

MARCH 30, 1987

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

RECEIVED FROM SENATE.

SENT TO ENROLLING.

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
7 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;

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

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

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



1 the certificate of ownership, except when it is being
2 transmitted to and from the department of justice for
3 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 NEW SECTION. 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.

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

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

1 certificate of ownership to a motorboat or vessel registered
2 as required under the provisions of this part, the person
3 whose title or interest is to be transferred shall sign the
4 certificate of ownership issued for the motorboat or vessel
5 in the appropriate space provided on the reverse side of the
6 certificate, and such signature must be acknowledged before
7 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
12 application for registration of the motorboat or vessel. The
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
19 shall collect a fee of \$6 for each application for transfer
20 of ownership, of which \$4 must be forwarded to the
21 department of justice for deposit in the motor vehicle
22 recording account of the state special revenue fund.

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

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

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

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

1 business for sale, trade, and display of vessels. A yacht
2 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 {6}(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.

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

5 {8}(12) "Operator" means the person who navigates,
6 drives, or is otherwise in immediate control of a motorboat
7 or vessel.

8 {9}(13) "Owner" means a person, other than a lien
9 holder, having the property in or title to a motorboat or
10 vessel. The term includes a person entitled to the use or
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
14 term excludes a lessee under a lease not intended as
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;
20 (c) bona fide members of the crew engaged in the
21 business of the vessel who have contributed no consideration
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.

1 ~~{11}~~{15} "Person" means an individual, partnership,
2 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 ~~{12}~~{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;

11 (b) a system of regulatory markers to warn a vessel
12 operator of dangers or to provide general information and
13 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 NEW SECTION. 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 NEW SECTION. Section 6. Codification instruction.
25 Sections 1 through 3 are intended to be codified as an

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

4 NEW SECTION. Section 7. Coordination instruction. If
5 _____ Bill No. _____ [LC 1129], providing a fee in lieu of
6 property tax for motorboats is not passed and approved, the
7 bracketed language in section 3(3) is void.

8 NEW SECTION. Section 8. Effective date. This act is
9 effective on passage and approval.

-End-

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:

	<u>Proposed Law</u>		
	<u>FY87</u>	<u>FY88</u>	<u>FY89</u>
Title Fees	\$100,000	\$160,000	\$ 60,000

Additional Expenses:

Personal Services	\$ 21,300	\$ 42,600	\$ 42,600
Operating Expenses	14,200	21,500	11,500
Equipment	12,100	13,000	0
TOTAL	<u>\$ 47,600</u>	<u>\$ 77,100</u>	<u>\$ 54,100</u>

Balance Available:

	\$ 52,400	\$ 82,900	\$ 5,900
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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.

David L. Hunter

DATE 2/18/89

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

DATE

BOB BACHINI, PRIMARY SPONSOR

Fiscal Note for HB730, as introduced.HB 730

RE-REFERRED AND
APPROVED BY COMMITTEE
ON TAXATION

HOUSE BILL NO. 730

INTRODUCED BY BACHINI

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE A
CERTIFICATE OF OWNERSHIP FOR MOTORBOATS AND VESSELS;
AMENDING SECTION 23-2-502, MCA; AND PROVIDING AN-IMMEDIATE A
DELAYED EFFECTIVE DATE."

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

NEW SECTION. Section 1. Certificate of ownership. (1)

Except as provided in subsection (7), no motorboat or vessel
may be operated upon the waters of the state unless a
certificate of ownership has first been obtained from the
department of justice in accordance with the laws of this
state.

(2) The owner of a motorboat or vessel shall apply for
a certificate of ownership with the county treasurer of the
county in which the owner resides, upon forms furnished by
the department of justice. The forms must require the
following information:

- (a) name of the owner;
- (b) residence of the owner, by town or county;
- (c) business or home address of the owner;
- (d) name and address of any lienholder;
- (e) amount due under any contract or lien;

- (f) name of the manufacturer;
- (g) model number or name;
- (h) identification number; and
- (i) name and address of the dealer or other person
from whom acquired.

(3) If a certificate of ownership has previously been
issued under the provisions of this part, the application
for a new certificate must be accompanied by the immediately
previous certificate. This subsection does not apply to
motorboats or vessels 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) Upon completion of the application, the county
treasurer shall issue to the applicant two copies of the
application, one of which must be marked "file copy". The
treasurer shall forward one copy and the original
application to the department of justice, which shall enter
the information contained in the application upon the
corresponding records of its office, and shall furnish the
applicant a certificate of ownership containing that
information in the application considered necessary by the
department and a permanent ownership number. The certificate
of ownership need not be renewed annually and is valid as
long as the person holding it owns the vessel.

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

1 the certificate of ownership, except when it is being
 2 transmitted to and from the department of justice for
 3 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 NEW SECTION. 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.

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

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

1 certificate of ownership to a motorboat or vessel registered
 2 as required under the provisions of this part, the person
 3 whose title or interest is to be transferred shall sign the
 4 certificate of ownership issued for the motorboat or vessel
 5 in the appropriate space provided on the reverse side of the
 6 certificate, and such signature must be acknowledged before
 7 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
 12 application for registration of the motorboat or vessel. The
 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
 19 shall collect a fee of \$6 for each application for transfer
 20 of ownership, of which \$4 must be forwarded to the
 21 department of justice for deposit in the motor vehicle
 22 recording account of the state special revenue fund.

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

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

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

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

1 business for sale, trade, and display of vessels. A yacht
2 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 (6)(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.

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

5 (8)(12) "Operator" means the person who navigates,
6 drives, or is otherwise in immediate control of a motorboat
7 or vessel.

8 (9)(13) "Owner" means a person, other than a lien
9 holder, having the property in or title to a motorboat or
10 vessel. The term includes a person entitled to the use or
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
14 term excludes a lessee under a lease not intended as
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;

20 (c) bona fide members of the crew engaged in the
21 business of the vessel who have contributed no consideration
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.

1 †11†(15) "Person" means an individual, partnership,
2 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 †12†(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;

11 (b) a system of regulatory markers to warn a vessel
12 operator of dangers or to provide general information and
13 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 NEW SECTION. 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 NEW SECTION. Section 6. Codification instruction.
25 Sections 1 through 3 are intended to be codified as an

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

4 NEW SECTION. Section 7. Coordination instruction. If
5 House Bill No. 658, providing a fee in lieu of property tax
6 for motorboats is not passed and approved, the bracketed
7 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-

RE-REFERRED AND
APPROVED BY COMMITTEE
ON TAXATION
AS AMENDED

HOUSE BILL NO. 730

INTRODUCED BY BACHINI

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE A
CERTIFICATE OF OWNERSHIP FOR MOTORBOATS AND VESSELS CERTAIN
SAILBOATS; AMENDING SECTION 23-2-502, MCA; AND PROVIDING AN
IMMEDIATE A DELAYED EFFECTIVE DATE."

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

NEW SECTION. Section 1. Certificate of ownership. (1)

Except as provided in subsection ~~(7)~~ (9), no motorboat or
vessel SAILBOAT 12 FEET IN LENGTH OR LONGER may be operated
upon the waters of the state unless a certificate of
ownership has first been obtained from the department of
justice in accordance with the laws of this state.

(2) The owner of a motorboat or vessel SAILBOAT 12
FEET IN LENGTH OR LONGER shall apply for a certificate of
ownership AND A CERTIFICATE OF NUMBER with the county
treasurer of the county in which the owner resides, upon
forms furnished by the department of justice. The forms must
require the following information:

- (a) name of the owner;
- (b) residence of the owner, by town or county;
- (c) business or home address of the owner;
- (d) name and address of any lienholder;

(e) amount due under any contract or lien;

(f) name of the manufacturer;

(g) model number or name;

(h) identification number; and

(i) name and address of the dealer or other person
from whom acquired, IF KNOWN; AND

(J) SUCH OTHER INFORMATION AS THE DEPARTMENT OF
JUSTICE MAY REQUIRE.

(3) THE APPLICATION IS TO BE ACCOMPANIED BY
DOCUMENTATION OF OWNERSHIP, SUCH AS AN INVOICE, BILL OF
SALE, FOREIGN TITLE, OFFICIAL CERTIFICATE OF BOAT NUMBER,
TAX RECEIPT, CERTIFICATION FROM THE DEPARTMENT OF REVENUE
THAT THE MOTORBOAT OR SAILBOAT 12 FEET IN LENGTH OR LONGER
IS LISTED WITH THE APPLICANT'S TAXABLE PROPERTY, OR A
CERTIFICATE OF OWNERSHIP OF A TRAILER PURCHASED WITH THE
MOTORBOAT OR SAILBOAT. AN APPLICANT WHO FAILS TO PROVIDE
SUCH PROOF OF OWNERSHIP SHALL PROVIDE A CERTIFIED STATEMENT
DESCRIBING HOW THE MOTORBOAT OR SAILBOAT 12 FEET IN LENGTH
OR LONGER WAS ACQUIRED, FROM WHOM ACQUIRED IF KNOWN, AND
OTHER INFORMATION REQUESTED BY THE DEPARTMENT OF JUSTICE.

~~(3)~~(4) If a certificate of ownership has previously
been issued under the provisions of this part, the
application for a new certificate must be accompanied by the
immediately previous certificate. This subsection does not
apply to motorboats or vessels SAILBOATS 12 FEET IN LENGTH

1 OR LONGER that are purchased as new and unused machines or
2 that were operated when the provisions of this part were not
3 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
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
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

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
15 certificate of number for the motorboat or vessel SAILBOAT
16 12 FEET IN LENGTH OR LONGER.

17 NEW SECTION. 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.

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

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

1 Except as provided in subsection (3), upon a transfer of a
 2 certificate of ownership to a motorboat or vessel SAILBOAT
 3 12 FEET IN LENGTH OR LONGER registered as required under the
 4 provisions of this part, the person whose title or interest
 5 is to be transferred shall sign the certificate of ownership
 6 issued for the motorboat or vessel SAILBOAT 12 FEET IN
 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
 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
 14 application for registration of the motorboat or vessel
 15 SAILBOAT 12 FEET IN LENGTH OR LONGER. The county treasurer
 16 shall forward the application to the department of justice,
 17 which shall file the certificate upon receipt. No
 18 certificate of ownership may be issued by the department
 19 until any outstanding certificate is surrendered to the
 20 department or its loss established to the department's
 21 reasonable satisfaction. The county treasurer shall collect
 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
 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
 4 purchase to register the motorboat or vessel SAILBOAT 12
 5 FEET IN LENGTH OR LONGER, make application for a certificate
 6 of ownership, and obtain a decal [indicating that the fee in
 7 lieu of property tax has been paid on the vessel for the
 8 current year]. It is not a violation of this part or any
 9 other law for the purchaser to operate a newly acquired
 10 motorboat or vessel SAILBOAT 12 FEET IN LENGTH OR LONGER
 11 without a certificate of ownership, certificate of
 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.

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

1 copy of the sticker for his records and shall send a copy of
2 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
8 demonstration purposes, but every such dealer, upon
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
13 certificate of ownership and application for a new
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:

22 (1) "Certificate of number" means the certificate
23 issued annually by the county treasurer to the owner of a
24 motorboat or by the department of justice to dealers or
25 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 (4) "Department" means the department of fish,
14 wildlife, and parks of the state of Montana.

15 (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 (6) "Identifying number" means the boat number set
19 forth in the certificate of number and properly displayed on
20 the motorboat.

21 (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.

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.

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 (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.

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
 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 (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 (12)(17) "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;

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,

1 other than a seaplane on the water, used or capable of being
2 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 NEW SECTION. 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 NEW SECTION. 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 NEW SECTION. 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.

-End-

HOUSE BILL NO. 730

INTRODUCED BY BACHINI

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE A CERTIFICATE OF OWNERSHIP FOR MOTORBOATS AND ~~VESSELS~~ CERTAIN SAILBOATS; AMENDING SECTION 23-2-502, MCA; AND PROVIDING AN ~~IMMEDIATE~~ A DELAYED EFFECTIVE DATE."

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

NEW SECTION. Section 1. Certificate of ownership. (1)

Except as provided in subsection ~~(7)~~ (9), no motorboat or vessel SAILBOAT 12 FEET IN LENGTH OR LONGER may be operated upon the waters of the state unless a certificate of ownership has first been obtained from the department of justice in accordance with the laws of this state.

(2) The owner of a motorboat or vessel SAILBOAT 12 FEET IN LENGTH OR LONGER shall apply for a certificate of ownership AND A CERTIFICATE OF NUMBER with the county treasurer of the county in which the owner resides, upon forms furnished by the department of justice. The forms must require the following information:

- (a) name of the owner;
- (b) residence of the owner, by town or county;
- (c) business or home address of the owner;
- (d) name and address of any lienholder;

- (e) amount due under any contract or lien;
- (f) name of the manufacturer;
- (g) model number or name;
- (h) identification number; and
- (i) name and address of the dealer or other person from whom acquired, IF KNOWN; AND
- (J) SUCH OTHER INFORMATION AS THE DEPARTMENT OF JUSTICE MAY REQUIRE.

(3) THE APPLICATION IS TO BE ACCOMPANIED BY DOCUMENTATION OF OWNERSHIP, SUCH AS AN INVOICE, BILL OF SALE, FOREIGN TITLE, OFFICIAL CERTIFICATE OF BOAT NUMBER, TAX RECEIPT, CERTIFICATION FROM THE DEPARTMENT OF REVENUE THAT THE MOTORBOAT OR SAILBOAT 12 FEET IN LENGTH OR LONGER IS LISTED WITH THE APPLICANT'S TAXABLE PROPERTY, OR A CERTIFICATE OF OWNERSHIP OF A TRAILER PURCHASED WITH THE MOTORBOAT OR SAILBOAT. AN APPLICANT WHO FAILS TO PROVIDE SUCH PROOF OF OWNERSHIP SHALL PROVIDE A CERTIFIED STATEMENT DESCRIBING HOW THE MOTORBOAT OR SAILBOAT 12 FEET IN LENGTH OR LONGER WAS ACQUIRED, FROM WHOM ACQUIRED IF KNOWN, AND OTHER INFORMATION REQUESTED BY THE DEPARTMENT OF JUSTICE.

~~(3)~~(4) If a certificate of ownership has previously been issued under the provisions of this part, the application for a new certificate must be accompanied by the immediately previous certificate. This subsection does not apply to motorboats or vessels SAILBOATS 12 FEET IN LENGTH

1 OR LONGER that are purchased as new and unused machines or
 2 that were operated when the provisions of this part were not
 3 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 (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
 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 (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

1 endorsement or cancellation.

2 (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 (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
 15 certificate of number for the motorboat or vessel SAILBOAT
 16 12 FEET IN LENGTH OR LONGER.

17 NEW SECTION. 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.

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

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

1 Except as provided in subsection (3), upon a transfer of a
 2 certificate of ownership to a motorboat or vessel SAILBOAT
 3 12 FEET IN LENGTH OR LONGER registered as required under the
 4 provisions of this part, the person whose title or interest
 5 is to be transferred shall sign the certificate of ownership
 6 issued for the motorboat or vessel SAILBOAT 12 FEET IN
 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
 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
 14 application for registration of the motorboat or vessel
 15 SAILBOAT 12 FEET IN LENGTH OR LONGER. The county treasurer
 16 shall forward the application to the department of justice,
 17 which shall file the certificate upon receipt. No
 18 certificate of ownership may be issued by the department
 19 until any outstanding certificate is surrendered to the
 20 department or its loss established to the department's
 21 reasonable satisfaction. The county treasurer shall collect
 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
 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
 4 purchase to register the motorboat or vessel SAILBOAT 12
 5 FEET IN LENGTH OR LONGER, make application for a certificate
 6 of ownership, and obtain a decal [indicating that the fee in
 7 lieu of property tax has been paid on the vessel for the
 8 current year]. It is not a violation of this part or any
 9 other law for the purchaser to operate a newly acquired
 10 motorboat or vessel SAILBOAT 12 FEET IN LENGTH OR LONGER
 11 without a certificate of ownership, certificate of
 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.

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

1 copy of the sticker for his records and shall send a copy of
2 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
8 demonstration purposes, but every such dealer, upon
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
13 certificate of ownership and application for a new
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:

22 (1) "Certificate of number" means the certificate
23 issued annually by the county treasurer to the owner of a
24 motorboat or by the department of justice to dealers or
25 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 (4) "Department" means the department of fish,
14 wildlife, and parks of the state of Montana.

15 (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 (6) "Identifying number" means the boat number set
19 forth in the certificate of number and properly displayed on
20 the motorboat.

21 (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.

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.

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 ~~(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.

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
 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 ~~(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 ~~(12)~~(17) "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;

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.

1 other than a seaplane on the water, used or capable of being
2 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 NEW SECTION. 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 NEW SECTION. 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 NEW SECTION. 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.

-End-

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 (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;

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

1 OR LONGER that are purchased as new and unused machines or
2 that were operated when the provisions of this part were not
3 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)(5) 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
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

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
15 certificate of number for the motorboat or vessel SAILBOAT
16 12 FEET IN LENGTH OR LONGER.

17 NEW SECTION. 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.

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

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

1 Except as provided in subsection (3), upon a transfer of a
 2 certificate of ownership to a motorboat or vessel SAILBOAT
 3 12 FEET IN LENGTH OR LONGER registered as required under the
 4 provisions of this part, the person whose title or interest
 5 is to be transferred shall sign the certificate of ownership
 6 issued for the motorboat or vessel SAILBOAT 12 FEET IN
 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
 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
 14 application for registration of the motorboat or vessel
 15 SAILBOAT 12 FEET IN LENGTH OR LONGER. The county treasurer
 16 shall forward the application to the department of justice,
 17 which shall file the certificate upon receipt. No
 18 certificate of ownership may be issued by the department
 19 until any outstanding certificate is surrendered to the
 20 department or its loss established to the department's
 21 reasonable satisfaction. The county treasurer shall collect
 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
 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
 4 purchase to register the motorboat or vessel SAILBOAT 12
 5 FEET IN LENGTH OR LONGER, make application for a certificate
 6 of ownership, and obtain a decal [indicating that the fee in
 7 lieu of property tax has been paid on the vessel for the
 8 current year]. It is not a violation of this part or any
 9 other law for the purchaser to operate a newly acquired
 10 motorboat or vessel SAILBOAT 12 FEET IN LENGTH OR LONGER
 11 without a certificate of ownership, certificate of
 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.

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

1 copy of the sticker for his records and shall send a copy of
2 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
8 demonstration purposes, but every such dealer, upon
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
13 certificate of ownership and application for a new
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:

22 (1) "Certificate of number" means the certificate
23 issued annually by the county treasurer to the owner of a
24 motorboat or by the department of justice to dealers or
25 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 (4) "Department" means the department of fish,
14 wildlife, and parks of the state of Montana.

15 (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 (6) "Identifying number" means the boat number set
19 forth in the certificate of number and properly displayed on
20 the motorboat.

21 (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.

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.

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 ~~(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.

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
 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 ~~(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 ~~(12)~~(17) "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;

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,

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

3 ~~f14~~(19) "Waters of this state" means any waters within
4 the territorial limits of this state."

5 NEW SECTION. 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 NEW SECTION. 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 NEW SECTION. 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.

-End-