name, address,  
 3 and occupation of the person primarily using each plate.

4 (5) If it shall appear to the satisfaction of the  
 5 division, from information furnished to it by the sheriff or  
 6 any other law enforcement officer, that any such dealer has  
 7 been improperly licensed, has used the dealer's license in a  
 8 manner other than the one herein authorized, or is not  
 9 qualified as a dealer under the requirements of this  
 10 section, the division may revoke such dealer's license. No  
 11 person, firm, corporation, or association shall, for  
 12 commission or profit, engage in the business of buying,  
 13 selling, exchanging, or acting as a broker of new motor  
 14 vehicles, trailers, or semitrailers unless duly licensed in  
 15 compliance with this section (except trailers having an  
 16 unladen weight of less than 500 pounds)."

17 Section 5. Codification instruction. Section 1 is  
 18 intended to be codified as an integral part of Title 61,  
 19 chapter 1, part 1, and the provisions of Title 61 apply to  
 20 section 1.

-End-

1 SENATE BILL NO. 466

2 INTRODUCED BY GRAHAM

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE MOTOR  
5 VEHICLE DEALER LAWS BY CHANGING THE FEES; REVISING  
6 DISTRIBUTION OF DEALER PLATES; PROVIDING FOR DEMONSTRATOR  
7 PLATES AND USES; PROVIDING FOR RECREATIONAL VEHICLE DEALER  
8 LICENSING; AND AMENDING SECTIONS 61-4-101 THROUGH 61-4-103,  
9 MCA."

10  
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 NEW SECTION. Section 1. Recreational vehicle. The  
13 term "recreational vehicle" as used in 61-4-101 through  
14 61-4-105 includes travel trailers as defined in 61-1-131,  
15 motor homes as defined in 61-1-130, and other self-propelled  
16 vehicles originally designed or permanently altered to  
17 provide temporary facilities for recreational, travel, or  
18 camping use.

19 Section 2. Section 61-4-101, MCA, is amended to read:

20 "61-4-101. Application for dealer's license. (1) Every  
21 person, firm, corporation, or association which, for  
22 commission or profit, engages in the business of buying,  
23 selling, exchanging, or acting as a broker of new motor  
24 vehicles, recreational vehicles, used motor vehicles,  
25 trailers (except trailers having an unloaded weight of less

1 than 500 pounds), semitrailers, or special mobile equipment  
2 as defined in 61-1-104 shall file, by mail or otherwise, in  
3 the office of the division a verified application for  
4 licensure as a dealer, on a blank to be furnished by the  
5 division for that purpose and containing the information  
6 required. The application and all of the information  
7 contained in it shall be verified by the Montana highway  
8 patrol. Each application must be accompanied by the license  
9 fee hereinafter specified. A dealer's license must be  
10 renewed and paid for annually, and an application for  
11 relicensure must be filed not later than January 1 of each  
12 year. If an application for ~~renewal~~ renewal of a license has  
13 been received by the division prior to the expiration of the  
14 license, the dealer may operate his business and display  
15 dealer plates under the expired license between January 1  
16 and February 15 following expiration.

17 (2) To qualify for licensure and the issuance and use  
18 of "D", "UD", "RV", "DTR", or "MCD" plates as hereinafter  
19 provided, the applicant must furnish the following  
20 information and qualify under the following provisions:

21 (a) To qualify as a new motor vehicle dealer and for  
22 the use of "D" plates, the applicant must:

23 (i) state the name under which the business is to be  
24 conducted and the location of the premises (street address,  
25 city, county, and state) where records are kept, sales are

1 made, and stock of motor vehicles is displayed;

2 (ii) state the name and address of all owners or  
3 persons having an interest in the business, provided that in  
4 the case of a corporation, the names and addresses of the  
5 president and secretary are sufficient;

6 (iii) state the name and make of all motor vehicles  
7 handled and the name and address of the manufacturer,  
8 importer, or distributor with whom the applicant has a  
9 written new motor vehicle franchise or sales agreement;

10 (iv) execute a certificate to the effect that the  
11 applicant has a permanent building for the display and sale  
12 of new motor vehicles at the location of the premises where  
13 sales are conducted;

14 (v) execute a certificate to the effect that the  
15 applicant has a bona fide service department for the repair,  
16 service, and maintenance of motor vehicles; and

17 (vi) execute a certificate to the effect that the  
18 applicant is a bona fide dealer in new motor vehicles and  
19 that he is recognized by a manufacturer, importer, or  
20 distributor as a dealer in new motor vehicles.

21 (b) To qualify as a used motor vehicle dealer and for  
22 the use of "UD" plates or as a recreational vehicle,  
23 trailer, semitrailer, or special mobile equipment dealer and  
24 for the use of "DTR" plates or as a motorcycle dealer and  
25 for the use of "MCD" plates, the applicant must, in addition

1 to the matters set forth in subsections (i) and (ii) of  
2 subsection (2)(a) above, provide:

3 (i) a statement that the applicant has a building or  
4 lot and a sign readable at a minimum distance of 150 feet  
5 and indicating the firm name and headquarters as the  
6 principal place of business; and

7 (ii) a certificate to the effect that the applicant is  
8 a bona fide dealer in used motor vehicles, recreational  
9 vehicles, trailers, semitrailers, special mobile equipment,  
10 or motorcycles. An applicant for a recreational vehicle  
11 dealer license must also indicate on the same certificate  
12 that he is recognized by a manufacturer, importer, or  
13 distributor as a dealer in recreational vehicles.

14 (c) To qualify for a used motor vehicle dealer's  
15 license, a person must submit an annual application for that  
16 license and comply with the provisions of 61-4-102(5) in  
17 addition to fulfilling the requirements of subsection (2)(b)  
18 above.

19 (d) The provisions of subsection (2)(c) above do not  
20 apply to an applicant who is licensed as a motor vehicle  
21 wrecking facility under the provisions of Title 75, chapter  
22 10, part 5.

23 (3) The applicant for a dealer's license shall also  
24 file with his application a good and sufficient bond in the  
25 sum of \$5,000, and the bond shall be conditioned that the

1 applicant shall conduct his business in accordance with the  
2 requirements of the law. All bonds shall run to the state of  
3 Montana and shall be approved by the division and filed in  
4 its office and shall be renewed annually."

5 Section 3. Section 61-4-102, MCA, is amended to read:

6 "61-4-102. Fees. (1) Upon making such application, the  
7 applicant shall pay to the division, in addition to the fees  
8 required of dealers under the provisions of subsection (2),  
9 a fee of \$5. Upon receipt of the application, fee, and bond,  
10 as provided above, the division shall examine the  
11 application, and may, prior to issuing a license, make  
12 individual investigation of the truth of the statements  
13 contained in the application. If the division is satisfied  
14 that the applicant qualifies for the issuance of a dealer's  
15 license under the provisions of this chapter, it may  
16 thereupon issue the same.

17 (2) Registration or license fees shall be paid upon  
18 registration or reregistration of dealers in motor  
19 vehicles, recreational vehicles, or trailers as follows:

20 (a) (i) all dealers in motor vehicles and recreational  
21 vehicles, a fee of \$45 ~~\$25~~, which shall entitle such dealer  
22 to two-sets one set of number plates, and \$5 ~~\$25~~ additional  
23 fee for each additional set of number plates ~~up to six-sets~~  
24 ~~and--\$2--additional--fee--for--each--additional--set--of--number~~  
25 ~~plates--as--may--be--applied--for,~~ subject to the following

1 limitations on the number of additional sets allowed a  
2 dealer:

3 (A) 5% of the first 100 vehicle sales for the previous  
4 year; plus

5 (B) 3% of the next 100 vehicle sales for the previous  
6 year; plus

7 (C) 2% of vehicle sales in excess of 200 for the  
8 previous year; and

9 (D) any additional sets upon a showing of good cause  
10 by the applicant dealer to the division.

11 (ii) in addition to the dealer plates allowed under  
12 subsection (2)(a)(i), a dealer who has purchased one or more  
13 sets of dealer plates is entitled to purchase demonstrator  
14 plates at a cost determined by the division to offset the  
15 cost of production. Demonstrator plates shall be used in  
16 lieu of a dealer plate but only as set forth in subsection  
17 (6) and must be distinguished from dealer plates in a manner  
18 determined by the division.

19 (b) dealers in motorcycles and trailers, including  
20 housetrainers, \$45.

21 (3) If any dealer is originally registered 6 months  
22 after the time of registration as set by law, the  
23 registration or license fee for the remainder of such year  
24 shall be one-half of the regular fee above given.

25 (4) A dealer in motor vehicles, recreational vehicles,

1 or trailers who shall maintain more than one place of  
2 business or who shall maintain any branch establishment or  
3 establishments must register and pay a registration or  
4 license fee for each such place of business or  
5 establishment.

6 (5) A new applicant for a used motor vehicle dealer  
7 license shall pay \$300 to the division in addition to any  
8 other sums required by this section or other provisions of  
9 the law. An applicant for a renewal of a used motor vehicle  
10 dealer license shall certify under oath that he has sold  
11 more than five used motor vehicles during the preceding  
12 calendar year or pay an additional \$300 before he may be  
13 licensed.

14 (6) Demonstrator plates provided for in subsection  
15 (2)(a)(ii) may be used only as follows:

16 (a) New and used motor vehicle or recreational vehicle  
17 demonstrator plates may be used:

18 (i) to demonstrate motor vehicles, FOR NO MORE THAN 72  
19 HOURS, AN AUTHORIZED VEHICLE held for sale, when operated by  
20 an individual holding a valid operator's license--provided  
21 that a dated demonstration permit, valid for no more than 72  
22 hours, is carried in the vehicle at all times it is operated  
23 by any such individual;

24 (ii) on motor AUTHORIZED vehicles owned, held for sale  
25 and, in fact, available for sale by the firm when operated

1 by an officer or bona fide full-time employee of the dealer;  
2 Any such vehicle so operated may be AND used to transport  
3 the dealer's own tools, parts, and equipment totaling less  
4 than 500 pounds;

5 (iii) on motor AUTHORIZED vehicles being tested for  
6 repair;

7 (iv) on motor AUTHORIZED vehicles being moved to or  
8 from a motor vehicle dealer's place of business for sale;

9 (v) on motor AUTHORIZED vehicles being moved to or  
10 from motor vehicle service and repair facilities before  
11 sale;

12 (vi) on motor AUTHORIZED vehicles being moved to or  
13 from motor vehicle exhibitions within the state, provided  
14 any such exhibition does not exceed a period of 20 days.

15 (b) Mobile home and trailer dealer demonstrator plates  
16 may be used:

17 (i) on units hauled to or from the place of business  
18 of the manufacturer and the place of business of the dealer  
19 or to and from places of business of the dealer;

20 (ii) on mobile homes hauled to a customer's location  
21 for set-up after sale;

22 (iii) on travel trailers held for sale to demonstrate  
23 the towing capability of the vehicle, provided that a dated  
24 demonstration permit, valid for not more than 72 hours, is  
25 carried with the vehicle at all times;

1 (iv) on any motor vehicle owned by the dealer that is  
 2 used only to move vehicles legally bearing mobile home and  
 3 travel trailer dealer license plates of the dealer owning  
 4 any such motor vehicle;

5 (v) on vehicles being moved to or from vehicle  
 6 exhibitions within the state, provided any such exhibition  
 7 does not exceed a period of 20 days."

8 Section 4. Section 61-4-103, MCA, is amended to read:

9 "61-4-103. Assignment of dealer plates. (1) Upon the  
 10 licensing of a dealer as a new motor vehicle dealer, used  
 11 motor vehicle dealer, recreational vehicle dealer, or  
 12 trailer, semitrailer, or special mobile equipment dealer, or  
 13 a dealer of the motorcycle-type vehicle, the division shall  
 14 assign to such dealer a distinctive serial license number as  
 15 a dealer and after payment of fees furnish every qualified  
 16 dealer in motor vehicles with ~~not-less-than-two~~ such sets of  
 17 number plates, ~~and-as-many-more~~ as required according to  
 18 need, which need shall be justified by the dealer with the  
 19 initial application for license and each renewal. Assigned  
 20 number plates shall be similar to number plates furnished to  
 21 owners of motor vehicles but shall bear thereon, in addition  
 22 to the serial number assigned such dealer, the letter "D" if  
 23 the dealer is authorized to sell new motor vehicles  
 24 (including trucks and truck trailers); the letters "RV" if  
 25 the dealer is authorized to sell recreational vehicles; the

1 letters "UD" if the dealer is authorized to sell used motor  
 2 vehicles (including used trucks and used truck trailers);  
 3 the letters "DTR" if the dealer is authorized to sell  
 4 trailers, semitrailers, or special mobile equipment (new or  
 5 used); and the letters "MCD" if the dealer is authorized to  
 6 sell vehicles of the motorcycle type (new or used).

7 (2) With the exception of a dealer authorized to sell  
 8 new motor vehicles (including trucks and truck trailers) and  
 9 to use the "D" plate or demonstrator plate, no dealer  
 10 authorized to transact business under the provisions of this  
 11 section may offer for sale or trade any vehicle described in  
 12 this section except such vehicles as are authorized by the  
 13 plates assigned to him. If an applicant wishes to sell more  
 14 than one type of vehicle, he shall make application for each  
 15 separate authorization. No dealer plate assigned to a dealer  
 16 may be used on any vehicle other than the type described in  
 17 this section. A dealer authorized to sell new motor vehicles  
 18 and assigned a "D" plate or demonstrator plate is authorized  
 19 to sell both new and used motor vehicles (including trucks  
 20 and truck trailers), and "B" such plates may be displayed on  
 21 either new or used motor vehicles by a licensed dealer in  
 22 new vehicles.

23 (3) The division shall cause to be placed on each set  
 24 of license plates issued to a dealer a serial number  
 25 assigned to each dealer and the actual number of license

1 plates issued to each dealer. The number of the dealer shall  
 2 follow the prefix of the county, and the number of plates  
 3 issued the dealer shall follow the prefix of the county and  
 4 the number of the dealer, the dealer's number to be  
 5 separated from the county prefix by a dash, and the number  
 6 of plates issued to a dealer to be separated from the  
 7 dealer's number by a dash, as follows: dealer number 4 in  
 8 Lewis and Clark County would be numbered 5-4, and if the  
 9 dealer were issued three sets of plates, they would be  
 10 numbered consecutively as follows, 5-4-1, 5-4-2, and 5-4-3.

11 (4) Dealers properly licensed under this section are  
 12 authorized to use and display dealer's license plates on any  
 13 motor vehicle held for bona fide sale or used in the conduct  
 14 of the dealer's business in selling or demonstrating motor  
 15 vehicles, and operated by or under the control of the  
 16 dealer, his officers or employees. For purposes of this  
 17 provision, "officers and employees" include only such  
 18 persons listed on the manufacturer's franchise agreement or  
 19 the importer's distribution agreement and, their spouses, or  
 20 such other persons upon whom the dealer has paid social  
 21 security taxes as a full-time employee. No dealer's license  
 22 plate shall be used or displayed on vehicles normally used  
 23 for hire, lease, or rental or for purposes not incident to  
 24 the business of a motor vehicle dealer. Each dealer is  
 25 accountable for each plate issued and shall certify

1 quarterly to the division the disposition of each dealer  
 2 plate assigned to the dealer, including the name, address,  
 3 and occupation of the person primarily using each plate.

4 (5) If it shall appear to the satisfaction of the  
 5 division, from information furnished to it by the sheriff or  
 6 any other law enforcement officer, that any such dealer has  
 7 been improperly licensed, has used the dealer's license in a  
 8 manner other than the one herein authorized, or is not  
 9 qualified as a dealer under the requirements of this  
 10 section, the division may revoke such dealer's license. No  
 11 person, firm, corporation, or association shall, for  
 12 commission or profit, engage in the business of buying,  
 13 selling, exchanging, or acting as a broker of new motor  
 14 vehicles, trailers, or semitrailers unless duly licensed in  
 15 compliance with this section (except trailers having an  
 16 unladen weight of less than 500 pounds)."

17 Section 5. Codification instruction. Section 1 is  
 18 intended to be codified as an integral part of Title 61,  
 19 chapter 1, part 1, and the provisions of Title 61 apply to  
 20 section 1.

-End-