

HOUSE BILL NO. 424  
INTRODUCED BY GRADY

IN THE HOUSE

JANUARY 25, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON LOCAL GOVERNMENT.
JANUARY 26, 1989	FIRST READING.
FEBRUARY 3, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 4, 1989	POSTED ON CONSENT CALENDAR.  ENGROSSING REPORT.
FEBRUARY 7, 1989	CONSENT CALENDAR, QUESTIONS AND ANSWERS.  THIRD READING, PASSED. AYES, 98; NOES, 0.  TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 8, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON LOCAL GOVERNMENT.  FIRST READING.
MARCH 10, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
MARCH 11, 1989	SECOND READING, CONCURRED IN.
MARCH 14, 1989	THIRD READING, CONCURRED IN. AYES, 48; NOES, 0.  RETURNED TO HOUSE.

IN THE HOUSE

MARCH 16, 1989

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS  
CONCURRED IN.

MARCH 17, 1989

THIRD READING, AMENDMENTS  
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 HOUSE BILL NO. 424  
2 INTRODUCED BY Dunlap  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE COUNTY  
5 TREASURER OR A DEPUTY COUNTY TREASURER TO ACKNOWLEDGE  
6 SIGNATURE FOR PURPOSES OF CERTIFICATION OF OWNERSHIP,  
7 REGISTRATION, AND TAXATION OF MOTOR VEHICLES, BOATS, AND  
8 SNOWMOBILES; AMENDING SECTIONS 23-2-510, 23-2-612, 61-3-201,  
9 61-3-205, AND 61-3-322, MCA; AND PROVIDING AN IMMEDIATE  
10 EFFECTIVE DATE."

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

13 **Section 1.** Section 23-2-510, MCA, is amended to read:

14 "23-2-510. (Effective July 1, 1988) Transfer of  
15 interest. (1) Except as provided in subsection (3), upon a  
16 transfer of a certificate of ownership to a motorboat or  
17 sailboat 12 feet in length or longer registered as required  
18 under the provisions of this part, the person whose title or  
19 interest is to be transferred shall sign the certificate of  
20 ownership issued for the motorboat or sailboat in the  
21 appropriate space provided on the reverse side of the  
22 certificate, and such his signature must be acknowledged  
23 before the county treasurer, a deputy county treasurer, or a  
24 notary public.

25 (2) Within 20 calendar days thereafter after

1 endorsement, the transferee shall make application for  
2 transfer of the certificate of ownership ~~so--endorsed~~ with  
3 the county treasurer of the county in which the transferee  
4 resides and also make application for registration of the  
5 motorboat or sailboat. The county treasurer shall forward  
6 the application to the department of justice, which shall  
7 file the certificate application upon receipt. No A  
8 certificate of ownership may not be issued by the department  
9 until any outstanding certificate is surrendered to the  
10 department or its loss is established to the department's  
11 reasonable satisfaction. The county treasurer shall collect  
12 a fee of \$6 for each application for transfer of ownership,  
13 of which \$4 must be forwarded to the department of justice  
14 for deposit in the motor vehicle recording account of the  
15 state special revenue fund.

16 (3) A purchaser of a new or used motorboat or sailboat  
17 12 feet in length or longer from a licensed dealer has a  
18 grace period of 20 calendar days from the date of purchase  
19 to register the motorboat or sailboat, make application for  
20 a certificate of ownership, and obtain a decal indicating  
21 that the fee in lieu of property tax has been paid on the  
22 vessel for the current year. It is not a violation of this  
23 part or any other law for the purchaser to operate a newly  
24 acquired motorboat or sailboat 12 feet in length or longer  
25 without a certificate of ownership, certificate of

1 registration, and decal during the 20-day grace period.  
 2 During this period the sticker provided for in subsection  
 3 (4) must remain affixed to the motorboat or sailboat.

4 (4) Prior to the delivery of a motorboat or sailboat  
 5 12 feet in length or longer to the purchaser, the dealer  
 6 shall issue and affix to a motorboat or sailboat constructed  
 7 after October 31, 1972, a sticker as prescribed by the  
 8 department of justice. The sticker must contain the name and  
 9 address of the purchaser, the date of sale, the name and  
 10 address of the dealer, and a description of the motorboat or  
 11 sailboat, including its serial number. The dealer shall keep  
 12 a copy of the sticker for his records and shall send a copy  
 13 of the sticker to the department of justice.

14 (5) The provisions of subsection (2) do not apply in  
 15 the event of the transfer of a motorboat or sailboat 12 feet  
 16 in length or longer to a duly licensed dealer intending to  
 17 resell the motorboat or sailboat and who operates it only  
 18 for demonstration purposes, but every such dealer, upon  
 19 transferring such his interest, shall deliver the  
 20 certificate of ownership with an application for a new  
 21 certificate executed by the new owner in accordance with the  
 22 provisions of this part. The department of justice, upon  
 23 receipt of the certificate of ownership and application for  
 24 a new certificate containing notice of a security interest,  
 25 if any, shall issue a new certificate of ownership, together

1 with a statement of any conditional sales contract,  
 2 mortgage, or other lien."

3 **Section 2.** Section 23-2-612, MCA, is amended to read:

4 "23-2-612. Transfer of interest. (1) Except as  
 5 provided in subsection (3), upon a transfer of any  
 6 certificate of ownership to a snowmobile registered as  
 7 required under the provisions of 23-2-601 through 23-2-644,  
 8 the person whose title or interest is to be transferred  
 9 shall write his signature with pen and ink upon the  
 10 certificate of ownership issued for the snowmobile in the  
 11 appropriate space provided upon the reverse side of the  
 12 certificate, and such his signature shall be acknowledged  
 13 before the county treasurer, a deputy county treasurer, or a  
 14 notary public.

15 (2) Within 20 calendar days thereafter after  
 16 endorsement, the transferee shall make application for  
 17 transfer of the certificate of ownership ~~so~~-endorsed with  
 18 the county treasurer of the county in which the transferee  
 19 resides and also make application for registration of the  
 20 snowmobile. The county treasurer shall forward the  
 21 application to the department of justice, which shall file  
 22 the same application upon receipt thereof. No A certificate  
 23 of ownership may not be issued by the department of justice  
 24 until the outstanding certificates are surrendered to that  
 25 office or their loss established to its reasonable

1 satisfaction. The county treasurer shall collect a fee of \$3  
2 for each application for transfer of ownership, of which \$2  
3 shall be forwarded to the department of justice for deposit  
4 in the motor vehicle recording account of the state special  
5 revenue fund.

6 (3) A purchaser of a new or used snowmobile from a  
7 licensed snowmobile dealer has a grace period of 20 calendar  
8 days from the date of purchase to register the snowmobile,  
9 make application for a certificate of ownership, and obtain  
10 a decal indicating that the fee in lieu of property tax has  
11 been paid on the snowmobile for the current year. It is not  
12 a violation of 23-2-601 through 23-2-644 or any other law  
13 for the purchaser to operate a newly acquired snowmobile  
14 without a certificate of ownership, certificate of  
15 registration, and a decal during the 20-day period. During  
16 this period the sticker, provided for in subsection (4),  
17 shall remain affixed to the snowmobile.

18 (4) Prior to the delivery of the snowmobile to the  
19 purchaser, the dealer shall issue and affix to the  
20 snowmobile a sticker (in a form to be prescribed by the  
21 department of justice). The sticker shall contain the name  
22 and address of the purchaser, the date of sale, the name and  
23 address of the dealer, and a description of the snowmobile,  
24 including its serial number. The dealer shall keep a copy of  
25 the sticker for his records and shall send a copy of the

1 sticker to the department of justice.

2 (5) The provisions of subsection (2) of this section  
3 do not apply in the event of the transfer of a snowmobile to  
4 a duly licensed snowmobile dealer intending to resell the  
5 snowmobile and who operates it only for demonstration  
6 purposes, but every such dealer, upon transferring such his  
7 interest, shall deliver the certificate of ownership with an  
8 application for a new certificate executed by the new owner  
9 in accordance with the provisions of 23-2-601 through  
10 23-2-644. The department of justice, upon receipt of the  
11 certificate of ownership and application for a new  
12 certificate, containing notice of a security interest, if  
13 any, shall issue a new certificate of ownership together  
14 with a statement of any conditional sales contract,  
15 mortgage, or other lien."

16 **Section 3.** Section 61-3-201, MCA, is amended to read:

17 **"61-3-201. Transfer of interest.** (1) Upon a transfer  
18 of any interest in a motor vehicle registered under the  
19 provisions of this chapter, the person whose interest is to  
20 be transferred shall write his signature with pen and ink  
21 upon the certificate of ownership issued for such the  
22 vehicle in the appropriate space provided upon the reverse  
23 side of the certificate, and his signature shall be  
24 acknowledged before the county treasurer, a deputy county  
25 treasurer, or a notary public.

1       (2) Within 20 calendar days thereafter after  
 2 endorsement, the transferee shall forward both the endorsed  
 3 certificate of ownership with the odometer mileage statement  
 4 required under 61-3-206 and the certificate of registration,  
 5 together with the information required under 61-3-202, to  
 6 the county treasurer, who shall forward them to the  
 7 department. No A certificate of ownership or certificate of  
 8 registration may not be issued by the department until the  
 9 outstanding certificates are surrendered to that office or  
 10 their loss is established to its reasonable satisfaction.  
 11 Failure to make application within the 20-day grace period  
 12 subjects the transferee to a penalty of \$10. The penalty is  
 13 to be collected by the county treasurer at the time of  
 14 registration and is in addition to the fees otherwise  
 15 provided by law. If the transferee has not made application  
 16 within 25 days, a creditor or secured party may pay the fees  
 17 for the transfer of title and filing of security interest or  
 18 lien in order to have title transferred to the transferee  
 19 and have the security interest or lien filed. The creditor  
 20 or secured party is not liable for the penalty, registration  
 21 fees, or taxes. The department shall return the certificate  
 22 of title to the county treasurer as provided in 61-3-103(1).  
 23 When the certificate of ownership is returned by the  
 24 department to the county treasurer, the treasurer shall hold  
 25 the certificate of ownership until the vehicle is properly

1 registered.

2       (3) In the event of a transfer by operation of law of  
 3 any interest in a motor vehicle as upon inheritance, devise,  
 4 or bequest, order in bankruptcy or insolvency, execution  
 5 sale, repossession upon default in the performance of the  
 6 terms of a lease or executory sales contract, or otherwise  
 7 than by voluntary act of the person whose title or interest  
 8 is transferred, the executor, administrator, receiver,  
 9 trustee, sheriff, or other representative or successor in  
 10 interest of the person whose interest is transferred shall  
 11 forward to the department an application for a certificate  
 12 of ownership in the form required for an original  
 13 application for a certificate of ownership, together with a  
 14 verified or certified statement of the transfer of such  
 15 interest. The statement shall set forth the reason for the  
 16 involuntary transfer, the interest ~~so~~ transferred, the name  
 17 of the person to whom the interest is to be transferred, the  
 18 process of procedure effecting such the transfer, and other  
 19 information requested by the department. Evidence and  
 20 instruments otherwise required by law to effect a transfer  
 21 of legal or equitable title to or an interest in chattels as  
 22 may be required in such cases shall be furnished with the  
 23 statement. If the department is satisfied that the transfer  
 24 is regular and that all formalities required by law have  
 25 been complied with, it shall send to the owner, conditional

1 sales vendor, lessor, mortgagee, and other lienor, as shown  
 2 by its records, notice of the intended transfer and,  
 3 ~~thereafter~~-but not less than 5 days ~~thereafter~~ after  
 4 sending notice, shall issue a new certificate of ownership  
 5 and certificate of registration to the person entitled  
 6 thereto to them. The notice ~~herein~~ required in this  
 7 subsection is complied with by deposit in the post office in  
 8 Deer Lodge, Montana, ~~such~~ the notice, postage prepaid,  
 9 addressed to the person at the respective address shown on  
 10 its records.

11 (4) When the vehicle certificate of ownership that is  
 12 involuntarily transferred is not registered in this state,  
 13 the procedure set forth ~~above~~ in subsection (3) must be  
 14 followed in applying for a new certificate of ownership and  
 15 certificate of registration but the department need not send  
 16 notice of intended transfer and shall issue a new  
 17 certificate of ownership and a new certificate of  
 18 registration to the person entitled ~~thereto~~ to them.

19 (5) (a) In the event of the death of the owner of one  
 20 or more motor vehicles, trailers, semitrailers, or  
 21 housetrailer registered ~~hereunder~~ under this part and not  
 22 exceeding a combined value of \$15,000 without leaving other  
 23 property necessitating the procuring of letters of  
 24 administration or letters testamentary, ~~then~~ the surviving  
 25 spouse or other heir unless ~~such~~ the property is by will

1 otherwise bequeathed may secure transfer of the decedent's  
 2 certificate of ownership and the certificate of registration  
 3 for the vehicle.

4 (b) The person seeking transfer of the certificate of  
 5 ownership shall file an affidavit with the department  
 6 setting forth the fact of survivorship and the name and  
 7 address of any other heirs and ~~such~~ other facts as are  
 8 ~~hereby-made~~ necessary to entitle the affiant to a transfer.

9 (c) The department is authorized to transfer the  
 10 certificate of ownership and certificate of registration,  
 11 subject to all security interests shown by its records, upon  
 12 receipt of an affidavit showing that the affiant is entitled  
 13 to a transfer under the provisions of subsection (5)(a) of  
 14 this section.

15 (6) Nothing in subsection (5) shall prevent any  
 16 secured party from assigning his interest in a motor vehicle  
 17 registered under the provisions of this chapter to any other  
 18 person without the consent of and without affecting the  
 19 interest of the holder of the certificate of ownership and  
 20 certificate of registration. Upon any assignment by a  
 21 secured party of his security interest in any motor vehicle  
 22 registered under this chapter, a copy of ~~such~~ the assignment  
 23 must be filed with the department and a record of transfer  
 24 ~~thereof~~ made upon its records.

25 (7) The certificates of ownership ~~shall~~ remain valid

until canceled by the department upon a transfer of any interest shown therein in the certificate and need not be renewed annually."

**Section 4.** Section 61-3-205, MCA, is amended to read:

"61-3-205. Transfer of ownership of vehicles by insurance company. (1) When an insurance company or its adjuster has taken possession of a motor vehicle as a result of settling an insurance claim and transfers ownership of the motor vehicle, it shall deliver to the transferee at the time of transfer a signed--and--notarized certificate of ownership signed and acknowledged before the county treasurer, a deputy county treasurer, or a notary public.

(2) If the certificate of ownership names one or more holders of a perfected security interest in the motor vehicle, the insurance company or its adjuster shall also secure and deliver to the transferee a release from the secured party of the security interest."

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

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

(1) Upon completion of the application for registration on forms furnished by the department, the county treasurer shall file one copy in his office and issue to the applicant two copies of the application marked "Owner's Certificate of Registration and Payment Receipt", one of which shall be marked "file copy".

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

(3) Every owner, upon receiving a registration receipt, shall write his signature thereon on the receipt with pen and ink in the space provided. Every The registration receipt, a photostatic copy of the receipt acknowledged by the county treasurer or a deputy county treasurer, or a notarized photostatic copy, or a duplicate thereof furnished by the department shall at all times be carried in the vehicle to which it refers or shall be carried by the person driving or in control of such the vehicle, who shall display it upon demand of a police officer or any officer or employee of the department or the highway department.

(4) The county treasurer shall daily forward to the department one copy of all applications for registration received that day.

(5) It ~~shall~~ is not be necessary for the county treasurer to segregate the amount of taxes or fees for state, county, school district, and municipal purposes in the receipt."

**NEW SECTION. Section 6.** Effective date. [This act] is effective on passage and approval.

-End-



HOUSE BILL NO. 424

INTRODUCED BY GRADY

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE COUNTY TREASURER OR A DEPUTY COUNTY TREASURER TO ACKNOWLEDGE A SIGNATURE FOR PURPOSES OF CERTIFICATION OF OWNERSHIP, REGISTRATION, AND TAXATION OF MOTOR VEHICLES, BOATS, AND SNOWMOBILES; AMENDING SECTIONS 23-2-510, 23-2-612, 61-3-201, 61-3-205, AND 61-3-322, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

**Section 1.** Section 23-2-510, MCA, is amended to read:

"23-2-510. (Effective July 1, 1988) Transfer of interest. (1) Except as provided in subsection (3), upon a transfer of a certificate of ownership to a motorboat or sailboat 12 feet in length or longer 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 sailboat in the appropriate space provided on the reverse side of the certificate, and such his THE signature must be acknowledged before the county treasurer, a deputy county treasurer, or a notary public.

(2) Within 20 calendar days thereafter after

endorsement, the transferee shall make application for transfer of the certificate of ownership ~~so-endorsed~~ with the county treasurer of the county in which the transferee resides and also make application for registration of the motorboat or sailboat. The county treasurer shall forward the application to the department of justice, which shall file the certificate application upon receipt. No A certificate of ownership may not be issued by the department until any outstanding certificate is surrendered to the department or its loss is established to the department's reasonable satisfaction. The county treasurer shall collect a fee of \$6 for each application for transfer of ownership, of which \$4 must be forwarded to the department of justice for deposit in the motor vehicle recording account of the state special revenue fund.

(3) A purchaser of a new or used motorboat or sailboat 12 feet in length or longer from a licensed dealer has a grace period of 20 calendar days from the date of purchase to register the motorboat or sailboat, make application for a certificate of ownership, and obtain a decal indicating that the fee in lieu of property tax has been paid on the vessel for the current year. It is not a violation of this part or any other law for the purchaser to operate a newly acquired motorboat or sailboat 12 feet in length or longer without a certificate of ownership, certificate of

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1 registration, and decal during the 20-day grace period.  
 2 During this period the sticker provided for in subsection  
 3 (4) must remain affixed to the motorboat or sailboat.

4 (4) Prior to the delivery of a motorboat or sailboat  
 5 12 feet in length or longer to the purchaser, the dealer  
 6 shall issue and affix to a motorboat or sailboat constructed  
 7 after October 31, 1972, a sticker as prescribed by the  
 8 department of justice. The sticker must contain the name and  
 9 address of the purchaser, the date of sale, the name and  
 10 address of the dealer, and a description of the motorboat or  
 11 sailboat, including its serial number. The dealer shall keep  
 12 a copy of the sticker for his records and shall send a copy  
 13 of the sticker to the department of justice.

14 (5) The provisions of subsection (2) do not apply in  
 15 the event of the transfer of a motorboat or sailboat 12 feet  
 16 in length or longer to a duly licensed dealer intending to  
 17 resell the motorboat or sailboat and who operates it only  
 18 for demonstration purposes, but every such dealer, upon  
 19 transferring such his interest, shall deliver the  
 20 certificate of ownership with an application for a new  
 21 certificate executed by the new owner in accordance with the  
 22 provisions of this part. The department of justice, upon  
 23 receipt of the certificate of ownership and application for  
 24 a new certificate containing notice of a security interest,  
 25 if any, shall issue a new certificate of ownership, together

1 with a statement of any conditional sales contract,  
 2 mortgage, or other lien."

3 **Section 2.** Section 23-2-612, MCA, is amended to read:

4 "23-2-612. Transfer of interest. (1) Except as  
 5 provided in subsection (3), upon a transfer of any  
 6 certificate of ownership to a snowmobile registered as  
 7 required under the provisions of 23-2-601 through 23-2-644,  
 8 the person whose title or interest is to be transferred  
 9 shall write his signature with pen and ink upon the  
 10 certificate of ownership issued for the snowmobile in the  
 11 appropriate space provided upon the reverse side of the  
 12 certificate, and such his THE signature shall be  
 13 acknowledged before the county treasurer, a deputy county  
 14 treasurer, or a notary public.

15 (2) Within 20 calendar days thereafter after  
 16 endorsement, the transferee shall make application for  
 17 transfer of the certificate of ownership ~~so-endorsed~~ with  
 18 the county treasurer of the county in which the transferee  
 19 resides and also make application for registration of the  
 20 snowmobile. The county treasurer shall forward the  
 21 application to the department of justice, which shall file  
 22 the same application upon receipt thereof. No A certificate  
 23 of ownership may not be issued by the department of justice  
 24 until the outstanding certificates are surrendered to that  
 25 office or their loss established to its reasonable

1 satisfaction. The county treasurer shall collect a fee of \$3  
2 for each application for transfer of ownership, of which \$2  
3 shall be forwarded to the department of justice for deposit  
4 in the motor vehicle recording account of the state special  
5 revenue fund.

6 (3) A purchaser of a new or used snowmobile from a  
7 licensed snowmobile dealer has a grace period of 20 calendar  
8 days from the date of purchase to register the snowmobile,  
9 make application for a certificate of ownership, and obtain  
10 a decal indicating that the fee in lieu of property tax has  
11 been paid on the snowmobile for the current year. It is not  
12 a violation of 23-2-601 through 23-2-644 or any other law  
13 for the purchaser to operate a newly acquired snowmobile  
14 without a certificate of ownership, certificate of  
15 registration, and a decal during the 20-day period. During  
16 this period the sticker, provided for in subsection (4),  
17 shall remain affixed to the snowmobile.

18 (4) Prior to the delivery of the snowmobile to the  
19 purchaser, the dealer shall issue and affix to the  
20 snowmobile a sticker (in a form to be prescribed by the  
21 department of justice). The sticker shall contain the name  
22 and address of the purchaser, the date of sale, the name and  
23 address of the dealer, and a description of the snowmobile,  
24 including its serial number. The dealer shall keep a copy of  
25 the sticker for his records and shall send a copy of the

1 sticker to the department of justice.

2 (5) The provisions of subsection (2) of this section  
3 do not apply in the event of the transfer of a snowmobile to  
4 a duly licensed snowmobile dealer intending to resell the  
5 snowmobile and who operates it only for demonstration  
6 purposes, but every such dealer, upon transferring such his  
7 interest, shall deliver the certificate of ownership with an  
8 application for a new certificate executed by the new owner  
9 in accordance with the provisions of 23-2-601 through  
10 23-2-644. The department of justice, upon receipt of the  
11 certificate of ownership and application for a new  
12 certificate, containing notice of a security interest, if  
13 any, shall issue a new certificate of ownership together  
14 with a statement of any conditional sales contract,  
15 mortgage, or other lien."

16 **Section 3.** Section 61-3-201, MCA, is amended to read:

17 "61-3-201. Transfer of interest. (1) Upon a transfer  
18 of any interest in a motor vehicle registered under the  
19 provisions of this chapter, the person whose interest is to  
20 be transferred shall write his signature with pen and ink  
21 upon the certificate of ownership issued for such the  
22 vehicle in the appropriate space provided upon the reverse  
23 side of the certificate, and his THE signature shall be  
24 acknowledged before the county treasurer, a deputy county  
25 treasurer, or a notary public.

1       (2) Within 20 calendar days thereafter after  
 2 endorsement, the transferee shall forward both the endorsed  
 3 certificate of ownership with the odometer mileage statement  
 4 required under 61-3-206 and the certificate of registration,  
 5 together with the information required under 61-3-202, to  
 6 the county treasurer, who shall forward them to the  
 7 department. No A certificate of ownership or certificate of  
 8 registration may not be issued by the department until the  
 9 outstanding certificates are surrendered to that office or  
 10 their loss is established to its reasonable satisfaction.  
 11 Failure to make application within the 20-day grace period  
 12 subjects the transferee to a penalty of \$10. The penalty is  
 13 to be collected by the county treasurer at the time of  
 14 registration and is in addition to the fees otherwise  
 15 provided by law. If the transferee has not made application  
 16 within 25 days, a creditor or secured party may pay the fees  
 17 for the transfer of title and filing of security interest or  
 18 lien in order to have title transferred to the transferee  
 19 and have the security interest or lien filed. The creditor  
 20 or secured party is not liable for the penalty, registration  
 21 fees, or taxes. The department shall return the certificate  
 22 of title to the county treasurer as provided in 61-3-103(1).  
 23 When the certificate of ownership is returned by the  
 24 department to the county treasurer, the treasurer shall hold  
 25 the certificate of ownership until the vehicle is properly

1 registered.

2       (3) In the event of a transfer by operation of law of  
 3 any interest in a motor vehicle as upon inheritance, devise,  
 4 or bequest, order in bankruptcy or insolvency, execution  
 5 sale, repossession upon default in the performance of the  
 6 terms of a lease or executory sales contract, or otherwise  
 7 than by voluntary act of the person whose title or interest  
 8 is transferred, the executor, administrator, receiver,  
 9 trustee, sheriff, or other representative or successor in  
 10 interest of the person whose interest is transferred shall  
 11 forward to the department an application for a certificate  
 12 of ownership in the form required for an original  
 13 application for a certificate of ownership, together with a  
 14 verified or certified statement of the transfer of such  
 15 interest. The statement shall set forth the reason for the  
 16 involuntary transfer, the interest ~~so~~ transferred, the name  
 17 of the person to whom the interest is to be transferred, the  
 18 process of procedure effecting such the transfer, and other  
 19 information requested by the department. Evidence and  
 20 instruments otherwise required by law to effect a transfer  
 21 of legal or equitable title to or an interest in chattels as  
 22 may be required in such cases shall be furnished with the  
 23 statement. If the department is satisfied that the transfer  
 24 is regular and that all formalities required by law have  
 25 been complied with, it shall send to the owner, conditional

1 sales vendor, lessor, mortgagee, and other lienor, as shown  
 2 by its records, notice of the intended transfer and,  
 3 ~~thereafter~~ but not less than 5 days thereafter after  
 4 sending notice, shall issue a new certificate of ownership  
 5 and certificate of registration to the person entitled  
 6 thereto to them. The notice herein required in this  
 7 subsection is complied with by deposit in the post office in  
 8 Deer Lodge, Montana, such the notice, postage prepaid,  
 9 addressed to the person at the respective address shown on  
 10 its records.

11 (4) When the vehicle certificate of ownership that is  
 12 involuntarily transferred is not registered in this state,  
 13 the procedure set forth above in subsection (3) must be  
 14 followed in applying for a new certificate of ownership and  
 15 certificate of registration but the department need not send  
 16 notice of intended transfer and shall issue a new  
 17 certificate of ownership and a new certificate of  
 18 registration to the person entitled thereto to them.

19 (5) (a) In the event of the death of the owner of one  
 20 or more motor vehicles, trailers, semitrailers, or  
 21 housetrailer registered hereunder under this part and not  
 22 exceeding a combined value of \$15,000 without leaving other  
 23 property necessitating the procuring of letters of  
 24 administration or letters testamentary, then the surviving  
 25 spouse or other heir unless such the property is by will

1 otherwise bequeathed may secure transfer of the decedent's  
 2 certificate of ownership and the certificate of registration  
 3 for the vehicle.

4 (b) The person seeking transfer of the certificate of  
 5 ownership shall file an affidavit with the department  
 6 setting forth the fact of survivorship and the name and  
 7 address of any other heirs and ~~such~~ other facts as are  
 8 ~~hereby-made~~ necessary to entitle the affiant to a transfer.

9 (c) The department is authorized to transfer the  
 10 certificate of ownership and certificate of registration,  
 11 subject to all security interests shown by its records, upon  
 12 receipt of an affidavit showing that the affiant is entitled  
 13 to a transfer under the provisions of subsection (5)(a) of  
 14 this section.

15 (6) Nothing in subsection (5) shall prevent any  
 16 secured party from assigning his interest in a motor vehicle  
 17 registered under the provisions of this chapter to any other  
 18 person without the consent of and without affecting the  
 19 interest of the holder of the certificate of ownership and  
 20 certificate of registration. Upon any assignment by a  
 21 secured party of his security interest in any motor vehicle  
 22 registered under this chapter, a copy of ~~such the~~ assignment  
 23 must be filed with the department and a record of transfer  
 24 thereof made upon its records.

25 (7) The certificates of ownership ~~shall~~ remain valid

1 until canceled by the department upon a transfer of any  
2 interest shown therein in the certificate and need not be  
3 renewed annually."

4 **Section 4.** Section 61-3-205, MCA, is amended to read:

5 **"61-3-205. Transfer of ownership of vehicles by**  
6 **insurance company.** (1) When an insurance company or its  
7 adjuster has taken possession of a motor vehicle as a result  
8 of settling an insurance claim and transfers ownership of  
9 the motor vehicle, it shall deliver to the transferee at the  
10 time of transfer a ~~signed--and--notarized~~ certificate of  
11 ownership signed and acknowledged before the county  
12 treasurer, a deputy county treasurer, or a notary public.

13 (2) If the certificate of ownership names one or more  
14 holders of a perfected security interest in the motor  
15 vehicle, the insurance company or its adjuster shall also  
16 secure and deliver to the transferee a release from the  
17 secured party of the security interest."

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

19 **"61-3-322. Certificates of registration -- issuance.**  
20 (1) Upon completion of the application for registration on  
21 forms furnished by the department, the county treasurer  
22 shall file one copy in his office and issue to the applicant  
23 two copies of the application marked "Owner's Certificate of  
24 Registration and Payment Receipt", one of which shall be  
25 marked "file copy".

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

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

15 (4) The county treasurer shall daily forward to the  
16 department one copy of all applications for registration  
17 received that day.

18 (5) It ~~shall~~ is not be necessary for the county  
19 treasurer to segregate the amount of taxes or fees for  
20 state, county, school district, and municipal purposes in  
21 the receipt."

22 **NEW SECTION. Section 6. Effective date.** [This act] is  
23 effective on passage and approval.

-End-

SENATE STANDING COMMITTEE REPORT

March 10, 1989

MR. PRESIDENT:

We, your committee on Local Government, having had under consideration HB 424 (third reading copy -- blue), respectfully report that HB 424 be amended and as so amended be concurred in:

Sponsor: Grady (Beck)

1. Page 9, line 5.  
Strike: "person entitled"

2. Page 9, line 6.  
Strike: "to them"  
Insert: "transferee"

3. Page 9, line 7.  
Strike: "subsection"  
Insert: "section"

4. Page 9, line 8.  
Following: "~~such~~"  
Insert: "of"

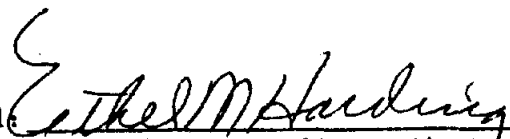
5. Page 9, line 21.  
Strike: "part"  
Insert: "chapter"

6. Page 10, line 23.  
Strike: "transfer"  
Insert: "the assignment"

7. Page 10, line 25.  
Strike: "certificates"  
Insert: "certificate"  
Strike: "remain"  
Insert: "is"

AND AS AMENDED BE CONCURRED IN

Signed

  
Ethel M. Harding, Chairman

SENATE

HB 424

## 1 HOUSE BILL NO. 424

2 INTRODUCED BY GRADY

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE COUNTY  
5 TREASURER OR A DEPUTY COUNTY TREASURER TO ACKNOWLEDGE A  
6 SIGNATURE FOR PURPOSES OF CERTIFICATION OF OWNERSHIP,  
7 REGISTRATION, AND TAXATION OF MOTOR VEHICLES, BOATS, AND  
8 SNOWMOBILES; AMENDING SECTIONS 23-2-510, 23-2-512, 61-3-201,  
9 61-3-205, AND 61-3-322, MCA; AND PROVIDING AN IMMEDIATE  
10 EFFECTIVE DATE."

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

13 Section 1. Section 23-2-510, MCA, is amended to read:

14 "23-2-510. (Effective July 1, 1988) Transfer of  
15 interest. (1) Except as provided in subsection (3), upon a  
16 transfer of a certificate of ownership to a motorboat or  
17 sailboat 12 feet in length or longer registered as required  
18 under the provisions of this part, the person whose title or  
19 interest is to be transferred shall sign the certificate of  
20 ownership issued for the motorboat or sailboat in the  
21 appropriate space provided on the reverse side of the  
22 certificate, and such his THE signature must be acknowledged  
23 before the county treasurer, a deputy county treasurer, or a  
24 notary public.

25 (2) Within 20 calendar days thereafter after

1 endorsement, the transferee shall make application for  
2 transfer of the certificate of ownership so-endorsed with  
3 the county treasurer of the county in which the transferee  
4 resides and also make application for registration of the  
5 motorboat or sailboat. The county treasurer shall forward  
6 the application to the department of justice, which shall  
7 file the certificate application upon receipt. No A  
8 certificate of ownership may not be issued by the department  
9 until any outstanding certificate is surrendered to the  
10 department or its loss is established to the department's  
11 reasonable satisfaction. The county treasurer shall collect  
12 a fee of \$6 for each application for transfer of ownership,  
13 of which \$4 must be forwarded to the department of justice  
14 for deposit in the motor vehicle recording account of the  
15 state special revenue fund.

16 (3) A purchaser of a new or used motorboat or sailboat  
17 12 feet in length or longer from a licensed dealer has a  
18 grace period of 20 calendar days from the date of purchase  
19 to register the motorboat or sailboat, make application for  
20 a certificate of ownership, and obtain a decal indicating  
21 that the fee in lieu of property tax has been paid on the  
22 vessel for the current year. It is not a violation of this  
23 part or any other law for the purchaser to operate a newly  
24 acquired motorboat or sailboat 12 feet in length or longer  
25 without a certificate of ownership, certificate of



1 registration, and decal during the 20-day grace period.  
 2 During this period the sticker provided for in subsection  
 3 (4) must remain affixed to the motorboat or sailboat.

4 (4) Prior to the delivery of a motorboat or sailboat  
 5 12 feet in length or longer to the purchaser, the dealer  
 6 shall issue and affix to a motorboat or sailboat constructed  
 7 after October 31, 1972, a sticker as prescribed by the  
 8 department of justice. The sticker must contain the name and  
 9 address of the purchaser, the date of sale, the name and  
 10 address of the dealer, and a description of the motorboat or  
 11 sailboat, including its serial number. The dealer shall keep  
 12 a copy of the sticker for his records and shall send a copy  
 13 of the sticker to the department of justice.

14 (5) The provisions of subsection (2) do not apply in  
 15 the event of the transfer of a motorboat or sailboat 12 feet  
 16 in length or longer to a duly licensed dealer intending to  
 17 resell the motorboat or sailboat and who operates it only  
 18 for demonstration purposes, but every such dealer, upon  
 19 transferring such his interest, shall deliver the  
 20 certificate of ownership with an application for a new  
 21 certificate executed by the new owner in accordance with the  
 22 provisions of this part. The department of justice, upon  
 23 receipt of the certificate of ownership and application for  
 24 a new certificate containing notice of a security interest,  
 25 if any, shall issue a new certificate of ownership, together

1 with a statement of any conditional sales contract,  
 2 mortgage, or other lien."

3 **Section 2.** Section 23-2-612, MCA, is amended to read:

4 "23-2-612. Transfer of interest. (1) Except as  
 5 provided in subsection (3), upon a transfer of any  
 6 certificate of ownership to a snowmobile registered as  
 7 required under the provisions of 23-2-601 through 23-2-644,  
 8 the person whose title or interest is to be transferred  
 9 shall write his signature with pen and ink upon the  
 10 certificate of ownership issued for the snowmobile in the  
 11 appropriate space provided upon the reverse side of the  
 12 certificate, and such his THE signature shall be  
 13 acknowledged before the county treasurer, a deputy county  
 14 treasurer, or a notary public.

15 (2) Within 20 calendar days thereafter after  
 16 endorsement, the transferee shall make application for  
 17 transfer of the certificate of ownership so-endorsed with  
 18 the county treasurer of the county in which the transferee  
 19 resides and also make application for registration of the  
 20 snowmobile. The county treasurer shall forward the  
 21 application to the department of justice, which shall file  
 22 the same application upon receipt thereof. No A certificate  
 23 of ownership may not be issued by the department of justice  
 24 until the outstanding certificates are surrendered to that  
 25 office or their loss established to its reasonable

1 satisfaction. The county treasurer shall collect a fee of \$3  
2 for each application for transfer of ownership, of which \$2  
3 shall be forwarded to the department of justice for deposit  
4 in the motor vehicle recording account of the state special  
5 revenue fund.

6 (3) A purchaser of a new or used snowmobile from a  
7 licensed snowmobile dealer has a grace period of 20 calendar  
8 days from the date of purchase to register the snowmobile,  
9 make application for a certificate of ownership, and obtain  
10 a decal indicating that the fee in lieu of property tax has  
11 been paid on the snowmobile for the current year. It is not  
12 a violation of 23-2-601 through 23-2-644 or any other law  
13 for the purchaser to operate a newly acquired snowmobile  
14 without a certificate of ownership, certificate of  
15 registration, and a decal during the 20-day period. During  
16 this period the sticker, provided for in subsection (4),  
17 shall remain affixed to the snowmobile.

18 (4) Prior to the delivery of the snowmobile to the  
19 purchaser, the dealer shall issue and affix to the  
20 snowmobile a sticker (in a form to be prescribed by the  
21 department of justice). The sticker shall contain the name  
22 and address of the purchaser, the date of sale, the name and  
23 address of the dealer, and a description of the snowmobile,  
24 including its serial number. The dealer shall keep a copy of  
25 the sticker for his records and shall send a copy of the

1 sticker to the department of justice.

2 (5) The provisions of subsection (2) of this section  
3 do not apply in the event of the transfer of a snowmobile to  
4 a duly licensed snowmobile dealer intending to resell the  
5 snowmobile and who operates it only for demonstration  
6 purposes, but every such dealer, upon transferring such his  
7 interest, shall deliver the certificate of ownership with an  
8 application for a new certificate executed by the new owner  
9 in accordance with the provisions of 23-2-601 through  
10 23-2-644. The department of justice, upon receipt of the  
11 certificate of ownership and application for a new  
12 certificate, containing notice of a security interest, if  
13 any, shall issue a new certificate of ownership together  
14 with a statement of any conditional sales contract,  
15 mortgage, or other lien."

16 **Section 3.** Section 61-3-201, MCA, is amended to read:

17 "61-3-201. Transfer of interest. (1) Upon a transfer  
18 of any interest in a motor vehicle registered under the  
19 provisions of this chapter, the person whose interest is to  
20 be transferred shall write his signature with pen and ink  
21 upon the certificate of ownership issued for such the  
22 vehicle in the appropriate space provided upon the reverse  
23 side of the certificate, and his THE signature shall be  
24 acknowledged before the county treasurer, a deputy county  
25 treasurer, or a notary public.

1       (2) Within 20 calendar days thereafter after  
 2 endorsement, the transferee shall forward both the endorsed  
 3 certificate of ownership with the odometer mileage statement  
 4 required under 61-3-206 and the certificate of registration,  
 5 together with the information required under 61-3-202, to  
 6 the county treasurer, who shall forward them to the  
 7 department. No A certificate of ownership or certificate of  
 8 registration may not be issued by the department until the  
 9 outstanding certificates are surrendered to that office or  
 10 their loss is established to its reasonable satisfaction.  
 11 Failure to make application within the 20-day grace period  
 12 subjects the transferee to a penalty of \$10. The penalty is  
 13 to be collected by the county treasurer at the time of  
 14 registration and is in addition to the fees otherwise  
 15 provided by law. If the transferee has not made application  
 16 within 25 days, a creditor or secured party may pay the fees  
 17 for the transfer of title and filing of security interest or  
 18 lien in order to have title transferred to the transferee  
 19 and have the security interest or lien filed. The creditor  
 20 or secured party is not liable for the penalty, registration  
 21 fees, or taxes. The department shall return the certificate  
 22 of title to the county treasurer as provided in 61-3-103(1).  
 23 When the certificate of ownership is returned by the  
 24 department to the county treasurer, the treasurer shall hold  
 25 the certificate of ownership until the vehicle is properly

1 registered.

2       (3) In the event of a transfer by operation of law of  
 3 any interest in a motor vehicle as upon inheritance, devise,  
 4 or bequest, order in bankruptcy or insolvency, execution  
 5 sale, repossession upon default in the performance of the  
 6 terms of a lease or executory sales contract, or otherwise  
 7 than by voluntary act of the person whose title or interest  
 8 is transferred, the executor, administrator, receiver,  
 9 trustee, sheriff, or other representative or successor in  
 10 interest of the person whose interest is transferred shall  
 11 forward to the department an application for a certificate  
 12 of ownership in the form required for an original  
 13 application for a certificate of ownership, together with a  
 14 verified or certified statement of the transfer of such  
 15 interest. The statement shall set forth the reason for the  
 16 involuntary transfer, the interest so transferred, the name  
 17 of the person to whom the interest is to be transferred, the  
 18 process of procedure effecting such the transfer, and other  
 19 information requested by the department. Evidence and  
 20 instruments otherwise required by law to effect a transfer  
 21 of legal or equitable title to or an interest in chattels as  
 22 may be required in such cases shall be furnished with the  
 23 statement. If the department is satisfied that the transfer  
 24 is regular and that all formalities required by law have  
 25 been complied with, it shall send to the owner, conditional

1 sales vendor, lessor, mortgagee, and other lienor, as shown  
 2 by its records, notice of the intended transfer and,  
 3 thereafter, but not less than 5 days thereafter after  
 4 sending notice, shall issue a new certificate of ownership  
 5 and certificate of registration to the person--entitled  
 6 thereto ~~to--them~~ TRANSPEREE. The notice herein required in  
 7 this subsection SECTION is complied with by deposit in the  
 8 post office in Deer Lodge, Montana, ~~such OF the~~ notice,  
 9 postage prepaid, addressed to the person at the respective  
 10 address shown on its records.

11 (4) When the vehicle certificate of ownership that is  
 12 involuntarily transferred is not registered in this state,  
 13 the procedure set forth ~~above~~ in subsection (3) must be  
 14 followed in applying for a new certificate of ownership and  
 15 certificate of registration but the department need not send  
 16 notice of intended transfer and shall issue a new  
 17 certificate of ownership and a new certificate of  
 18 registration to the person entitled ~~thereto~~ to them.

19 (5) (a) In the event of the death of the owner of one  
 20 or more motor vehicles, trailers, semitrailers, or  
 21 housetrailer registered ~~hereunder~~ under this part CHAPTER  
 22 and not exceeding a combined value of \$15,000 without  
 23 leaving other property necessitating the procuring of  
 24 letters of administration or letters testamentary, then the  
 25 surviving spouse or other heir unless ~~such~~ the property is

1 by will otherwise bequeathed may secure transfer of the  
 2 decedent's certificate of ownership and the certificate of  
 3 registration for the vehicle.

4 (b) The person seeking transfer of the certificate of  
 5 ownership shall file an affidavit with the department  
 6 setting forth the fact of survivorship and the name and  
 7 address of any other heirs and such other facts as are  
 8 hereby-made necessary to entitle the affiant to a transfer.

9 (c) The department is authorized to transfer the  
 10 certificate of ownership and certificate of registration,  
 11 subject to all security interests shown by its records, upon  
 12 receipt of an affidavit showing that the affiant is entitled  
 13 to a transfer under the provisions of subsection (5)(a) of  
 14 this section.

15 (6) Nothing in subsection (5) shall prevent any  
 16 secured party from assigning his interest in a motor vehicle  
 17 registered under the provisions of this chapter to any other  
 18 person without the consent of and without affecting the  
 19 interest of the holder of the certificate of ownership and  
 20 certificate of registration. Upon any assignment by a  
 21 secured party of his security interest in any motor vehicle  
 22 registered under this chapter, a copy of ~~such~~ the assignment  
 23 must be filed with the department and a record of transfer  
 24 THE ASSIGNMENT thereof made upon its records.

25 (7) The certificates CERTIFICATE of ownership shall

1 remain IS valid until canceled by the department upon a  
2 transfer of any interest shown therein in the certificate  
3 and need not be renewed annually."

4 **Section 4.** Section 61-3-205, MCA, is amended to read:

5 "61-3-205. Transfer of ownership of vehicles by  
6 insurance company. (1) When an insurance company or its  
7 adjuster has taken possession of a motor vehicle as a result  
8 of settling an insurance claim and transfers ownership of  
9 the motor vehicle, it shall deliver to the transferee at the  
10 time of transfer a ~~signed--and--notarized~~ certificate of  
11 ownership signed and acknowledged before the county  
12 treasurer, a deputy county treasurer, or a notary public.

13 (2) If the certificate of ownership names one or more  
14 holders of a perfected security interest in the motor  
15 vehicle, the insurance company or its adjuster shall also  
16 secure and deliver to the transferee a release from the  
17 secured party of the security interest."

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

19 "61-3-322. Certificates of registration -- issuance.

20 (1) Upon completion of the application for registration on  
21 forms furnished by the department, the county treasurer  
22 shall file one copy in his office and issue to the applicant  
23 two copies of the application marked "Owner's Certificate of  
24 Registration and Payment Receipt", one of which shall be  
25 marked "file copy".

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

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

15 (4) The county treasurer shall daily forward to the  
16 department one copy of all applications for registration  
17 received that day.

18 (5) ~~It shall~~ is not be necessary for the county  
19 treasurer to segregate the amount of taxes or fees for  
20 state, county, school district, and municipal purposes in  
21 the receipt."

22 NEW SECTION. **Section 6.** Effective date. [This act] is  
23 effective on passage and approval.

-End-