HOUSE BILL NO. 730

5 1

INTRODUCED BY BACHINI

IN THE HOUSE

FEBRUARY 13, 1987	INTRODUCED AND REFERRED TO COMMITTEE ON FISH & GAME.
	ON MOTION, REREFERRED TO COMMITTEE ON TAXATION.
FEBRUARY 23, 1987	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 24, 1987	PRINTING REPORT.
MARCH 2, 1987	ON MOTION, CONSIDERATION PASSED FOR THE DAY.
MARCH 3, 1987	ON MOTION, TAKEN FROM SECOND READING AND REREFERRED TO COMMITTEE ON TAXATION.
MARCH 17, 1987	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
MARCH 18, 1987	PRINTING REPORT.
MARCH 20, 1987	SECOND READING, DO PASS.
MARCH 21, 1987	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 94; NOES, 2.
	TRANSMITTED TO SENATE.
II	THE SENATE
MARCH 23, 1987	INTRODUCED AND REFERRED TO COMMITTEE ON FISH & GAME.
MARCH 27, 1987	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.

MARCH 30, 1987

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SECOND READING, CONCURRED IN.

ON MOTION, RULES SUSPENDED AND BILL PLACED ON THIRD READING THIS DAY.

THIRD READING, CONCURRED IN. AYES, 42; NOES, 8.

RETURNED TO HOUSE.

IN THE HOUSE

MARCH 31, 1987

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SENT TO ENROLLING.

RECEIVED FROM SENATE.

LC 0935/01

INTRODUCED BY Backini 1 2 3 A BILL FOR AN ACT ENTITLED: 4 "AN ACT TO REQUIRE A CERTIFICATE OF OWNERSHIP FOR MOTORBOATS AND VESSELS; 5 AMENDING SECTION 23-2-502, MCA; AND PROVIDING AN IMMEDIATE 6 EFFECTIVE DATE." 7 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 9 10 NEW SECTION. Section 1. Certificate of ownership, (1) Except as provided in subsection (7), no motorboat or vessel 11 12 may be operated upon the waters of the state unless a 13 certificate of ownership has first been obtained from the 14 department of justice in accordance with the laws of this 15 state. 16 (2) The owner of a motorboat or vessel shall apply for a certificate of ownership with the county treasurer of the 17 18 county in which the owner resides, upon forms furnished by the department of justice. The forms must require the 19 20 following information: (a) name of the owner; 21 22 (b) residence of the owner, by town or county; (c) business or home address of the owner; 23 24 (d) name and address of any lienholder;

25 (e) amount due under any contract or lien;



- (f) name of the manufacturer;
- (g) model number or name;

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(h) identification number; and

4 (i) name and address of the dealer or other person 5 from whom acquired.

6 (3) If a certificate of ownership has previously been 7 issued under the provisions of this part, the application 8 for a new certificate must be accompanied by the immediately 9 previous certificate. This subsection does not apply to 10 motorboats or vessels that are purchased as new and unused 11 machines or that were operated when the provisions of this 12 part were not in force and effect.

(4) Upon completion of the application, the county 13 14 treasurer shall issue to the applicant two copies of the application, one of which must be marked "file copy". The 15 16 treasurer shall forward one copy and the original 17 application to the department of justice, which shall enter 18 the information contained in the application upon the corresponding records of its office, and shall furnish the 19 20 applicant a certificate of ownership containing that information in the application considered necessary by the 21 department and a permanent ownership number. The certificate 22 of ownership need not be renewed annually and is valid as 23 long as the person holding it owns the vessel. 24

(5) The owner shall at all times retain possession of

-2- INTRODUCED BILL HB. 730 the certificate of ownership, except when it is being
 transmitted to and from the department of justice for
 endorsement or cancellation.

4 (6) Upon application for a certificate of ownership, a 5 fee of \$6 must be paid to the county treasurer, \$4 of which 6 must be forwarded by the county treasurer to the department 7 of justice and deposited in the motor vehicle recording 8 account of the state special revenue fund.

9 (7) A person who, on [the effective date of this act], 10 is the owner of a motorboat or vessel with a valid 11 certificate of number issued by the state is not required to 12 file an application for a certificate of title for the 13 motorboat or vessel unless he transfers a part of his 14 interest in the motorboat or vessel or he renews the 15 certificate of number for the motorboat or vessel.

16 <u>NEW SECTION.</u> Section 2. Lost or mutilated 17 certificate. (1) If a certificate of ownership is lost, 18 mutilated, or becomes illegible, the person to whom it was 19 issued shall immediately make application for and obtain a 20 duplicate, upon payment of a fee of \$6.

(2) The duplicate certificate of title must be plainly
marked "duplicate" across its face and be mailed or
delivered to the applicant.

24 <u>NEW SECTION.</u> Section 3. Transfer of interest. (1)
 25 Except as provided in subsection (3), upon a transfer of a

certificate of ownership to a motorboat or vessel registered as required under the provisions of this part, the person whose title or interest is to be transferred shall sign the certificate of ownership issued for the motorboat or vessel in the appropriate space provided on the reverse side of the certificate, and such signature must be acknowledged before a notary public.

(2) Within 20 calendar days thereafter, the transferee 8 shall make application for transfer of the certificate of 9 ownership so endoreed with the county treasurer of the 10 county in which the transferee resides and also make 11 application for registration of the motorboat or vessel. The 12 county treasurer shall forward the application to the 13 14 department of justice, which shall file the certificate upon 15 receipt. No certificate of ownership may be issued by the department until any outstanding certificate is surrendered 16 to the department or its loss established to 17 the department's reasonable satisfaction. The county treasurer 18 19 shall collect a fee of \$6 for each application for transfer of ownership, of which \$4 must be forwarded to the 20 21 department of justice for deposit in the motor vehicle recording account of the state special revenue fund. 22

23 (3) A purchaser of a new or used motorboat or vessel
24 from a licensed dealer has a grace period of 20 calendar
25 days from the date of purchase to register the motorboat or

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vessel, make application for a certificate of ownership, and 1 obtain a decal (indicating that the fee in lieu of property 2 tax has been paid on the vessel for the current year]. It is 3 not a violation of this part or any other law for the 4 purchaser to operate a newly acquired motorboat or vessel 5 without a certificate of ownership, certificate of 6 registration, and decal during the 20-day grace period. 7 During this period the sticker provided for in subsection 8 (4) must remain affixed to the motorboat or vessel. 9

10 (4) Prior to the delivery of the motorboat or vessel to the purchaser, the dealer shall issue and affix to a 11 12 motorboat or vessel constructed after October 31, 1972, a hull identification number sticker as prescribed by the 13 department of justice. The sticker must contain the name and 14 address of the purchaser, the date of sale, the name and 15 16 address of the dealer, and a description of the motorboat or vessel, including its serial number. The dealer shall keep a 17 18 copy of the sticker for his records and shall send a copy of the sticker to the department of justice. 19

20 (5) The provisions of subsection (2) do not apply in 21 the event of the transfer of a motorboat or vessel to a duly 22 licensed dealer intending to resell the motorboat or vessel 23 and who operates it only for demonstration purposes, but 24 every such dealer, upon transferring such interest, shall 25 deliver the certificate of ownership with an application for 1 a new certificate executed by the new owner in accordance 2 with the provisions of this part. The department of justice, 3 upon receipt of the certificate of ownership and application 4 for a new certificate containing notice of a security 5 interest, if any, shall issue a new certificate of 6 ownership, together with a statement of any conditional 7 sales contract, mortgage, or other lien.

8 Section 4. Section 23-2-502, MCA, is amended to read:
9 "23-2-502. Definitions. As used in this part, unless
10 the context clearly requires a different meaning, the
11 following definitions apply:

12 (1) "Certificate of number" means the certificate 13 issued annually by the county treasurer to the owner of a 14 motorboat or by the department of justice to dealers or 15 manufacturers, assigning such motorboat an identifying 16 number and containing such information as required.

17 (2) "Certificate of ownership" means a certificate
18 issued by the county treasurer, with a copy forwarded to the
19 department of justice identifying the owner of a motorboat
20 or vessel.
21 (3) "Dealer" means any person who engages in whole or
22 in part in the business of buying, selling, or exchanging

23 new and unused vessels or used vessels, or both, either

24 outright or on conditional sale, bailment, lease, chattel

25 mortgage, or otherwise, and who has an established place of

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business for sale, trade, and display of vessels. A yacht 1 2 broker is a dealer.

3 (2)(4) "Department" means the department of fish, wildlife, and parks of the state of Montana. 4

5 (3)(5) "Documented vessel" means a vessel which has and is required to have a valid marine document as a vessel 6 7 of the United States.

8 (4)(6) "Identifying number" means the boat number set forth in the certificate of number and properly displayed on 9 10 the motorboat.

11 (5)(7) "License decals" means the serially numbered license stickers issued annually by the county treasurer and 12 13 displayed as required by law.

(8) "Lienholder" means a person holding a security 14 15 interest.

(9) "Manufacturer" means any person engaged in the 16 17 business of manufacturing or importing new and unused vessels or new and unused outboard motors for the purpose of 18 19 sale or trade.

20 f67(10) "Motorboat" means any vessel propelled by any 21 machinery, motor, or engine of any description, whether or 22 not such machinery, motor, or engine is the principal source 23 of propulsion. The term includes boats temporarily equipped 24 with detachable motors or engines but does not include a 25 vessel which has a valid marine document issued by the U.S.

1 coast guard of the United States government or any federal 2 agency successor thereto.

(7)(11) "Operate" means to navigate or otherwise use a 3 motorboat or a vessel. 4

(0)(12) "Operator" means the person who navigates, 5 drives, or is otherwise in immediate control of a motorboat 6 7 or vessel.

(9)(13) "Owner" means a person, other than a lien 8 9 holder, having the property in or title to a motorboat or vessel. The term includes a person entitled to the use or 10 11 possession of a motorboat or vessel subject to an interest 12 in another person, reserved or created by an agreement 13 securing payment or performance of an obligation, but the term excludes a lessee under a lease not intended as 14 15 security.

(14) "Passenger" means every person carried on 16 17 board a vessel other than:

18 (a) the owner or his representative;

19 (b) the operator;

20 (c) bona fide members of the crew engaged in the business of the vessel who have contributed no consideration 21 22 for their carriage and who are paid for their services; or 23 (d) any guest on board a vessel which is being used 24 exclusively for pleasure purposes who has not contributed 25 any consideration, directly or indirectly, for his carriage.

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(11) (15) "Person" means an individual, partnership,
 firm, corporation, association, or other entity.

3 (16) "Security interest" means an interest that is
4 reserved or created by an agreement that secures payment or
5 performance of an obligation and is valid against third
6 parties generally.

7 (+2)(17) "Uniform state waterway marking system" means
8 one of two categories:

9 (a) a system of aids to navigation to supplement the
10 federal system of marking in state waters;

(b) a system of regulatory markers to warn a vessel
 operator of dangers or to provide general information and
 directions.

14 (13)(18) "Vessel" means every description of
15 watercraft, unless otherwise defined by the department,
16 other than a seaplane on the water, used or capable of being
17 used as a means of transportation on water.

18 (14)(19) "Waters of this state" means any waters within
19 the territorial limits of this state."

20 <u>NEW SECTION.</u> Section 5. Extension of authority. Any 21 existing authority of the department of justice to make 22 rules on the subject of the provisions of this act is 23 extended to the provisions of this act.

24 <u>NEW SECTION.</u> Section 6. Codification instruction.
25 Sections 1 through 3 are intended to be codified as an

integral part of Title 23, chapter 2, part 5, and the
 provisions of Title 23, chapter 2, part 5, apply to sections
 1 through 3.

<u>NEW SECTION.</u> Section 7. Coordination instruction. If
Bill No. [LC 1129], providing a fee in lieu of
property tax for motorboats is not passed and approved, the
bracketed language in section 3(3) is void.
<u>NEW SECTION.</u> Section 8. Effective date. This act is

9 effective on passage and approval.

-End-

LC 0935/01

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB730, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to require a certificate of ownership for motorboats and vessels; amending Section 23-2-502, MCA; and providing an immediate effective date.

ASSUMPTIONS:

1. 50,000 motorboats and vessels will be initially titled in FY87 and FY88.

2. 30% (15,000) will require transfer of duplicate titles each year thereafter.

3. The number to be titled does not include inflatable, non-motorized vessels.

4. 3.0 additional FTE to handle increased work load.

5. Title fees would be deposited in the Motor Vehicle Account.

FISCAL IMPACT:

Additional Revenues: Proposed Law FY87 FY88 FY89 \$100.000 \$ 60,000 \$160.000 Title Fees Additional Expenses: Personal Services \$ 21.300 \$ 42,600 \$ 42.600 14,200 21,500 11,500 **Operating Expenses** 12.100 13,000 Equipment n 54,100 \$ 47.600 \$ 77,100 TOTAL \$ 82,900 5,900 \$ 52,400 Balance Available:

NOTE: FY87 appropriation authority will need to be adjusted if this bill passes. The effective date is upon passage which would be the boat registering season.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

Requires additional work for County Treasurer's offices. This would be offset by the \$2.00 per certificate fee retained by the county.

DATE 2

DAVID L. HUNTER BUDGET DIRECTOR Office of Budget and Program Planning DATE

BOB BACHINI, PRIMARY SPONSOR

Fiscal Note for HB730, as introduced.

10 730

50th Legislature

HB 0730/02

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RE-REFFERED AND

APPROVED BY COMMITTEE ON TAXATION

1	HOUSE BILL NO. 730
2	INTRODUCED BY BACHINI
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE A
5	CERTIFICATE OF OWNERSHIP FOR MOTORBOATS AND VESSELS;
6	AMENDING SECTION 23-2-502, MCA; AND PROVIDING AN-IMMEDIATE A
7	DELAYED EFFECTIVE DATE."
8	
9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
10	NEW SECTION. Section 1. Certificate of ownership. (1)
11	Except as provided in subsection (7), no motorboat or vessel
12	may be operated upon the waters of the state unless a
13	certificate of ownership has first been obtained from the
14	department of justice in accordance with the laws of this
15	state.
16	(2) The owner of a motorboat or vessel shall apply for
17	a certificate of ownership with the county treasurer of the
18	county in which the owner resides, upon forms furnished by
19	the department of justice. The forms must require the
20	following information:
21	(a) name of the owner;
22	(b) residence of the owner, by town or county;
23	(c) business or home address of the owner;

- 24 (d) name and address of any lienholder;
- 25 (e) amount due under any contract or lien;



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(f) name of the manufacturer;

(g) model number or name;

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3 (h) identification number; and

4 (i) name and address of the dealer or other person 5 from whom acquired.

6 (3) If a certificate of ownership has previously been 7 issued under the provisions of this part, the application 8 for a new certificate must be accompanied by the immediately 9 previous certificate. This subsection does not apply to 10 motorboats or vessels that are purchased as new and unused 11 machines or that were operated when the provisions of this 12 part were not in force and effect.

(4) Upon completion of the application, the county 13 14 treasurer shall issue to the applicant two copies of the application, one of which must be marked "file copy". The 15 treasurer shall forward one copy and the original 16 application to the department of justice, which shall enter 17 18 the information contained in the application upon the corresponding records of its office, and shall furnish the 19 20 applicant a certificate of ownership containing that information in the application considered necessary by the 21 22 department and a permanent ownership number. The certificate of ownership need not be renewed annually and is valid as 23 long as the person holding it owns the vessel. 24

25 (5) The owner shall at all times retain possession of

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SECOND READING

the certificate of ownership, except when it is being
 transmitted to and from the department of justice for
 endorsement or cancellation.

4 (6) Upon application for a certificate of ownership, a 5 fee of \$6 must be paid to the county treasurer, \$4 of which 6 must be forwarded by the county treasurer to the department 7 of justice and deposited in the motor vehicle recording 8 account of the state special revenue fund.

9 (7) A person who, on [the effective date of this act], 10 is the owner of a motorboat or vessel with a valid 11 certificate of number issued by the state is not required to 12 file an application for a certificate of title OWNERSHIP for 13 the motorboat or vessel unless he transfers a part of his 14 interest in the motorboat or vessel or he renews the 15 certificate of number for the motorboat or vessel.

16 <u>NEW SECTION.</u> Section 2. Lost or mutilated
17 certificate. (1) If a certificate of ownership is lost,
18 mutilated, or becomes illegible, the person to whom it was
19 issued shall immediately make application for and obtain a
20 duplicate, upon payment of a fee of \$6.

(2) The duplicate certificate of title <u>OWNERSHIP</u> must
be plainly marked "duplicate" across its face and be mailed
or delivered to the applicant.

24 <u>NEW SECTION.</u> Section 3. Transfer of interest. (1)
25 Except as provided in subsection (3), upon a transfer of a

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24 fro 25 day

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23

from a licensed dealer has a grace period of 20 calendar days from the date of purchase to register the motorboat or

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certificate of ownership to a motorboat or vessel registered as required under the provisions of this part, the person whose title or interest is to be transferred shall sign the certificate of ownership issued for the motorboat or vessel in the appropriate space provided on the reverse side of the certificate, and such signature must be acknowledged before a notary public.

8 (2) Within 20 calendar days thereafter, the transferee 9 shall make application for transfer of the certificate of 10 ownership so endorsed with the county treasurer of the 11 county in which the transferee resides and also make application for registration of the motorboat or vessel. The 12 13 county treasurer shall forward the application to the 14 department of justice, which shall file the certificate upon 15 receipt. No certificate of ownership may be issued by the 16 department until any outstanding certificate is surrendered 17 to the department or its loss established to the 18 department's reasonable satisfaction. The county treasurer shall collect a fee of \$6 for each application for transfer 19 of ownership, of which \$4 must be forwarded to the 20 21 department of justice for deposit in the motor vehicle 22 recording account of the state special revenue fund.

(3) A purchaser of a new or used motorboat or vessel

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vessel, make application for a certificate of ownership, and 1 2 obtain a decal [indicating that the fee in lieu of property tax has been paid on the vessel for the current year]. It is 3 4 not a violation of this part or any other law for the purchaser to operate a newly acquired motorboat or vessel 5 without a certificate of ownership, certificate of 6 7 registration, and decal during the 20-day grace period. 8 During this period the sticker provided for in subsection (4) must remain affixed to the motorboat or vessel. 9

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(4) Prior to the delivery of the motorboat or vessel 10 to the purchaser, the dealer shall issue and affix to a 11 motorboat or vessel constructed after October 31, 1972, a 12 hull identification number sticker as prescribed by the 13 department of justice. The sticker must contain the name and 14 15 address of the purchaser, the date of sale, the name and 16 address of the dealer, and a description of the motorboat or 17 vessel, including its serial number. The dealer shall keep a copy of the sticker for his records and shall send a copy of 18 19 the sticker to the department of justice.

(5) The provisions of subsection (2) do not apply in the event of the transfer of a motorboat or vessel to a duly licensed dealer intending to resell the motorboat or vessel and who operates it only for demonstration purposes, but every such dealer, upon transferring such interest, shall deliver the certificate of ownership with an application for 1 a new certificate executed by the new owner in accordance 2 with the provisions of this part. The department of justice, 3 upon receipt of the certificate of ownership and application 4 for a new certificate containing notice of a security 5 interest, if any, shall issue a new certificate of 6 ownership, together with a statement of any conditional 7 sales contract, mortgage, or other lien.

8 Section 4. Section 23-2-502, MCA, is amended to read:
9 "23-2-502. Definitions. As used in this part, unless
10 the context clearly requires a different meaning, the
11 following definitions apply:

12 (1) "Certificate of number" means the certificate
13 issued annually by the county treasurer to the owner of a
14 motorboat or by the department of justice to dealers or
15 manufacturers, assigning such motorboat an identifying
16 number and containing such information as required.

17 (2) "Certificate of ownership" means a certificate
18 issued by the county treasurer, with a copy forwarded to the
19 department of justice identifying the owner of a motorboat
20 or vessel.
21 (3) "Dealer" means any person who engages in whole or
22 in part in the business of buying, selling, or exchanging

new and unused vessels or used vessels, or both, either
outright or on conditional sale, bailment, lease, chattel

25 mortgage, or otherwise, and who has an established place of

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business for sale, trade, and display of vessels. A yacht
 broker is a dealer.

3 (2)(4) "Department" means the department of fish,
4 wildlife, and parks of the state of Montana.

5 (3)(5) "Documented vessel" means a vessel which has
6 and is required to have a valid marine document as a vessel
7 of the United States.

8 (4)(6) "Identifying number" means the boat number set
9 forth in the certificate of number and properly displayed on
10 the motorboat.

11 (5)(7) "License decals" means the serially numbered 12 license stickers issued annually by the county treasurer and 13 displayed as required by law.

14 (8) "Lienholder" means a person holding a security 15 interest.

16 (9) "Manufacturer" means any person engaged in the
17 business of manufacturing or importing new and unused
18 vessels or new and unused outboard motors for the purpose of
19 sale or trade.

20 <u>(6)(10)</u> "Motorboat" means any vessel propelled by any 21 machinery, motor, or engine of any description, whether or 22 not such machinery, motor, or engine is the principal source 23 of propulsion. The term includes boats temporarily equipped 24 with detachable motors or engines but does not include a 25 vessel which has a valid marine document issued by the U.S.

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1 coast guard of the United States government or any federal

2 agency successor thereto.

3 (7)(11) "Operate" means to navigate or otherwise use a
4 motorboat or a vessel.

5 (0)(12) "Operator" means the person who navigates,
6 drives, or is otherwise in immediate control of a motorboat
7 or vessel.

(13) "Owner" means a person, other than a lien 8 holder, having the property in or title to a motorboat or 9 vessel. The term includes a person entitled to the use or 10 possession of a motorboat or vessel subject to an interest 11 in another person, reserved or created by an agreement 12 securing payment or performance of an obligation, but the 13 term excludes a lessee under a lease not intended as 14 15 security.

16 (10)(14) "Passenger" means every person carried on 17 board a vessel other than:

18 (a) the owner or his representative;

19 (b) the operator;

(c) bona fide members of the crew engaged in the
business of the vessel who have contributed no consideration
for their carriage and who are paid for their services; or
(d) any guest on board a vessel which is being used
exclusively for pleasure purposes when has not contributed
any consideration, directly or indirectly, for his carriage.

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ttt;(15) "Person" means an individual, partnership,
 firm, corporation, association, or other entity.

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3 (16) "Security interest" means an interest that is
4 reserved or created by an agreement that secures payment or
5 performance of an obligation and is valid against third
6 parties generally.

7 (12)(17) "Uniform state waterway marking system" means
8 one of two categories:

9 (a) a system of aids to navigation to supplement the10 federal system of marking in state waters;

(b) a system of regulatory markers to warn a vessel
operator of dangers or to provide general information and
directions.

14 (13)(18) "Vessel" means every description of
15 watercraft, unless otherwise defined by the department,
16 other than a seaplane on the water, used or capable of being
17 used as a means of transportation on water.

18 (14)(19) "Waters of this state" means any waters within 19 the territorial limits of this state."

20 <u>NEW SECTION.</u> Section 5. Extension of authority. Any
21 existing authority of the department of justice to make
22 rules on the subject of the provisions of this act is
23 extended to the provisions of this act.

24 <u>NEW SECTION.</u> Section 6. Codification instruction.
25 Sections 1 through 3 are intended to be codified as an

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integral part of Title 23, chapter 2, part 5, and the
 provisions of Title 23, chapter 2, part 5, apply to sections
 1 through 3.

MEW SECTION. Section 7. Coordination instruction. If
House Bill No. 658, providing a fee in lieu of property tax
for motorboats is not passed and approved, the bracketed
language in section 3(3) is void.

8 NEW SECTION. Section 8. Effective date. This act is

9 effective on-passage-and-approval JULY 1, 1988.

-End-

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50th Legislature

HB 0730/03

RE-REFFERED AND APPROVED BY COMMITTEE ON TAXATION AS AMENDED

1	HOUSE BILL NO. 730
2	INTRODUCED BY BACHINI
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE A
5	CERTIFICATE OF OWNERSHIP FOR MOTORBOATS AND VESSELS CERTAIN
6	SAILBOATS; AMENDING SECTION 23-2-502, MCA; AND PROVIDING AN
7	IMMEDIATE A DELAYED EFFECTIVE DATE."
8	
9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
10	NEW SECTION. Section 1. Certificate of ownership. (1)
11	Except as provided in subsection (7) (9), no motorboat or
12	vessel SAILBOAT 12 FEET IN LENGTH OR LONGER may be operated
13	upon the waters of the state unless a certificate of
14	ownership has first been obtained from the department of
15	justice in accordance with the laws of this state.
16	(2) The owner of a motorboat or vessel SAILBOAT 12
17	FEET IN LENGTH OR LONGER shall apply for a certificate of
18	ownership AND A CERTIFICATE OF NUMBER with the county
19	treasurer of the county in which the owner resides, upon
20	forms furnished by the department of justice. The forms must
21	require the following information:
22	(a) name of the owner;
23	(b) residence of the owner, by town or county;

24 (c) business or home address of the owner;

25 (d) name and address of any lienholder;

Montana Legislative Council

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1	(e) amount due under any contract or lien;
2	(f) name of the manufacturer;
3	(g) model number or name;
4	(h) identification number; and
5	(i) name and address of the dealer or other person
6	from whom acquired, IF KNOWN; AND
7	(J) SUCH OTHER INFORMATION AS THE DEPARTMENT OF
8	JUSTICE MAY REQUIRE.
9	(3) THE APPLICATION IS TO BE ACCOMPANIED BY
10	DOCUMENTATION OF OWNERSHIP, SUCH AS AN INVOICE, BILL OF
11	SALE, FOREIGN TITLE, OFFICIAL CERTIFICATE OF BOAT NUMBER,
12	TAX RECEIPT, CERTIFICATION FROM THE DEPARTMENT OF REVENUE
13	THAT THE MOTORBOAT OR SAILBOAT 12 FEET IN LENGTH OR LONGER
14	IS LISTED WITH THE APPLICANT'S TAXABLE PROPERTY, OR A
15	CERTIFICATE OF OWNERSHIP OF A TRAILER PURCHASED WITH THE
16	MOTORBOAT OR SAILBOAT. AN APPLICANT WHO FAILS TO PROVIDE
17	SUCH PROOF OF OWNERSHIP SHALL PROVIDE A CERTIFIED STATEMENT
18	DESCRIBING HOW THE MOTORBOAT OR SAILBOAT 12 FEET IN LENGTH
19	OR LONGER WAS ACQUIRED, FROM WHOM ACQUIRED IF KNOWN, AND
20	OTHER INFORMATION REQUESTED BY THE DEPARTMENT OF JUSTICE.
21	+3+(4) If a certificate of ownership has previously
22	been issued under the provisions of this part, the
23	application for a new certificate must be accompanied by the
24	immediately previous certificate. This subsection does not
25	apply to motorboats or vessels SAILBOATS 12 FEET IN LENGTH

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SECOND READING

<u>OR LONGER</u> that are purchased as new and unused machines or
 that were operated when the provisions of this part were not
 in force and effect.

4 (5) ANY MOTORBOAT OR SAILBOAT 12 FEET IN LENGTH OR 5 LONGER THAT DOES NOT HAVE A MANUFACTURER'S OR OTHER 6 IDENTIFYING NUMBER THEREON MUST BE ASSIGNED AN 7 IDENTIFICATION NUMBER BY THE DEPARTMENT OF FISH, WILDLIFE, 8 AND PARKS. A FEE OF \$1 MUST BE PAID TO THE DEPARTMENT FOR AN 9 ASSIGNMENT OF NUMBER.

10 (4)(6) Upon completion of the application, the county 11 treasurer shall issue to the applicant two copies of the CERTIFICATE OF NUMBER application, one of which must be 12 marked "file copy". The treasurer shall forward one copy and 13 the original application FOR A CERTIFICATE OF OWNERSHIP to 14 the department of justice, which shall enter the information 15 16 contained in the application upon the corresponding records 17 of its office, and shall furnish the applicant a certificate of ownership containing that information in the application 18 considered necessary by the department and a permanent 19 ownership BOAT number. The certificate of ownership need not 20 be renewed annually and is valid as long as the person 21 22 holding it owns the vessel.

23 (5)(7) The owner shall at all times retain possession 24 of the certificate of ownership, except when it is being 25 transmitted to and from the department of justice for

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1 endorsement or cancellation.

t67(8) Upon application for a certificate of
ownership, a fee of \$6 must be paid to the county treasurer,
\$4 of which must be forwarded by the county treasurer to the
department of justice and deposited in the motor vehicle
recording account of the state special revenue fund.

7 (7)(9) A person who, on [the effective date of this 8 act], is the owner of a motorboat or vessel SAILBOAT 12 FEET 9 IN LENGTH OR LONGER with a valid certificate of number 10 issued by the state is not required to file an application 11 for a certificate of title OWNERSHIP for the motorboat or 12 vessel SAILBOAT 12 FEET IN LENGTH OR LONGER unless he 13 transfers a part of his interest in the motorboat or vessel SAILBOAT 12 FEET IN LENGTH OR LONGER or he renews the 14 certificate of number for the motorboat or vessel SAILBOAT 15 16 12 FEET IN LENGTH OR LONGER.

17 <u>NEW SECTION.</u> Section 2. Lost or mutilated 18 certificate. (1) If a certificate of ownership is lost, 19 mutilated, or becomes illegible, the person to whom it was 20 issued shall immediately make application for and obtain a 21 duplicate, upon payment of a fee of \$6.

(2) The duplicate certificate of title OWNERSHIP must
be plainly marked "duplicate" across its face and be mailed
or delivered to the applicant.

25 NEW SECTION. Section 3. Transfer of interest. (1)

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Except as provided in subsection (3), upon a transfer of a 1 certificate of ownership to a motorboat or vessel SAILBOAT 2 12 FEET IN LENGTH OR LONGER registered as required under the 3 provisions of this part, the person whose title or interest 4 5 is to be transferred shall sign the certificate of ownership issued for the motorboat or vessel SAILBOAT 12 FEET IN 6 7 LENGTH OR LONGER in the appropriate space provided on the 8 reverse side of the certificate, and such signature must be 9 acknowledged before a notary public.

10 (2) Within 20 calendar days thereafter, the transferee shall make application for transfer of the certificate of 11 12 ownership so endorsed with the county treasurer of the county in which the transferee resides and also make 13 14 application for registration of the motorboat or vessel SAILBOAT 12 FEET IN LENGTH OR LONGER. The county treasurer 15 shall forward the application to the department of justice, 16 which shall file the certificate upon receipt. No 17 certificate of ownership may be issued by the department 18 until any outstanding certificate is surrendered to the 19 20 department or its loss established to the department's reasonable satisfaction. The county treasurer shall collect 21 22 a fee of \$6 for each application for transfer of ownership, of which S4 must be forwarded to the department of justice 23 for deposit in the motor vehicle recording account of the 24 state special revenue fund. 25

1 (3) A purchaser of a new or used motorboat or vessel 2 SAILBOAT 12 FEET IN LENGTH OR LONGER from a licensed dealer has a grace period of 20 calendar days from the date of 3 purchase to register the motorboat or vessel SAILBOAT 12 4 FEET IN LENGTH OR LONGER, make application for a certificate 5 of ownership, and obtain a decal [indicating that the fee in 6 lieu of property tax has been paid on the vessel for the 7 8 current year]. It is not a violation of this part or any 9 other law for the purchaser to operate a newly acquired motorboat or vessel SAILBOAT 12 FEET IN LENGTH OR LONGER 10 without a certificate of ownership, certificate of 11 12 registration, and decal during the 20-day grace period. 13 During this period the sticker provided for in subsection 14 (4) must remain affixed to the motorboat or vessel SAILBOAT 15 12 FEET IN LENGTH OR LONGER. (4) Prior to the delivery of the motorboat or vessel 16 17 SAILBOAT 12 FEET IN LENGTH OR LONGER to the purchaser, the dealer shall issue and affix to a motorboat or vessel 18 19 SAILBOAT 12 FEET IN LENGTH OR LONGER constructed after October 31, 1972, a hull-identification-number sticker as 20 prescribed by the department of justice. The sticker must 21 contain the name and address of the purchaser, the date of 22

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sale, the name and address of the dealer, and a description

of the motorboat or vessel SAILBOAT 12 FEET IN LENGTH OR

LONGER, including its serial number. The dealer shall keep a

copy of the sticker for his records and shall send a copy of
 the sticker to the department of justice.

3 (5) The provisions of subsection (2) do not apply in 4 the event of the transfer of a motorboat or vessel SAILBOAT 5 12 FEET IN LENGTH OR LONGER to a duly licensed dealer 6 intending to resell the motorboat or vessel SAILBOAT 12 FEET 7 IN LENGTH OR LONGER and who operates it only for demonstration purposes, but every such dealer, upon 8 9 transferring such interest, shall deliver the certificate of 10 ownership with an application for a new certificate executed 11 by the new owner in accordance with the provisions of this 12 part. The department of justice, upon receipt of the certificate of ownership and application for a new 13 14 certificate containing notice of a security interest, if 15 any, shall issue a new certificate of ownership, together 16 with a statement of any conditional sales contract, 17 mortgage, or other lien.

18 Section 4. Section 23-2-502, MCA, is amended to read: 19 "23-2-502. Definitions. As used in this part, unless 20 the context clearly requires a different meaning, the 21 following definitions apply:

(1) "Certificate of number" means the certificate
issued annually by the county treasurer to the owner of a
motorboat or by the department of justice to dealers or
manufacturers, assigning such motorboat an identifying

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1	number and containing such information as required.
2	(2) "Certificate of ownership" means a certificate
3	issued by the county-treasurer,-with-a-copy-forwarded-to-the
4	department of justice identifying the owner of a motorboat
5	or vessel SAILBOAT 12 FEET IN LENGTH OR LONGER.
6	(3) "Dealer" means any person who engages in whole or
7	in part in the business of buying, selling, or exchanging
8	new and unused vessels or used vessels, or both, either
9	outright or on conditional sale, bailment, lease, chattel
10	mortgage, or otherwise, and who has an established place of
11	business for sale, trade, and display of vessels. A yacht
12	broker is a dealer.
13	<pre>+2)(4) "Department" means the department of fish,</pre>
14	wildlife, and parks of the state of Montana.
15	(3)<u>(5)</u> "Documented vessel" means a vessel which has
16	and is required to have a valid marine document as a vessel
17	of the United States.
18	<pre>(6) "Identifying number" means the boat number set</pre>
19	forth in the certificate of number and properly displayed on
20	the motorboat.
21	<pre>{5}(7) "License decals" means the serially numbered</pre>
22	license stickers issued annually by the county treasurer and
23	displayed as required by law.
24	(8) "Lienholder" means a person holding a security
25	interest.

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(9) "Manufacturer" means any person engaged in the 1 business of manufacturing or importing new and unused 2 vessels or new and unused outboard motors for the purpose of 3 sale or trade. 4 (10) "Motorboat" means any vessel propelled by any 5 machinery, motor, or engine of any description, whether or 6 7 not such machinery, motor, or engine is the principal source of propulsion. The term includes boats temporarily equipped 8 with detachable motors or engines but does not include a 9 vessel which has a valid marine document issued by the U.S. 10

11 coast guard of the United States government or any federal 12 agency successor thereto.

13 (7)(11) "Operate" means to navigate or otherwise use a
 14 motorboat or a vessel.

15 (8)(12) "Operator" means the person who navigates,
16 drives, or is otherwise in immediate control of a motorboat
17 or vessel.

+9+(13) "Owner" means a person, other than a lien 18 holder, having the property in or title to a motorboat or 19 20 vessel. The term includes a person entitled to the use or possession of a motorboat or vessel subject to an interest 21 22 in another person, reserved or created by an agreement securing payment or performance of an obligation, but the 23 term excludes a lessee under a lease not intended as 24 25 security.

1	(10)<u>(14)</u> "Passenger" means every person carried on
2	board a vessel other than:
3	(a) the owner or his representative;
4	(b) the operator;
5	(c) bona fide members of the crew engaged in the
6	business of the vessel who have contributed no consideration
7	for their carriage and who are paid for their services; or
8	(d) any guest on board a vessel which is being used
9	exclusively for pleasure purposes who has not contributed
10	any consideration, directly or indirectly, for his carriage.
11	<pre>(11)(15) "Person" means an individual, partnership,</pre>
12	firm, corporation, association, or other entity.
13	(16) "Security interest" means an interest that is
14	reserved or created by an agreement that secures payment or
15	performance of an obligation and is valid against third
16	parties generally.
17	(12) "Uniform state waterway marking system" means
18	one of two categories:
19	(a) a system of aids to navigation to supplement the
20	federal system of marking in state waters;
2 1	(b) a system of regulatory markers to warn a vessel
22	operator of dangers or to provide general information and
23	directions.
24	(13)(18) "Vessel" means every description of
25	watercraft, unless otherwise defined by the department,

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other than a seaplane on the water, used or capable of being
 used as a means of transportation on water.

3 (14)(19) "Waters of this state" means any waters within
4 the territorial limits of this state."

5 <u>NEW SECTION.</u> Section 5. Extension of authority. Any 6 existing authority of the department of justice to make 7 rules on the subject of the provisions of this act is 8 extended to the provisions of this act.

9 <u>NEW SECTION.</u> Section 6. Codification instruction. 10 Sections 1 through 3 are intended to be codified as an 11 integral part of Title 23, chapter 2, part 5, and the 12 provisions of Title 23, chapter 2, part 5, apply to sections 13 1 through 3.

14 <u>NEW SECTION.</u> Section 7. Coordination instruction. If 15 House Bill No. 658, providing a fee in lieu of property tax 16 for motorboats is not passed and approved, the bracketed 17 language in section 3(3) is void.

18 NEW SECTION. Section 8. Effective date. This act is

19 effective on-passage-and-approval JULY 1, 1988.

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1	HOUSE BILL NO. 730	1	
2	INTRODUCED BY BACHINI	2	
3		3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE A	4	
5	CERTIFICATE OF OWNERSHIP FOR MOTORBOATS AND VESSESS CERTAIN	5	
6	SAILBOATS; AMENDING SECTION 23-2-502, MCA; AND PROVIDING AN	6	from
7	IMMEDIATE A DELAYED EFFECTIVE DATE."	7	
8		8	JUST
9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	9	
10	NEW SECTION. Section 1. Certificate of ownership. (1)	10	DOCU
11	Except as provided in subsection (7) (9), no motorboat or	11	SALE
12	vessel SAILBOAT 12 PEET IN LENGTH OR LONGER may be operated	12	TAX
13	upon the waters of the state unless a certificate of	13	THAT
14	ownership has first been obtained from the department of	14	<u>15 I</u>
15	justice in accordance with the laws of this state.	15	CERI
16	(2) The owner of a motorboat or vessel SAILBOAT 12	16	MOTO
17	FEET IN LENGTH OR LONGER shall apply for a certificate of	17	SUCE
18	ownership AND A CERTIFICATE OF NUMBER with the county	18	DESC
19	treasurer of the county in which the owner resides, upon	19	OR
20	forms furnished by the department of justice. The forms must	20	OTHE
21	require the following information:	21	
22	(a) name of the owner;	22	beer
23	(b) residence of the owner, by town or county;	23	appl
24	(c) business or home address of the owner;	24	i nun e
25	(d) name and address of any lienholder;	25	appl

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1	(e) amount due under any contract or lien;
2	(f) name of the manufacturer;
3	(g) model number or name;
4	(h) identification number; and
5	(i) name and address of the dealer or other person
6	from whom acquired; IF KNOWN; AND
7	(J) SUCH OTHER INFORMATION AS THE DEPARTMENT OF
8	JUSTICE MAY REQUIRE.
9	(3) THE APPLICATION IS TO BE ACCOMPANIED BY
10	DOCUMENTATION OF OWNERSHIP, SUCH AS AN INVOICE, BILL OF
11	SALE, FOREIGN TITLE, OFFICIAL CERTIFICATE OF BOAT NUMBER,
12	TAX RECEIPT, CERTIFICATION FROM THE DEPARTMENT OF REVENUE
13	THAT THE MOTORBOAT OR SAILBOAT 12 FEET IN LENGTH OR LONGER
14	IS LISTED WITH THE APPLICANT'S TAXABLE PROPERTY, OR A
15	CERTIFICATE OF OWNERSHIP OF A TRAILER PURCHASED WITH THE
16	MOTORBOAT OR SAILBOAT. AN APPLICANT WHO FAILS TO PROVIDE
17	SUCH PROOF OF OWNERSHIP SHALL PROVIDE A CERTIFIED STATEMENT
18	DESCRIBING HOW THE MOTORBOAT OR SAILBOAT 12 FEET IN LENGTH
19	OR LONGER WAS ACQUIRED, FROM WHOM ACQUIRED IF KNOWN, AND
20	OTHER INFORMATION REQUESTED BY THE DEPARTMENT OF JUSTICE.
21	<pre>+3+(4) If a certificate of ownership has previously</pre>
22	been issued under the provisions of this part, the
23	application for a new certificate must be accompanied by the
24	immediately previous certificate. This subsection does not
25	apply to motorboats or wessels SAILBOATS 12 FEET IN LENGTH

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THIRD READING

<u>OR LONGER</u> that are purchased as new and unused machines or
 that were operated when the provisions of this part were not
 in force and effect.

4 (5) ANY MOTORBOAT OR SAILBOAT 12 FEET IN LENGTH OR 5 LONGER THAT DOES NOT HAVE A MANUFACTURER'S OR OTHER б IDENTIFYING NUMBER THEREON MUST BE ASSIGNED AN 7 IDENTIFICATION NUMBER BY THE DEPARTMENT OF FISH, WILDLIFE, 8 AND PARKS. A FEE OF \$1 MUST BE PAID TO THE DEPARTMENT FOR AN 9 ASSIGNMENT OF NUMBER.

10 +4+(6) Upon completion of the application, the county 11 treasurer shall issue to the applicant two copies of the 12 CERTIFICATE OF NUMBER application. one of which must be 13 marked "file copy". The treasurer shall forward one copy and 14 the original application FOR A CERTIFICATE OF OWNERSHIP to 15 the department of justice, which shall enter the information 16 contained in the application upon the corresponding records 17 of its office, and shall furnish the applicant a certificate 18 of ownership containing that information in the application considered necessary by the department and a permanent 19 ownership BOAT number. The certificate of ownership need not 20 21 be renewed annually and is valid as long as the person 22 holding it owns the vessel.

23 (5)(7) The owner shall at all times retain possession
24 of the certificate of ownership, except when it is being
25 transmitted to and from the department of justice for

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1 endorsement or cancellation.

2 (6)(8) Upon application for a certificate of 3 ownership, a fee of \$6 must be paid to the county treasurer, 4 \$4 of which must be forwarded by the county treasurer to the 5 department of justice and deposited in the motor vehicle 6 recording account of the state special revenue fund.

7 (7)(9) A person who, on (the effective date of this 8 act], is the owner of a motorboat or vessel SAILBOAT 12 FEET 9 IN LENGTH OR LONGER with a valid certificate of number 10 issued by the state is not required to file an application 11 for a certificate of title OWNERSHIP for the motorboat or 12 vessel SAILBOAT 12 FEET IN LENGTH OR LONGER unless he 13 transfers a part of his interest in the motorboat or vessel 14 SAILBOAT 12 FEET IN LENGTH OR LONGER or he renews the certificate of number for the motorboat or vessel SAILBOAT 15 12 FEET IN LENGTH OR LONGER. 16

17 <u>NEW SECTION.</u> Section 2. Lost or mutilated
18 certificate. (1) If a certificate of ownership is lost,
19 mutilated, or becomes illegible, the person to whom it was
20 issued shall immediately make application for and obtain a
21 duplicate, upon payment of a fee of \$6.

(2) The duplicate certificate of title <u>OWNERSHIP</u> must
be plainly marked "duplicate" across its face and be mailed
or delivered to the applicant.

25 <u>NEW SECTION.</u> Section 3. Transfer of interest. (1)

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Except as provided in subsection (3), upon a transfer of a 1 certificate of ownership to a motorboat or vessel SAILBOAT 2 12 FEET IN LENGTH OR LONGER registered as required under the 3 provisions of this part, the person whose title or interest 4 is to be transferred shall sign the certificate of ownership 5 issued for the motorboat or vessel SAILBOAT 12 FEET IN 6 LENGTH OR LONGER in the appropriate space provided on the 7 8 reverse side of the certificate, and such signature must be acknowledged before a notary public. 9

10 (2) Within 20 calendar days thereafter, the transferee shall make application for transfer of the certificate of 11 12 ownership so endorsed with the county treasurer of the 13 county in which the transferee resides and also make 14 application for registration of the motorboat or vessel SAILBOAT 12 FEET IN LENGTH OR LONGER. The county treasurer 15 16 shall forward the application to the department of justice. which shall file the certificate upon receipt. No 17 certificate of ownership may be issued by the department 18 until any outstanding certificate is surrendered to the 19 20 department or its loss established to the department's reasonable satisfaction. The county treasurer shall collect 21 22 a fee of \$6 for each application for transfer of ownership, 23 of which \$4 must be forwarded to the department of justice 24 for deposit in the motor vehicle recording account of the state special revenue fund. 25

1 (3) A purchaser of a new or used motorboat or vessel SAILBOAT 12 FEET IN LENGTH OR LONGER from a licensed dealer 2 3 has a grace period of 20 calendar days from the date of 4 purchase to register the motorboat or vessel SAILBOAT 12 5 FEET IN LENGTH OR LONGER, make application for a certificate of ownership, and obtain a decal (indicating that the fee in 6 7 lieu of property tax has been paid on the vessel for the current year]. It is not a violation of this part or any 8 other law for the purchaser to operate a newly acquired 9 10 motorboat or vessel SAILBOAT 12 FEET IN LENGTH OR LONGER without a certificate of ownership, certificate of 11 registration, and decal during the 20-day grace period. 12 During this period the sticker provided for in subsection 13 (4) must remain affixed to the motorboat or vessel SAILBOAT 14 15 12 FEET IN LENGTH OR LONGER. 16 (4) Prior to the delivery of the motorboat or vessel SAILBOAT 12 FEET IN LENGTH OR LONGER to the purchaser, the 17 18 dealer shall issue and affix to a motorboat or vessel SAILBOAT 12 FEET IN LENGTH OR LONGER constructed after 19 October 31, 1972, a hull-identification-number sticker as 20 prescribed by the department of justice. The sticker must 21 contain the name and address of the purchaser, the date of 22 sale, the name and address of the dealer, and a description 23 of the motorboat or vessel SAILBOAT 12 FEET IN LENGTH OR 24 LONGER, including its serial number. The dealer shall keep a 25

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1 copy of the sticker for his records and shall send a copy of the sticker to the department of justice. 2

3 (5) The provisions of subsection (2) do not apply in 4 the event of the transfer of a motorboat or vessel SAILBOAT 5 12 FEET IN LENGTH OR LONGER to a duly licensed dealer б intending to resell the motorboat or vessel SAILBOAT 12 FEET 7 IN LENGTH OR LONGER and who operates it only for demonstration purposes, but every such dealer, 8 upon 9 transferring such interest, shall deliver the certificate of ownership with an application for a new certificate executed 10 11 by the new owner in accordance with the provisions of this part. The department of justice, upon receipt of the 12 13 certificate of ownership and application for a new certificate containing notice of a security interest, if 14 15 any, shall issue a new certificate of ownership, together with a statement of any conditional sales contract, 16 17 mortgage, or other lien.

18 Section 4. Section 23-2-502, MCA, is amended to read: 19 "23-2-502. Definitions. As used in this part, unless 20 the context clearly requires a different meaning, the 21 following definitions apply:

22 (1) "Certificate of number" means the certificate 23 issued annually by the county treasurer to the owner of a motorboat or by the department of justice to dealers or 24 25 manufacturers, assigning such motorboat an identifying

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number and containing such information as required. 2 (2) "Certificate of ownership" means a certificate 3 issued by the county-treasurery-with-a-copy-forwarded-to-the 4 department of justice identifying the owner of a motorboat or vessel SAILBOAT 12 FEET IN LENGTH OR LONGER. 5 6 (3) "Dealer" means any person who engages in whole or 7 in part in the business of buying, selling, or exchanging 8 new and unused vessels or used vessels, or both, either 9 outright or on conditional sale, bailment, lease, chattel mortgage, or otherwise, and who has an established place of 10 business for sale, trade, and display of vessels. A vacht 11 12 broker is a dealer. 13 (2)(4) "Department" means the department of fish, 14 wildlife, and parks of the state of Montana. 15 (3)(5) "Documented vessel" means a vessel which has and is required to have a valid marine document as a vessel 16 17 of the United States. (4)(6) "Identifying number" means the boat number set 18 19 forth in the certificate of number and properly displayed on the motorboat. 20 21 (5)(7) "License decals" means the serially numbered 22 license stickers issued annually by the county treasurer and 23 displayed as required by law.

24 (8) "Lienholder" means a person holding a security 25 interest.

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1 (9) "Manufacturer" means any person engaged in the 2 business of manufacturing or importing new and unused 3 vessels or new and unused outboard motors for the purpose of 4 sale or trade.

+6+(10) "Motorboat" means any vessel propelled by any 5 machinery, motor, or engine of any description, whether or 6 not such machinery, motor, or engine is the principal source 7 of propulsion. The term includes boats temporarily equipped 8 with detachable motors or engines but does not include a 9 vessel which has a valid marine document issued by the U.S. 10 coast guard of the United States government or any federal 11 12 agency successor thereto.

13 +7+(11) "Operate" means to navigate or otherwise use a 14 motorboat or a vessel.

15 (8)(12) "Operator" means the person who navigates,
16 drives, or is otherwise in immediate control of a motorboat
17 or vessel.

+9+(13) "Owner" means a person, other than a lien 18 holder, having the property in or title to a motorboat or 19 vessel. The term includes a person entitled to the use or 20 possession of a motorboat or vessel subject to an interest 21 in another person, reserved or created by an agreement 22 securing payment or performance of an obligation, but the 23 term excludes a lessee under a lease not intended as 24 security. 25

(a) the owner of his representation

(b) the operator;

(c) bona fide members of the crew engaged in the 5 business of the vessel who have contributed no consideration 6 7 for their carriage and who are paid for their services: or (d) any quest on board a vessel which is being used 8 9 exclusively for pleasure purposes who has not contributed any consideration, directly or indirectly, for his carriage. 10 11 (11) "Person" means an individual, partnership. 12 firm, corporation, association, or other entity. (16) "Security interest" means an interest that is 13 reserved or created by an agreement that secures payment or 14 performance of an obligation and is valid against third 15 parties generally. 16 (12) (17) "Uniform state waterway marking system" means 17 one of two categories: 18 (a) a system of aids to navigation to supplement the 19 federal system of marking in state waters; 20 21 (b) a system of regulatory markers to warn a vessel

22 operator of dangers or to provide general information and 23 directions.

24 (13)(18) "Vessel" means every description of 25 watercraft, unless otherwise defined by the department,

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other than a seaplane on the water, used or capable of being
 used as a means of transportation on water.

3 (14)(19) "Waters of this state" means any waters within
4 the territorial limits of this state."

5 <u>NEW SECTION.</u> Section 5. Extension of authority. Any 6 existing authority of the department of justice to make 7 rules on the subject of the provisions of this act is 8 extended to the provisions of this act.

9 <u>NEW SECTION.</u> Section 6. Codification instruction. 10 Sections 1 through 3 are intended to be codified as an 11 integral part of Title 23, chapter 2, part 5, and the 12 provisions of Title 23, chapter 2, part 5, apply to sections 13 1 through 3.

NEW SECTION. Section 7. Coordination instruction. If
House Bill No. 658, providing a fee in lieu of property tax
for motorboats is not passed and approved, the bracketed
language in section 3(3) is void.

18 <u>NEW SECTION.</u> Section 8. Effective date. This act is
19 effective on-passage-and-approval JULY 1, 1988.

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1	HOUSE BILL NO. 730	1	(e) amount due under any contract or lien;
2	INTRODUCED BY BACHINI	2	(f) name of the manufacturer;
3		3	(g) model number or name;
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE A	4	(h) identification number; and
5	CERTIFICATE OF OWNERSHIP FOR MOTORBOATS AND VESSES CERTAIN	5	(i) name and address of the dealer or other person
6	SAILBOATS; AMENDING SECTION 23-2-502, MCA; AND PROVIDING AN	6	from whom acquired, IF KNOWN; AND
7	HAMBOHATE A DELAYED EFFECTIVE DATE."	7	(J) SUCH OTHER INFORMATION AS THE DEPARTMENT OF
8		8	JUSTICE MAY REQUIRE.
9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	9	(3) THE APPLICATION IS TO BE ACCOMPANIED BY
10	NEW SECTION. Section 1. Certificate of ownership. (1)	10	DOCUMENTATION OF OWNERSHIP, SUCH AS AN INVOICE, BILL OF
11	Except as provided in subsection (7) (9), no motorboat or	11	SALE, FOREIGN TITLE, OFFICIAL CERTIFICATE OF BOAT NUMBER,
12	vessel SAILBOAT 12 FEET IN LENGTH OR LONGER may be operated	12	TAX RECEIPT, CERTIFICATION FROM THE DEPARTMENT OF REVENUE
13	upon the waters of the state unless a certificate of	13	THAT THE MOTORBOAT OR SAILBOAT 12 FEET IN LENGTH OR LONGER
14	ownership has first been obtained from the department of	14	IS LISTED WITH THE APPLICANT'S TAXABLE PROPERTY, OR A
15	justice in accordance with the laws of this state.	15	CERTIFICATE OF OWNERSHIP OF A TRAILER PURCHASED WITH THE
16	(2) The owner of a motorboat or vessel SAILBOAT 12	16	MOTORBOAT OR SAILBOAT. AN APPLICANT WHO FAILS TO PROVIDE
17	FRET IN LENGTH OR LONGER shall apply for a certificate of	17	SUCH PROOF OF OWNERSHIP SHALL PROVIDE A CERTIFIED STATEMENT
18	ownership AND A CERTIFICATE OF NUMBER with the county	10	DESCRIBING HOW THE MOTORBOAT OR SAILBOAT 12 FEET IN LENGTH
19	treasurer of the county in which the owner resides, upon	19	OR LONGER WAS ACQUIRED, FROM WHOM ACQUIRED IF KNOWN, AND
20	forms furnished by the department of justice. The forms must	20	OTHER INFORMATION REQUESTED BY THE DEPARTMENT OF JUSTICE.
21	require the following information:	21	(3)(4) If a certificate of ownership has previously
22	(a) name of the owner;	22	been issued under the provisions of this part, the
23	(b) residence of the owner, by town or county;	23	application for a new certificate must be accompanied by the
24	(c) business or home address of the owner;	24	immediately previous certificate. This subsection does not
25	(d) name and address of any lienholder;	25	apply to motorboats or vessels SAILBOATS 12 FEET IN LENGTH

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REFERENCE BILL

OR LONGER that are purchased as new and unused machines or
 that were operated when the provisions of this part were not
 in force and effect.

4 (5) ANY MOTORBOAT OR SAILBOAT 12 FEET IN LENGTH OR 5 LONGER THAT DOES NOT HAVE A MANUFACTURER'S OR OTHER 6 IDENTIFYING NUMBER THEREON MUST BE ASSIGNED AN 7 IDENTIFICATION NUMBER BY THE DEPARTMENT OF FISH, WILDLIFE, 8 AND PARKS. A FEE OF \$1 MUST BE PAID TO THE DEPARTMENT FOR AN 9 ASSIGNMENT OF NUMBER.

10 t4)(6) Upon completion of the application, the county 11 treasurer shall issue to the applicant two copies of the 12 CERTIFICATE OF NUMBER application, one of which must be marked "file copy". The treasurer shall forward one copy and 13 14 the original application FOR A CERTIFICATE OF OWNERSHIP to 15 the department of justice, which shall enter the information 16 contained in the application upon the corresponding records of its office, and shall furnish the applicant a certificate 17 18 of ownership containing that information in the application 19 considered necessary by the department and a permanent 20 ownership BOAT number. The certificate of ownership need not 21 be renewed annually and is valid as long as the person 22 holding it owns the vessel.

23 (5)(7) The owner shall at all times retain possession
24 of the certificate of ownership, except when it is being
25 transmitted to and from the department of justice for

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1 endorsement or cancellation,

(6)(8) Upon application for a certificate of
ownership, a fee of \$6 must be paid to the county treasurer,
\$4 of which must be forwarded by the county treasurer to the
department of justice and deposited in the motor vehicle
recording account of the state special revenue fund.

7 $\{7\}$ (9) A person who, on (the effective date of this act], is the owner of a motorboat or vessel SAILBOAT 12 FEET 8 IN LENGTH OR LONGER with a valid certificate of number 9 10 issued by the state is not required to file an application 11 for a certificate of title OWNERSHIP for the motorboat or 12 vessel SAILBOAT 12 FEET IN LENGTH OR LONGER unless he 13 transfers a part of his interest in the motorboat or vessel SAILBOAT 12 FEET IN LENGTH OR LONGER or he renews the 14 15 certificate of number for the motorboat or vessel SAILBOAT 16 12 FEET IN LENGTH OR LONGER.

17 <u>NEW SECTION.</u> Section 2. Lost or mutilated
18 certificate. (1) If a certificate of ownership is lost,
19 mutilated, or becomes illegible, the person to whom it was
20 issued shall immediately make application for and obtain a
21 duplicate, upon payment of a fee of \$6.

(2) The duplicate certificate of title OWNERSHIP must
be plainly marked "duplicate" across its face and be mailed
or delivered to the applicant.

25 <u>NEW SECTION.</u> Section 3. Transfer of interest. (1)

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1 Except as provided in subsection (3), upon a transfer of a certificate of ownership to a motorboat or vessel SAILBOAT 2 3 12 FEET IN LENGTH OR LONGER registered as required under the provisions of this part, the person whose title or interest 4 is to be transferred shall sign the certificate of ownership 5 6 issued for the motorboat or vessel SAILBOAT 12 FEET IN LENGTH OR LONGER in the appropriate space provided on the 7 8 reverse side of the certificate, and such signature must be acknowledged before a notary public. 9

10 (2) Within 20 calendar days thereafter, the transferee 11 shall make application for transfer of the certificate of 12 ownership so endorsed with the county treasurer of the 13 county in which the transferee resides and also make application for registration of the motorboat or vessel 14 SAILBOAT 12 FEET IN LENGTH OR LONGER. The county treasurer 15 shall forward the application to the department of justice, 16 which shall file the certificate upon receipt. No 17 certificate of ownership may be issued by the department 18 until any outstanding certificate is surrendered to the 19 department or its loss established to the department's 20 reasonable satisfaction. The county treasurer shall collect 21 22 a fee of \$6 for each application for transfer of ownership, 23 of which \$4 must be forwarded to the department of justice for deposit in the motor vehicle recording account of the 24 25 state special revenue fund.

1 (3) A purchaser of a new or used motorboat or vessel 2 SAILBOAT 12 FEET IN LENGTH OR LONGER from a licensed dealer 3 has a grace period of 20 calendar days from the date of purchase to register the motorboat or vessel SAILBOAT 12 4 5 FEET IN LENGTH OR LONGER, make application for a certificate of ownership, and obtain a decal (indicating that the fee in 6 7 lieu of property tax has been paid on the vessel for the current year). It is not a violation of this part or any 8 other law for the purchaser to operate a newly acquired g motorboat or vessel SAILBOAT 12 FEET IN LENGTH OR LONGER 10 11 without a certificate of ownership, certificate of registration, and decal during the 20-day grace period. 12 During this period the sticker provided for in subsection 13 (4) must remain affixed to the motorboat or vessel SAILBOAT 14 15 12 FEET IN LENGTH OR LONGER.

16 (4) Prior to the delivery of the motorboat or vessel 17 SAILBOAT 12 FEET IN LENGTH OR LONGER to the purchaser, the dealer shall issue and affix to a motorboat or vessel 18 SAILBOAT 12 FEET IN LENGTH OR LONGER constructed after 19 October 31, 1972, a hull-identification-number sticker as 20 prescribed by the department of justice. The sticker must 21 contain the name and address of the purchaser, the date of 22 sale, the name and address of the dealer, and a description 23 of the motorboat or vessel SAILBOAT 12 FEET IN LENGTH OR 24 25 LONGER, including its serial number. The dealer shall keep a

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copy of the sticker for his records and shall send a copy of
 the sticker to the department of justice.

3 (5) The provisions of subsection (2) do not apply in the event of the transfer of a motorboat or vessel SAILBOAT 4 12 FEET IN LENGTH OR LONGER to a duly licensed dealer 5 intending to resell the motorboat or vessel SAILBOAT 12 FEET 6 IN LENGTH OR LONGER and who operates it only for 7 8 demonstration purposes, but every such dealer, upon transferring such interest, shall deliver the certificate of 9 10 ownership with an application for a new certificate executed by the new owner in accordance with the provisions of this 11 12 part. The department of justice, upon receipt of the certificate of ownership and application for a new 13 14 certificate containing notice of a security interest, if any, shall issue a new certificate of ownership, together 15 with a statement of any conditional sales contract, 16 17 mortgage, or other lien.

Section 4. Section 23-2-502, MCA, is amended to read:
"23-2-502. Definitions. As used in this part, unless
the context clearly requires a different meaning, the
following definitions apply:

(1) "Certificate of number" means the certificate
issued annually by the county treasurer to the owner of a
motorboat or by the department of justice to dealers or
manufacturers, assigning such motorboat an identifying

1	number and containing such information as required.
2	(2) "Certificate of ownership" means a certificate
3	issued by the county-treasurer; with-a-copy-forwarded-to-the
4	department of justice identifying the owner of a motorboat
5	or vessel SAILBOAT 12 FEET IN LENGTH OR LONGER.
6	(3) "Dealer" means any person who engages in whole or
7	in part in the business of buying, selling, or exchanging
8	new and unused vessels or used vessels, or both, either
9	outright or on conditional sale, bailment, lease, chattel
10	mortgage, or otherwise, and who has an established place of
11	business for sale, trade, and display of vessels. A yacht
12	broker is a dealer.
13	<pre>+2+(4) "Department" means the department of fish,</pre>
14	wildlife, and parks of the state of Montana.
15	†3<u>†</u>(5) "Documented vessel" means a vessel which has
16	and is required to have a valid marine document as a vessel
17	of the United States.
18	{4}<u>(6)</u> "Identifying number" means the boat number set
19	forth in the certificate of number and properly displayed on
20	the motorboat.
21	<pre>(5)(7) "License decals" means the serially numbered</pre>
22	license stickers issued annually by the county treasurer and
23	displayed as required by law.
24	(8) "Lienholder" means a person holding a security

interest.

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1 (9) "Manufacturer" means any person engaged in the 2 business of manufacturing or importing new and unused 3 vessels or new and unused outboard motors for the purpose of 4 sale or trade.

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5 (6)(10) "Motorboat" means any vessel propelled by any 6 machinery, motor, or engine of any description, whether or 7 not such machinery, motor, or engine is the principal source 8 of propulsion. The term includes boats temporarily equipped 9 with detachable motors or engines but does not include a 10 vessel which has a valid marine document issued by the U.S. 11 coast guard of the United States government or any federal 12 agency successor thereto.

13 (?)(11) "Operate" means to navigate or otherwise use a 14 motorboat or a vessel.

15 (8)(12) "Operator" means the person who navigates,
16 drives, or is otherwise in immediate control of a motorboat
17 or vessel.

18 **†9†**(13) "Owner" means a person, other than a lien 19 holder, having the property in or title to a motorboat or 20 vessel. The term includes a person entitled to the use or 21 possession of a motorboat or vessel subject to an interest 22 in another person, reserved or created by an agreement 23 securing payment or performance of an obligation, but the 24 term excludes a lessee under a lease not intended as 25 security.

1 (10)(14) "Passenger" means every person carried on 2 board a vessel other than:

3 (a) the owner or his representative;

4 (b) the operator;

5 (c) bona fide members of the crew engaged in the business of the vessel who have contributed no consideration 6 7 for their carriage and who are paid for their services; or 8 (d) any quest on board à vessel which is being used 9 exclusively for pleasure purposes who has not contributed 10 any consideration, directly or indirectly, for his carriage. 11 (11)(15) "Person" means an individual. partnership, 12 firm, corporation, association, or other entity.

13 (16) "Security interest" means an interest that is 14 reserved or created by an agreement that secures payment or 15 performance of an obligation and is valid against third 16 parties generally.

17 <u>H12)(17)</u> "Uniform state waterway marking system" means 18 one of two categories:

(a) a system of aids to navigation to supplement thefederal system of marking in state waters;

(b) a system of regulatory markers to warn a vessel
 operator of dangers or to provide general information and
 directions.

24 <u>fidi(18)</u> "Vessel" means every description of 25 watercraft, unless otherwise defined by the department,

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other than a seaplane on the water, used or capable of being
 used as a means of transportation on water.

fi4)(19) "Waters of this state" means any waters within
the territorial limits of this state."

5 <u>NEW SECTION.</u> Section 5. Extension of authority. Any 6 existing authority of the department of justice to make 7 rules on the subject of the provisions of this act is 8 extended to the provisions of this act.

9 <u>NEW SECTION.</u> Section 6. Codification instruction. 10 Sections 1 through 3 are intended to be codified as an 11 integral part of Title 23, chapter 2, part 5, and the 12 provisions of Title 23, chapter 2, part 5, apply to sections 13 1 through 3.

NEW SECTION. Section 7. Coordination instruction. If
House Bill No. 658, providing a fee in lieu of property tax
for motorboats is not passed and approved, the bracketed
language in section 3(3) is void.

18 <u>NEW SECTION.</u> Section 8. Effective date. This act is
 19 effective on-passage-and-approval JULY 1, 1988.

-End-

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