

HOUSE BILL 713

Introduced by Hannah

2/15	Introduced
2/15	Referred to Highways & Transportation
2/16	Hearing
2/17	Fiscal Note Requested
2/27	Fiscal Note Received
3/07	Hearing
3/07	Tabled in Committee

1 *House* BILL NO. 713
2 INTRODUCED BY *Hand*

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR MAIL
5 REGISTRATION, REREGISTRATION, AND ISSUANCE OF CERTIFICATES OF
6 TITLE FOR AUTOMOBILES AND LIGHT TRUCKS BY THE DEPARTMENT OF
7 JUSTICE; PROVIDING FOR A PACKET OF REGISTRATION AND OTHER
8 NECESSARY MATERIALS, AVAILABLE THROUGH AUTOMOBILE DEALERS, LAW
9 ENFORCEMENT AGENCIES, AND OTHER REGISTERING AGENTS, FOR THE
10 INITIAL REGISTRATION; AMENDING SECTIONS 61-3-101, 61-3-108,
11 61-3-201 THROUGH 61-3-203, 61-3-303, 61-3-304, 61-3-317,
12 61-3-321, 61-3-322, 61-3-331, 61-3-335, 61-3-342, 61-3-447,
13 61-3-502, 61-3-503, 61-3-506, 61-3-509, 61-3-535, 61-3-701,
14 61-4-111, AND 61-4-112, MCA; AND PROVIDING AN EFFECTIVE DATE."

15
16 STATEMENT OF INTENT

17 A statement of intent is required for [this act] because
18 rulemaking authority is granted to the department of justice
19 for administering mail registration, reregistration, and
20 issuance of title certificates for automobiles and light
21 trucks.

22 It is intended that [this act] provide for the issuance
23 by mail of titles, registration, and reregistration of
24 automobiles and light trucks, in cooperation with automobile
25 dealers and law enforcement agencies. When a vehicle enters

1 dealers and law enforcement agencies. When a vehicle enters
2 Montana, either through sale to a Montanan or because the
3 owner moves to Montana, a completed application is required
4 for the vehicle. This application constitutes the original
5 registration and title information.

6 Under [this act], dealers would have a supply of
7 packets containing the necessary forms and the information
8 needed for filling them out. The packet would also contain a
9 temporary window sticker. The dealer would fill out the
10 forms, determine the amount of fees and taxes that are due,
11 based on materials in the packet, and mail the forms in an
12 addressed prepaid envelope provided in the packet. The
13 department would mail the registration and plates within 20
14 days. If there are errors or problems that take more than 20
15 days to resolve, the department could provide for a 60-day
16 sticker to allow the problem to be resolved. A private
17 individual selling a car would obtain a packet from a dealer
18 or a law enforcement agency, have the vehicle identification
19 number certified for the application, and have the temporary
20 sticker validated. The dealer or law enforcement agency
21 could charge up to \$5 for the certification and validation.

22 As the vehicle is reregistered and sold, the original
23 registration information would stay with the vehicle, with
24 variable information (such as owner, address, and
25 lienholder) changing as necessary. The department would

provide for reregistration by mail, using that information. The department could generate a "registration statement" to be mailed to owners, who would pay the amount the department has determined is due and, as applicable, make changes in address, etc. The department would collect money and distribute it, with state fees being distributed to the proper accounts and local fees and taxes being remitted to the county treasurer, who would then distribute the collections to local governments and schools.

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

NEW SECTION. Section 1. Definitions. Unless the context clearly indicates otherwise, the following definitions apply to [sections 1 through 5]:

(1) "Department" means the department of justice established in 2-15-2001.

(2) "Packet" means the application for registration and certificate of title packet issued by the department to registering agents as provided in [section 4].

(3) "Registering agent" means a new or used car dealer, law enforcement agency, or other public or private entity as provided in [section 4].

NEW SECTION. Section 2. Registration of automobiles and light trucks. (1) The department shall register by mail all automobiles and all trucks having a rated capacity of

three-quarters of a ton or less.

(2) The department shall provide for initial registration to be made in conjunction with the issuance of ownership certificates through registering agents.

(3) Upon initial application for registration and issuance of a certificate of title in this state, the purchaser, or a car or light truck owner moving into this state, shall complete an application for title and registration on a form provided by the department. The form must require the information set forth in 61-3-303.

(a) To ensure accuracy and avoid fraud, the vehicle identification number entered on the form must be verified by the signature of a person who is or who is employed by a registering agent pursuant to rules adopted by the department.

(b) The registering agent shall validate a temporary vehicle sticker as provided for in 61-3-317.

NEW SECTION. Section 3. Registration and certificate of title packets. A registration and certificate of title packet is a sealed envelope provided by the department that contains the materials necessary for the initial registration of an automobile or light truck in this state and for the transfer of ownership from a dealer to a purchaser or from a private seller to a private purchaser. The packet must contain the necessary forms and instructions

1 so that when completed the department has all the
 2 information needed for mail reregistration. The packet must
 3 also contain a suitable postage-paid, preaddressed envelope
 4 for mailing the completed forms to the department. Each
 5 packet, and any items within the packet the department
 6 considers appropriate, must be marked with an individual
 7 serial number traceable to the registering agent that
 8 originally was issued the packet. The department may not
 9 charge for issuing packets but may limit the number of
 10 packets a registering agent may have on hand to a number
 11 reasonably necessary for the conduct of his business.

12 NEW SECTION. **Section 4. Registering agents -- duties**
 13 **and responsibilities.** (1) (a) All dealers licensed under
 14 Title 61, chapter 4, part 1, and all law enforcement
 15 agencies, the Montana highway patrol, and other entities
 16 that the department has determined suitable to be
 17 registering agents are entitled to receive vehicle
 18 registration and certificate of title packets provided by
 19 the department.

20 (b) The department may provide by rule for the
 21 termination for cause of an entity's entitlement to packets
 22 and the rights that pertain to their use. The rules must
 23 identify specific grounds for the termination, allow for a
 24 hearing if requested by the terminated agent, and establish
 25 a method for reinstatement, which may include a provisional

1 status, bonding requirements, or sanctions to ensure the
 2 integrity of the registration and titling process.

3 (2) All registering agents, as a condition for
 4 receiving packets, must provide public access to packets
 5 and, subject to rules of the department, must provide
 6 verification of vehicle identification numbers and
 7 validation of temporary vehicle stickers. The agent may
 8 charge a fee, not to exceed \$5, for performing the service.

9 NEW SECTION. **Section 5. Collection of fees and taxes.**
 10 (1) The department of justice is an agent of the department
 11 of revenue, department of highways, and each county for the
 12 purpose of collecting fees and taxes at the time of sale,
 13 transfer of title, and registration of automobiles and light
 14 trucks under the provisions of [sections 1 through 5]. The
 15 department shall deduct from the fees and taxes it has
 16 collected the money to be deposited in state accounts,
 17 including the 7% of the 2% tax provided for in 61-3-509(2)
 18 for the funding of district courts, and remit the balance to
 19 county treasurers for distribution pursuant to 61-3-509(1).

20 (2) In conjunction with the departments of revenue and
 21 highways, the department shall adopt rules for the
 22 distribution of taxes and fees collected by it. The
 23 department shall cooperate with county officials, school
 24 officials, and the department of revenue to compile
 25 information necessary for the accurate distribution of taxes

1 and fees collected by the department.

2 (3) The department shall, at least annually and in a
3 paper or electronic format, whichever is most usable by each
4 individual county, provide information, including names and
5 addresses of persons having an automobile or light truck
6 registration address within the county, that may be used to
7 determine the accuracy of the tax and fee payments.
8 Department records may be corrected after advice from a
9 county if the changed information is sent to the party to
10 whom it relates with a notation requesting that the party
11 notify the department or the county if the information is
12 incorrect.

13 **Section 6.** Section 61-3-101, MCA, is amended to read:

14 "61-3-101. Duties of department -- records. (1) The
15 department shall keep a record as hereinafter specified of
16 all motor vehicles, trailers, and semitrailers of every
17 kind, and of certificates of registration and ownership
18 thereof, and of all dealers in motor vehicles.

19 (2) In the case of motor vehicles, trailers, and
20 semitrailers, the record shall show the following:

21 (a) name of owner, residence by town and county, and
22 business address;

23 (b) name and address of conditional sales vendor,
24 mortgagee, or other lienholder and amount due under contract
25 or lien;

1 (c) manufacturer of car;

2 (d) manufacturer's designation of style of car or
3 vehicle;

4 (e) identifying number;

5 (f) year of manufacture;

6 (g) character of motive power and shipping weight of
7 car as shown by the manufacturer;

8 (h) the distinctive license number assigned to the
9 vehicle;

10 (i) if a truck or trailer, the number of tons'
11 capacity or GVW if imprinted on manufacturer's
12 identification plate;

13 (j) such other information as may from time to time be
14 found desirable.

15 (3) The department shall file applications for
16 registration received by it pursuant to [sections 1 through
17 5] and from the county treasurers of the state and register
18 the vehicles therein described and the owners thereof in
19 suitable books or on index cards, as follows:

20 (a) under the distinctive license number assigned to
21 the vehicle by-the-county-treasurer;

22 (b) alphabetically under the name of the owner;

23 (c) numerically under make and identifying number of
24 the vehicle;

25 (d) such other index of registration as the department

1 considers expedient.

2 (4) Vehicle registration records and indexes and
3 driver's license records and indexes may be maintained by
4 electronic recording and storage media.

5 (5) In the case of dealers, the records shall show the
6 information contained in the application for dealer's
7 license as required by 61-4-101 through 61-4-105, as well as
8 the distinctive license number assigned to the dealer.

9 (6) In order to prevent an accumulation of unneeded
10 records and files, the department shall have the authority
11 and it shall be its duty to destroy all records and files
12 which have ceased to be of any value.

13 (7) The department may establish and maintain a
14 short-wave radio station in order to report motor vehicle
15 registration information to the highway patrol, to sheriffs,
16 and to the chiefs of police of each incorporated city of the
17 state who are able to communicate with such short-wave radio
18 station.

19 (8) All records shall be open to inspection during all
20 reasonable business hours, and the department shall furnish
21 any information from the records upon payment by the
22 applicant of the cost of transcribing the information
23 requested."

24 **Section 7.** Section 61-3-108, MCA, is amended to read:

25 "61-3-108. Disposition of fees -- use. (1) All fees

1 payable to the department under this title, unless otherwise
2 provided, shall be deposited in a motor vehicle recording
3 account of the state special revenue fund. Fees collected
4 by the department for another agency of state government or
5 for a local government pursuant to [sections 1 through 5]
6 are not considered to be fees payable to the department
7 under this section.

8 (2) Funds deposited in the motor vehicle recording
9 account of the state special revenue fund may be expended
10 for the following purposes:

11 (a) to pay the salaries and operating expenses
12 associated with performing duties under this title,
13 including the manufacture and delivery of license plates;

14 (b) to fund the forensic science activities of the
15 department of justice;

16 (c) to fund the Montana law enforcement academy;

17 (d) to fund the law enforcement teletype system of the
18 department of justice;

19 (e) to fund the Montana criminal law information
20 center to the extent that all of the above programs have
21 been previously funded and funds remain available."

22 **Section 8.** Section 61-3-201, MCA, is amended to read:

23 "61-3-201. Transfer of interest. (1) Upon a transfer
24 of any interest in a motor vehicle registered under the
25 provisions of this chapter, the person whose interest is to

1 be transferred shall write his signature with pen and ink
2 upon the certificate of ownership issued for such vehicle in
3 the appropriate space provided upon the reverse side of the
4 certificate, and his signature shall be acknowledged before
5 a notary public.

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

1 to the transferee and have the security interest or lien
2 filed. The creditor or secured party is not liable for the
3 penalty, registration fees, or taxes. The department shall
4 return the certificate of title to the county treasurer as
5 provided in 61-3-103(1). When the certificate of ownership
6 is returned by the department to the county treasurer, the
7 treasurer shall hold the certificate of ownership until the
8 vehicle is properly registered.

9 (3) In the event of a transfer by operation of law of
10 any interest in a motor vehicle as upon inheritance, devise,
11 or bequest, order in bankruptcy or insolvency, execution
12 sale, repossession upon default in the performance of the
13 terms of a lease or executory sales contract, or otherwise
14 than by voluntary act of the person whose title or interest
15 is transferred, the executor, administrator, receiver,
16 trustee, sheriff, or other representative or successor in
17 interest of the person whose interest is transferred shall
18 forward to the department an application for a certificate
19 of ownership in the form required for an original
20 application for a certificate of ownership, together with a
21 verified or certified statement of the transfer of such
22 interest. The statement shall set forth the reason for the
23 involuntary transfer, the interest so transferred, the name
24 of the person to whom the interest is to be transferred, the
25 process of procedure effecting such transfer, and other

1 information requested by the department. Evidence and
2 instruments otherwise required by law to effect a transfer
3 of legal or equitable title to or an interest in chattels as
4 may be required in such cases shall be furnished with the
5 statement. If the department is satisfied that the transfer
6 is regular and that all formalities required by law have
7 been complied with, it shall send to the owner, conditional
8 sales vendor, lessor, mortgagee, and other lienor, as shown
9 by its records, notice of the intended transfer and
10 thereafter, but not less than 5 days thereafter, shall issue
11 a new certificate of ownership and certificate of
12 registration to the person entitled thereto. The notice
13 herein required is complied with by deposit in the post
14 office in Deer Lodge, Montana, such notice, postage prepaid,
15 addressed to the person at the respective address shown on
16 its records.

17 (4) When the vehicle certificate of ownership that is
18 involuntarily transferred is not registered in this state,
19 the procedure set forth above must be followed in applying
20 for a new certificate of ownership and certificate of
21 registration but the department need not send notice of
22 intended transfer and shall issue a new certificate of
23 ownership and a new certificate of registration to the
24 person entitled thereto.

25 (5) (a) In the event of the death of the owner of one

1 or more motor vehicles, trailers, semitrailers, or
2 housetrailer registered hereunder and not exceeding a
3 combined value of \$15,000 without leaving other property
4 necessitating the procuring of letters of administration or
5 letters testamentary, then the surviving spouse or other
6 heir unless such property is by will otherwise bequeathed
7 may secure transfer of the decedent's certificate of
8 ownership and the certificate of registration for the
9 vehicle.

10 (b) The person seeking transfer of the certificate of
11 ownership shall file an affidavit with the department
12 setting forth the fact of survivorship and the name and
13 address of any other heirs and such other facts as are
14 hereby made necessary to entitle the affiant to a transfer.

15 (c) The department is authorized to transfer the
16 certificate of ownership and certificate of registration,
17 subject to all security interests shown by its records, upon
18 receipt of an affidavit showing that the affiant is entitled
19 to a transfer under the provisions of subsection (5)(a) of
20 this section.

21 (6) Nothing in subsection (5) shall prevent any
22 secured party from assigning his interest in a motor vehicle
23 registered under the provisions of this chapter to any other
24 person without the consent of and without affecting the
25 interest of the holder of the certificate of ownership and

certificate of registration. Upon any assignment by a secured party of his security interest in any motor vehicle registered under this chapter, a copy of such assignment must be filed with the department and record thereof made upon its records.

(7) The certificates of ownership shall remain valid until canceled by the department upon a transfer of any interest shown therein and need not be renewed annually."

Section 9. Section 61-3-202, MCA, is amended to read:

"61-3-202. Certificate of ownership -- issuance -- contents -- joint ownership. (1) Upon completion of the application for certificate of ownership, on forms furnished by the department, a person applying pursuant to [sections 1 through 5] shall mail the form to the department or for other applicants deliver the form to the county treasurer. The county treasurer shall forward one copy of the application to the department, which shall enter the information contained in the application upon the corresponding records of its office and, except as provided in 61-3-103(1) and 61-3-201(2) concerning applications by creditors or secured parties, shall furnish the applicant a certificate of ownership subject to the provisions of 61-3-103.

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

- (a) the date issued;
 - (b) the name and complete address of the owner or the names and addresses of joint owners;
 - (c) except as provided in 61-3-103, the name and complete address of any holder of a perfected security interest in the registered vehicle;
 - (d) a description of the registered vehicle, including the year built and serial number;
 - (e) except as provided in 61-3-103, the filing date of any lien against such motor vehicle; and
 - (f) such other statement of facts as may be determined by the department.
- (3) When the names and addresses of more than one owner who are members of the same immediate family are listed on the certificate of ownership, joint ownership with right of survivorship, and not as tenants in common, is presumed.
- (4) Upon receipt of the application, the department shall recheck check the application. If there is any error in the application it may be returned to the applicant or to the county treasurer to effectively secure the correction of such correct the error, who shall return the same to the department.
- (5) The certificate of ownership shall contain a notice to the department of a transfer of interest of the

owner and such other statements as may be determined by the department."

Section 10. Section 61-3-203, MCA, is amended to read:

"61-3-203. Fee for original certificate of ownership and transfer of title -- disposition. A charge of \$4 must be made for issuance of an original certificate of ownership of title and for a transfer of registration which must be collected--by--the--county--treasurer paid at the time of application. The fees must be distributed as follows:

(1) Three dollars of each fee must be remitted to the department by the county treasurer, as provided in 15-1-504, for each application for original certificate of ownership or transfer of registration which was applied for through the county treasurer. One dollar of each fee collected by the department by mail pursuant to [sections 1 through 5] shall be remitted to the county of registration. The department may by rule provide for an offset of remittances between counties and the state.

(2) Prior to March 1, 1966, and each March thereafter, the county commissioners of each county shall divide the county's fees retained-by-the-county to:

(a) the city road fund of each city and town within the county based on the number of motor vehicles registered inside the corporate limits of each city or town; and

(b) the county road fund based on the number of motor

vehicles registered outside the corporate limits of cities and towns."

Section 11. Section 61-3-303, MCA, is amended to read:

"61-3-303. Application for registration. (1) Every owner of a motor vehicle operated or driven upon the public highways of this state shall for each motor vehicle owned, except for automobiles and light trucks registered pursuant to [sections 1 through 5] and as herein otherwise expressly provided, file or cause to be filed in the office of the county treasurer where the owner makes his permanent residence at the time of making the application or, if the vehicle is owned by a corporation or used primarily for commercial purposes, in the taxing jurisdiction of the county where the vehicle is permanently assigned, an application for registration or reregistration upon a blank form to be prepared and furnished by the department. The application shall contain:

(a) name and address of owner, giving county, school district, and town or city within whose corporate limits the motor vehicle is taxable, if taxable, or within whose corporate limits the owner's residence is located if the motor vehicle is not taxable;

(b) name and address of the holder of any security interest in the motor vehicle;

(c) description of motor vehicle, including make, year

1 model, engine or serial number, manufacturer's model or
2 letter, gross weight, type of body, and if truck, the rated
3 capacity;

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

6 (e) such other information as the department may
7 require.

8 (2) A person who files an application for registration
9 or reregistration of a motor vehicle with the county
10 treasurer, except of a mobile home as defined in
11 15-1-101(1), shall upon the filing of the application pay to
12 the county treasurer:

13 (a) the registration fee, as provided in 61-3-311 and
14 61-3-321; and

15 (b) unless it has been previously paid:

16 (i) the personal property taxes assessed against the
17 vehicle for the current year of registration and the
18 immediately previous year; or

19 (ii) the new motor vehicle sales tax against the
20 vehicle for the current year of registration.

21 (3) The application may not be accepted by the county
22 treasurer unless the payments required by subsection (2)
23 accompany the application. The department or its agent may
24 not assess and the county treasurer may not collect taxes or
25 fees for a period other than:

1 (a) the current year; and

2 (b) the immediately previous year, if the vehicle was
3 not registered or operated on the highways of the state,
4 regardless of the period of time since the vehicle was
5 previously registered or operated.

6 (4) The department or its agent may make full and
7 complete investigation of the tax status of the vehicle. Any
8 applicant for registration or reregistration must submit
9 proof from the tax or other appropriate records of the
10 proper county at the request of the department or its
11 agent."

12 **Section 12.** Section 61-3-304, MCA, is amended to read:

13 "61-3-304. Previous registration receipt to accompany
14 application for registration. ~~The~~ Neither the department of
15 justice or the treasurer of any county shall ~~not~~ accept any
16 application for registration or reregistration of any motor
17 vehicle unless such application be accompanied by the
18 immediately previous registration receipt issued by the
19 department or an affidavit upon a form prescribed by the
20 department stating under oath that the vehicle had not been
21 operated on the highways of the state during the immediately
22 previous year, except in cases of automobiles not previously
23 licensed in Montana. No application for registration or
24 reregistration of any motor vehicle hereafter need be
25 verified."

Section 13. Section 61-3-317, MCA, is amended to read:

"61-3-317. New registration required for transferred vehicle -- grace period -- penalty -- display of proof of purchase. Except as otherwise provided herein, the new owner of a transferred motor vehicle shall have a grace period of 20 calendar days from the date of purchase to make application and pay the taxes or fees, or both, provided by part 5 of this chapter, unless the tax or fee has been paid for the year, as if the vehicle were being registered for the first time in that registration year. If the motor vehicle was not purchased from a duly licensed motor vehicle dealer as provided in this chapter, it is not a violation of this chapter or any other law for the purchaser to operate the vehicle upon the streets and highways of this state without a certificate of registration during the 20-day period, provided that at all times during that period a temporary vehicle purchase sticker in a form prescribed and furnished by the department, obtained from the county treasurer, or a law enforcement officer, or a registering agent as authorized by the department, reciting the date of purchase is clearly displayed in the rear window of the motor vehicle. Registration and license fees collected under 61-3-321 are not required to be paid when a license plate is transferred under this section and 61-3-335. Failure to make application within the time provided herein subjects the

purchaser to a penalty of \$10. The penalty shall be collected by--the--county--treasurer at the time of registration and shall be in addition to the fees otherwise provided by law."

Section 14. Section 61-3-321, MCA, is amended to read:

"61-3-321. Registration fees of vehicles -- public-owned vehicles exempt from license or registration fees -- disposition of fees. (1) Registration or license fees shall be paid upon registration or reregistration of motor vehicles, trailers, housetrailers, and semitrailers, in accordance with this chapter, as follows:

- (a) motor vehicles weighing 2,850 pounds or under (other than motortrucks), \$5;
- (b) motor vehicles weighing over 2,850 pounds (other than motortrucks), \$10;
- (c) electrically driven passenger vehicles, \$10;
- (d) all motorcycles and quadricycles, \$2;
- (e) tractors and/or trucks, \$10;
- (f) buses shall be classed as motortrucks and licensed accordingly;
- (g) trailers and semitrailers less than 2,500 pounds maximum gross loaded weight and housetrailers of all weights, \$2;
- (h) trailers and semitrailers over 2,500 up to 6,000 pounds maximum gross loaded weight (except housetrailers),

1 \$5;

2 (i) trailers and semitrailers over 6,000 pounds
3 maximum gross loaded weight, \$10;

4 (j) trailers used exclusively in the transportation of
5 logs in the forest or in the transportation of oil and gas
6 well machinery, road machinery, or bridge materials, new and
7 secondhand, shall pay a fee of \$15 annually, regardless of
8 size or capacity.

9 (2) All rates shall be 25% higher for motor vehicles,
10 trailers, and semitrailers not equipped with pneumatic
11 tires.

12 (3) "Tractor", as specified in this section, means any
13 motor vehicle except passenger cars used for towing a
14 trailer or semitrailer.

15 (4) If any motor vehicle, housetrailer, trailer, or
16 semitrailer is originally registered 6 months after the time
17 of registration as set by law, the registration or license
18 fee for the remainder of the year shall be one-half of the
19 regular fee.

20 (5) An additional fee of \$3 per year for each
21 registration of a vehicle shall be collected as a
22 registration fee. Revenue from this fee collected by county
23 treasurers shall be forwarded by the respective county
24 treasurers to the state treasurer for deposit in the motor
25 vehicle recording account of the state special revenue fund.

1 (6) The provisions of this part with respect to the
2 payment of registration fees shall not apply to or be
3 binding upon motor vehicles, trailers or semitrailers, or
4 tractors owned or controlled by the United States of America
5 or any state, county, or city.

6 (7) The provisions of this section relating to the
7 payment of registration fees do not apply when number plates
8 are transferred to a replacement vehicle under 61-3-317,
9 61-3-332(7), or 61-3-335."

10 **Section 15.** Section 61-3-322, MCA, is amended to read:

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

12 (1) Upon completion of the application for registration on
13 forms furnished by the department, ~~the county treasurer~~
14 ~~shall file one copy in his office~~ shall be kept by the
15 department or the county treasurer and ~~issue to the~~
16 ~~applicant~~ two copies of the application marked "Owner's
17 Certificate of Registration and Payment Receipt", one of
18 which shall be marked "file copy", shall be issued to the
19 applicant.

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

22 (3) Every owner, upon receiving a registration
23 receipt, shall write his signature thereon with pen and ink
24 in the space provided. Every registration receipt or a
25 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 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 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."

Section 16. Section 61-3-331, MCA, is amended to read:

"61-3-331. Assignment of number plates. The department or county treasurer shall, at the time of issuing a registration receipt under 61-3-322, assign such motor vehicle a distinctive number, viz., the license plate number, and deliver to the applicant two license plates, as received from the department, which shall bear such distinctive numbers. The department shall ship said license plates to the various county treasurers by freight, so that they will be received by the county treasurer on or before January 1 of each year."

Section 17. Section 61-3-335, MCA, is amended to read:

"61-3-335. Transfer of license plates to another motor vehicle. (1) Should the transferor make application for the

registration of another motor vehicle at any time during the remainder of the current registration year as shown on the original certificate of registration, he may mail an application pursuant to [sections 1 through 5] or, if applicable, file an application in the office of the county treasurer where the motor vehicle is registered, upon a form to be prepared and furnished by the department, accompanied by the original certificate of registration, for the transfer of the license plates. The application for transfer of the license plates from the motor vehicle for which originally issued to a motor vehicle acquired by the same person in whose name the original license plates were issued shall be made within 20 days from date of acquiring the vehicle. The use of the license plates shall not be legalized until proper transfer of license plates has been made.

(2) License plates may be transferred pursuant to this section without transferring ownership of the first vehicle.

(3) Upon transfer of the license plates, the registration of the motor vehicle from which the license plates were transferred expires. The certificate of registration for such vehicle must be surrendered to the department or county treasurer with the application for transfer."

Section 18. Section 61-3-342, MCA, is amended to read:

1 "61-3-342. Temporary window sticker. Any purchaser of
 2 a motor vehicle who is unable to obtain license plates from
 3 the-county-treasurer at the time he makes application for
 4 registration or reregistration of the vehicle because the
 5 certificate of ownership is lost, in the possession of third
 6 parties, or in the process of reissuance in this state or
 7 elsewhere, or for any other reason permitted by the
 8 department by rule, may, upon making affidavit to that
 9 effect upon a form prescribed by the department and upon the
 10 payment of a fee of \$2 ~~to--be--collected-by-the-county~~
 11 ~~treasurer-and-remitted-to-the-department~~, obtain from--the
 12 ~~county-treasurer-of-the-county-in-which-the-vehicle-is-to-be~~
 13 registered a temporary window sticker of such size, color,
 14 and design as the department may prescribe, to be validated
 15 ~~by--the--county--treasurer~~ for a period of 60 days from the
 16 date of issuance. The purchaser, upon displaying the sticker
 17 on the upper left-hand corner of the rear window of the
 18 motor vehicle, may operate the vehicle during the period for
 19 which the window sticker has been validated without
 20 displaying the registration certificate or number plates or
 21 plate for the current year. The department or county
 22 treasurer may not sell, and no person may purchase, more
 23 than one 60-day temporary window sticker for any vehicle,
 24 the ownership of which has not changed since the issuance of
 25 the previous 60-day window sticker."

1 **Section 19.** Section 61-3-447, MCA, is amended to read:
 2 "61-3-447. License plates for reservists. (1) In lieu
 3 of the regular license plates prescribed by law, there may
 4 be issued to each member of the reserve armed forces of the
 5 United States of America who is a motor vehicle owner and a
 6 resident of this state license plates, to be numbered in
 7 sets of two with a different number following appropriate
 8 letters and symbol as follows: United States army reserve,
 9 AR (symbol); United States naval reserve, NR (anchor);
 10 United States air force reserve, AFR (symbol); and United
 11 States marine corps reserve, MCR (globe and anchor). ~~Plates~~
 12 ~~must-be-furnished-by-the-department-to-the-county-treasurer,~~
 13 who The department shall issue them the plates to the
 14 members of the armed forces reserves. The commanding
 15 officer of each armed forces reserve unit shall issue to
 16 each eligible member of such reserve unit a certificate
 17 authorizing the ~~county-treasurer~~ department to issue one set
 18 of such plates, ~~which-the-county-treasurer-shall-issue--upon~~
 19 ~~presentation--of-the-certificate-by-the-eligible-member.~~ The
 20 member shall surrender the plates upon becoming ineligible
 21 to use them, and the commanding officer shall notify the
 22 ~~county--treasurer~~ department of cancellation of the
 23 ineligible person's certificate. Plates so issued must be
 24 placed or mounted on a vehicle owned by such member and must
 25 be removed upon sale or other disposition of the vehicle.

(2) Each member of the reserve armed forces of the United States who receives special license plates under subsection (1) is liable for payment of all taxes and fees required under parts 3 and 5 of this chapter."

Section 20. Section 61-3-502, MCA, is amended to read:

"61-3-502. Sales tax on new motor vehicles -- exemptions. (1) In consideration of the right to use the highways of the state, there is imposed a tax upon all sales of new motor vehicles, excluding trailers, semitrailers, and house trailers, for which a license is sought and an original application for title is made. The tax shall be paid by the purchaser when he applies for his original Montana license through the county treasurer.

(2) Except as provided in subsection (4), the sales tax shall be:

(a) 1 1/2% of the f.o.b. factory list price or f.o.b. port-of-entry list price, during the first quarter of the year or for a registration period other than a calendar year or calendar quarter;

(b) 1 1/8% of the list price during the second quarter of the year;

(c) 3/4 of 1% during the third quarter of the year;

(d) 3/8 of 1% during the fourth quarter of the year.

(3) If the manufacturer or importer fails to furnish the f.o.b. factory list price or f.o.b. port-of-entry list

price, the department may use published price lists.

(4) The new car sales tax on vehicles subject to the provisions of 61-3-313 through 61-3-316 is 1 1/2% of the f.o.b. factory list price or f.o.b. port-of-entry list price regardless of the month in which the new vehicle is purchased.

(5) The proceeds from this tax shall be remitted to the state treasurer every 30 days for credit to the state highway account of the state special revenue fund.

(6) The new vehicle is not subject to any other assessment, fee in lieu of tax, or tax during the calendar year in which the original application for title is made.

(7) (a) The applicant for original registration of any new and unused motor vehicle, or a new motor vehicle furnished without charge by a dealer to a school district for use as a traffic education motor vehicle by a school district operating a state-approved traffic education program within the state, whether or not previously licensed or titled to the school district (except a mobile home as defined in 15-1-101(1)), acquired by original contract after January 1 of any year, is required, whenever the vehicle has not been otherwise assessed, to pay the motor vehicle sales tax provided by this section irrespective of whether the vehicle was in the state of Montana on January 1 of the year.

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(b) No motor vehicle may be registered or licensed under the provisions of this subsection unless the application for registration is accompanied by a statement of origin to be furnished by the dealer selling the vehicle, showing that the vehicle has not previously been registered or owned, except as otherwise provided herein, by any person, firm, corporation, or association that is not a new motor vehicle dealer holding a franchise or distribution agreement from a new car manufacturer, distributor, or importer.

(8) (a) Motor vehicles operating exclusively for transportation of persons for hire within the limits of incorporated cities or towns and within 15 miles from such limits are exempt from subsection (1).

(b) Motor vehicles brought or driven into Montana by a nonresident, migratory, bona fide agricultural worker temporarily employed in agricultural work in this state where those motor vehicles are used exclusively for transportation of agricultural workers are also exempt from subsection (1).

(c) Vehicles lawfully displaying a licensed dealer's plate as provided in 61-4-103 are exempt from subsection (1) when moving to or from a dealer's place of business when unloaded or loaded with dealer's property only, and in the case of vehicles having a gross loaded weight of less than

24,000 pounds, while being demonstrated in the course of the dealer's business."

Section 21. Section 61-3-503, MCA, is amended to read:

"61-3-503. **Assessment.** (1) Except as provided in subsection (2), the following apply to the taxation of motor vehicles:

(a) Except as provided in subsections (1)(c) through (1)(e), a person who files an application for registration or reregistration of a motor vehicle shall before filing such application with the county treasurer submit the application to the county assessor. The county assessor shall enter on the application in a space to be provided for that purpose the market value and taxable value of the vehicle as of January 1 of the year for which the application for registration is made.

(b) Except as provided in subsection (1)(c), motor vehicles are assessed for taxes on January 1 in each year irrespective of the time fixed by law for the assessment of other classes of personal property and irrespective of whether the levy and tax may be a lien upon real property within the state. In no event may any motor vehicle be subject to assessment, levy, and taxation more than once in each year.

(c) Vehicles subject to the provisions of 61-3-313 through 61-3-316 shall be assessed by the department of

1 justice for mail registration as of the first day of the
 2 registration period, using the average trade-in or wholesale
 3 value as of January 1 of the year of assessment of the
 4 vehicle as contained in the most recent volume of the
 5 Mountain States Edition of the National Automobile Dealers
 6 Association (N.A.D.A.) Official Used Car Guide, the National
 7 Edition of N.A.D.A. Appraisal Guides Official Older Used Car
 8 Guide, or, for vehicles not listed in the preceding guides,
 9 the low value listed in The Value Guide to Cars of
 10 Particular Interest, not including additions or deductions
 11 for options and mileage; and a lien for taxes and fees due
 12 thereon shall occur on the anniversary date of the
 13 registration and shall continue until such fees and taxes
 14 have been paid. If the value shown in any of the appraisal
 15 guides listed in this section is less than \$1,000, the
 16 department shall value the vehicle at \$1,000.

17 (d) Motorcycles and quadricycles shall be assessed,
 18 using the greater of the following:

19 (i) \$250; or

20 (ii) the average trade-in or wholesale value as of
 21 January 1 of the year of assessment of the vehicle as
 22 contained in the most recent volume of the applicable
 23 National Edition of the N.A.D.A. Motorcycle/Moped/ATV
 24 Appraisal Guide or N.A.D.A. Recreational Vehicle Appraisal
 25 Guide, not including additions or deductions for options and

1 mileage.

2 (e) If a vehicle assessed under subsection (1)(c) or
 3 (1)(d) is not originally listed in the applicable N.A.D.A.
 4 guide, the department of ~~revenue-or-its-agent~~ justice shall
 5 depreciate the original f.o.b. factory list price, f.o.b.
 6 port-of-entry list price, or the manufacturer's suggested
 7 list price, using the following methods:

8 (i) if the new car sales tax has been previously paid
 9 and the vehicle is less than 1 year in age, the depreciation
 10 percentage shall be 20%; or

11 (ii) if the vehicle is 1 year or older in age and it is
 12 not listed in any of the appraisal guides listed in this
 13 section, the department of ~~revenue~~ shall determine the
 14 depreciation percentage to approximate the average wholesale
 15 or trade-in values in the current N.A.D.A. guides referred
 16 to in this subsection. For purposes of this subsection (1),
 17 the age of the vehicle is determined by subtracting the
 18 manufacturer's model year of the vehicle from the calendar
 19 year of assessment.

20 (f) When a minimum value of \$500 is reached, the value
 21 shall remain at that minimum so long as the vehicle is
 22 registered.

23 (g) If a previously registered vehicle is no longer
 24 listed in the applicable N.A.D.A. guide, the department or
 25 ~~its--agent~~ shall depreciate the value of the vehicle at the

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rate of 10% a year until a minimum amount of \$500 is attained, and the value shall remain at that amount so long as the vehicle is registered.

(2) The provisions of subsections (1)(a) through (1)(g) do not apply to motor homes, travel trailers, campers, or mobile homes as defined in 15-1-101(1)."

Section 22. Section 61-3-506, MCA, is amended to read:

"61-3-506. Rules. (1) The department of revenue shall adopt rules for the payment of property taxes and the department of highways shall adopt rules for the payment of new car taxes under the provisions of 61-3-313 through 61-3-316 and 61-3-501. The department of revenue may adopt rules for the proration of taxes for the implementation and administration of 61-3-313 through 61-3-316 and 61-3-501, but shall specifically provide that new car taxes shall be for a 12-month period.

(2) Rules adopted under this section shall provide for the collection and proration of taxes and fees paid pursuant to department of justice mail registration, reregistration, and application for certificates of title provided under [sections 1 through 5]."

Section 23. Section 61-3-509, MCA, is amended to read:

"61-3-509. Disposition of taxes. (1) Except as provided in subsection (2), the county treasurer shall, after deducting the district court fee, credit all taxes on

motor vehicles and fees in lieu of tax on motor homes, travel trailers, and campers collected under 61-3-504, 61-3-521, and 61-3-537 and remittances received for automobiles and light trucks collected under [sections 1 through 5] to a motor vehicle suspense fund, and at some time between March 1 and March 10 of each year and every 60 days thereafter, the county treasurer shall distribute the money in the motor vehicle suspense fund in the relative proportions required by the levies for state, county, school district, and municipal purposes in the same manner as personal property taxes are distributed.

(2) The department and the county treasurer shall deduct as a district court fee 7% of the amount of the 2% tax collected by them on an automobile or truck having a rated capacity of three-quarters of a ton or less. The county treasurer shall credit the fee for district courts to a separate suspense account and shall forward the amount in the account to the state treasurer at the time the county treasurer distributes the motor vehicle suspense fund. The state treasurer shall credit amounts received under this subsection from the department and from county treasurers to the general fund to be used for purposes of state funding of the district court expenses as provided in 3-5-901. Any amount forwarded to the state treasurer under this subsection that is not used for district court expenses must

be refunded to the counties in the proportion that the amount collected from each county bears to the total amount collected."

Section 24. Section 61-3-535, MCA, is amended to read:

"61-3-535. Vehicle reregistration by mail -- reregistration notice by mail. (1) The department shall permit administer the reregistration of light vehicles and other vehicles subject to tax under 61-3-504(2) ~~with-the county-treasurer-by-mail-at-the-option-of-the-owner--of--the vehicle. The-option-to-reregister-by-mail-need-only-be-made available-for--vehicles--registered--at--the--close--of--the expiring--registration--period--in-the-name-of-the-applicant for-reregistration-~~

(2) The form to be returned to the ~~county--treasurer~~ department by the applicant, with the appropriate tax and fees, is to contain a statement, to be subscribed to by the applicant, stating compliance with the financial liability requirements of 61-6-301.

(3) The procedure implemented by the department to ~~permit for~~ reregistration by mail shall provide for a written reminder notice by mail to a light vehicle owner of the requirement to reregister his vehicle ~~with-the-county treasurer.~~

(4) The department shall adopt rules to implement the mail reregistration procedure."

Section 25. Section 61-3-701, MCA, is amended to read:

"61-3-701. Foreign vehicles used in gainful occupation to be registered -- reciprocity. (1) Before any foreign licensed motor vehicle may be operated on the highways of this state for hire, compensation, or profit or before the owner and/or user thereof uses the vehicle if such owner and/or user is engaged in gainful occupation or business enterprise in the state, including highway work, the owner of the vehicle shall make application to a county treasurer or, if the vehicle is an automobile or light truck, to the department for registration ~~upon--an--application--form furnished-by-the-department.~~ Upon satisfactory evidence of ownership submitted to the county treasurer or the department and the payment of property taxes, if appropriate, as required by 15-8-201, 15-8-202, 15-24-301, 61-3-504, or 61-3-537, the treasurer or department shall accept the application for registration and shall collect the regular license fee required for the vehicle.

(2) The treasurer or department shall thereupon issue to the applicant a copy of the certificate entitled "Owner's Certificate of Registration and Payment Receipt" and forward a duplicate copy of the certificate to the department. The treasurer or department shall at the same time issue to the applicant the proper license plates or other identification markers, which shall at all times be displayed upon the

vehicle when operated or driven upon roads and highways of this state during the period of the life of the license.

(3) The registration receipt shall not constitute evidence of ownership but shall be used only for registration purposes. No Montana certificate of ownership shall be issued for this type of registration.

(4) This section is not applicable to any vehicle covered by a valid and existing reciprocal agreement or declaration entered into under the provisions of the laws of Montana."

Section 26. Section 61-4-111, MCA, is amended to read:

"61-4-111. Used motor vehicles -- transfer to and from dealers. (1) The provisions of 61-3-201(2) shall not apply in the event of the transfer of a motor vehicle to a duly licensed automobile dealer intending to resell such vehicle and who operates the same only for demonstration purposes. In such cases, the dealer shall not be required to make application for a new certificate of ownership or for registration during the period of his ownership of said vehicle, but upon his transfer of ownership thereof to a person other than a licensed motor vehicle dealer, the following acts shall be required of the dealer on or before the times herein set forth:

(a) Prior to his delivery of the vehicle to the purchaser, the dealer shall issue validate and affix to the

rear window of said vehicle a temporary vehicle sticker in form to be prescribed by the department ~~and--containing--the name--and--address--of--the--purchaser--date-of-sale--name-and address-of-the-dealer--and-a--description--of--the--vehicle--including--its--serial-number.~~ There shall be imprinted upon said the sticker in bold letters the following statement: "IT IS UNLAWFUL TO PLACE LICENSE PLATES UPON THIS VEHICLE UNTIL REGISTERED ~~AT--THE--OFFICE--OF~~ BY THE DEPARTMENT OF JUSTICE OR THE COUNTY TREASURER". One Administration of stickers for automobiles and light trucks shall be established by the department pursuant to [sections 1 through 5]. For all other vehicles, a copy of said sticker shall be delivered by the dealer to the county treasurer in the manner prescribed in subsection (1)(b) hereof, and a copy shall be retained by the dealer for his file. It is unlawful for the dealer to issue more than one sticker per vehicle sale.

(b) Within Except for the registration and issuance of certificates of title for automobiles and light trucks pursuant to [sections 1 through 5], within 4 working days following the date of delivery of said vehicle, the dealer shall forward to the county treasurer of the county where the purchaser resides the certificate of ownership and certificate of registration (if the same are then in his possession), with an application for registration executed

1 by the new owner in accordance with the provisions of
 2 61-3-322, and a copy of the sticker affixed to said vehicle
 3 by the dealer, and the department, upon receipt of said
 4 documents from the county treasurer, together with the
 5 conditional sales contract or other lien, if any, shall
 6 issue a new certificate of ownership and certificate of
 7 registration together with a statement of any conditional
 8 sales contract, mortgage, or other lien as provided in
 9 61-3-202. Transmission of said documents by the dealer to
 10 the county treasurer may be accomplished either by personal
 11 delivery or by first class mail, in which event they shall
 12 be deemed to have been delivered at the time of mailing.

13 (c) If the dealer is unable to forward the certificate
 14 of ownership and/or certificate of registration within the
 15 time set forth in subsection (1)(b) hereof, because the same
 16 are lost, are in the possession of third parties, or are in
 17 process of reissuance in this state or elsewhere, he shall
 18 comply in all other respects with the provisions of
 19 subsection(1)(b) and shall forward the missing document or
 20 documents to the county treasurer, either personally or by
 21 first class mail, within 3 days after their receipt.

22 (2) Upon compliance by the dealer with the
 23 requirements set forth in this section or sections 1
 24 through 5, title to said motor vehicle shall be deemed to
 25 have passed to the purchaser as of the date of the delivery

1 of said vehicle to him by the dealer, and the dealer shall
 2 have no further liability or responsibility with respect to
 3 the processing of registration."

4 **Section 27.** Section 61-4-112, MCA, is amended to read:

5 "61-4-112. New motor vehicles -- transfers by dealers.

6 (1) When a motor vehicle dealer transfers a new motor
 7 vehicle automobile or light truck to a purchaser or other
 8 recipient, the dealer shall follow the procedures set forth
 9 in [sections 1 through 5] for mail registration and title
 10 certification. For all other new motor vehicles the dealer
 11 shall:

12 (a) issue and affix a sticker as prescribed in
 13 61-4-111(1)(a) for transfers of used motor vehicles and
 14 retain a copy of the sticker;

15 (b) within 4 working days following the date of
 16 delivery of the new motor vehicle, forward to the county
 17 treasurer of the county where the purchaser or recipient
 18 resides:

19 (i) one copy of the sticker issued under subsection
 20 (1)(a);

21 (ii) an application for certificate of title with a
 22 notice of security interest, if any, executed by the
 23 purchaser or recipient; and

24 (iii) a statement of origin as prescribed in
 25 61-3-502(7)(b).

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1 (2) Upon receipt from the county treasurer of the
2 documents required under subsection (1), the department
3 shall issue a certificate of ownership and certificate of
4 registration together with a statement of lien as provided
5 in 61-3-202."

6 NEW SECTION. **Section 28.** Extension of authority. Any
7 existing authority to make rules on the subject of the
8 provisions of [this act] is extended to the provisions of
9 [this act].

10 NEW SECTION. **Section 29.** Effective date. [This act]
11 is effective January 1, 1990.

-End-