

SENATE BILL NO. 123

INTRODUCED BY BECK, CAMPBELL

IN THE SENATE

JANUARY 13, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON HIGHWAYS & TRANSPORTATION.
	FIRST READING.
FEBRUARY 3, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 6, 1989	PRINTING REPORT.
	SECOND READING, DO PASS.
FEBRUARY 7, 1989	ENGROSSING REPORT.
FEBRUARY 8, 1989	THIRD READING, PASSED. AYES, 49; NOES, 0.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 8, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON HIGHWAYS & TRANSPORTATION.
FEBRUARY 20, 1989	FIRST READING.
MARCH 1, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 4, 1989	SECOND READING, CONCURRED IN.
MARCH 6, 1989	THIRD READING, CONCURRED IN. AYES, 93; NOES, 0.
	RETURNED TO SENATE.

IN THE SENATE

MARCH 7, 1989	RECEIVED FROM HOUSE.
---------------	----------------------

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *Senat* BILL NO. 123
2 INTRODUCED BY Beck Campbell
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR
5 CANCELLATION AND REISSUANCE OF A MOTOR VEHICLE CERTIFICATE
6 OF OWNERSHIP CONTAINING AN ERROR CAUSED BY THE DEPARTMENT OF
7 JUSTICE; AND AMENDING SECTION 61-3-201, MCA."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 **Section 1.** Section 61-3-201, MCA, is amended to read:

11 "61-3-201. Transfer of interest -- cancellation of
12 erroneous certificate of ownership. (1) Upon a transfer of
13 any interest in a motor vehicle registered under the
14 provisions of this chapter, the person whose interest is to
15 be transferred shall write his signature with pen and ink
16 upon the certificate of ownership issued for ~~such~~ the
17 vehicle in the appropriate space provided upon the reverse
18 side of the certificate, and his signature ~~shall~~ must be
19 acknowledged before a notary public.

20 (2) Within 20 calendar days thereafter, the transferee
21 shall forward both the endorsed certificate of ownership
22 with the odometer mileage statement required under 61-3-206
23 and the certificate of registration, together with the
24 information required under 61-3-202, to the county
25 treasurer, who shall forward them to the department. ~~No~~ The

1 department may not issue a certificate of ownership or
2 certificate of registration ~~may be issued by the department~~
3 until the outstanding certificates are surrendered to that
4 office or their loss is established to its reasonable
5 satisfaction. Failure to make application within the 20-day
6 grace period subjects the transferee to a penalty of \$10.
7 The county treasurer shall collect the penalty is-to-be
8 ~~collected--by--the--county--treasurer~~ at the time of
9 registration, and The penalty is in addition to the fees
10 otherwise provided by law. If the transferee ~~has~~ does not
11 ~~made~~ make application within 25 days, a creditor or secured
12 party may pay the fees for the transfer of title and filing
13 of security interest or lien in order to have title
14 transferred to the transferee and have the security interest
15 or lien filed. The creditor or secured party is not liable
16 for the penalty, registration fees, or taxes. The
17 department shall return the certificate of title to the
18 county treasurer as provided in 61-3-103(1). When the
19 certificate of ownership is returned by the department to
20 the county treasurer, the treasurer shall hold the
21 certificate of ownership until the vehicle is properly
22 registered.

23 (3) In the event of a transfer by operation of law of
24 any interest in a motor vehicle as upon inheritance, devise,
25 or bequest, order in bankruptcy or insolvency, execution

1 sale, repossession upon default in the performance of the
 2 terms of a lease or executory sales contract, or otherwise
 3 than by voluntary act of the person whose title or interest
 4 is transferred, the executor, administrator, receiver,
 5 trustee, sheriff, or other representative or successor in
 6 interest of the person whose interest is transferred shall
 7 forward to the department an application for a certificate
 8 of ownership in the form required for an original
 9 application for a certificate of ownership, together with a
 10 verified or certified statement of the transfer of such
 11 interest. The statement ~~shall~~ must set forth the reason for
 12 the involuntary transfer, the interest ~~so~~ transferred, the
 13 name of the person to whom the interest is to be
 14 transferred, the process of procedure effecting ~~such~~ the
 15 transfer, and other information requested by the department.
 16 Evidence and instruments otherwise required by law to effect
 17 a transfer of legal or equitable title to or an interest in
 18 chattels as may be required in such cases ~~shall~~ must be
 19 furnished with the statement. If the department is satisfied
 20 that the transfer is regular and that all formalities
 21 required by law have been complied with, it shall send to
 22 the owner, conditional sales vendor, lessor, mortgagee, and
 23 other lienor, as shown by its records, notice of the
 24 intended transfer and thereafter, but not less than 5 days
 25 thereafter, shall issue a new certificate of ownership and

1 certificate of registration to the ~~person-entitled-thereto~~
 2 transferee. The notice herein required by this section is
 3 complied with by deposit in the post office in Deer Lodge,
 4 Montana, ~~such of the~~ notice, postage prepaid, addressed to
 5 the person at the respective address shown on its records.

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

14 (5) (a) ~~in-the-event-of-the-death-of~~ If the owner of
 15 one or more motor vehicles, trailers, semitrailers, or
 16 housetrailer registered ~~hereunder~~ under this chapter and
 17 not exceeding a combined value of \$15,000 ~~dies~~ without
 18 leaving other property necessitating the procuring of
 19 letters of administration or letters testamentary, then the
 20 surviving spouse or other heir unless ~~such the~~ the property is
 21 by will otherwise bequeathed may secure transfer of the
 22 decedent's certificate of ownership and the certificate of
 23 registration for the vehicle.

24 (b) The person seeking transfer of the certificate of
 25 ownership shall file an affidavit with the department

1 setting forth the fact of survivorship and the name and
 2 address of any other heirs and such other facts as are
 3 hereby-made necessary under subsection (5)(a) to entitle the
 4 affiant to a transfer.

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

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

21 (7) The ~~certificates~~ certificate of ownership ~~shall~~
 22 ~~remain is~~ valid until canceled by the department upon a
 23 transfer of any interest shown therein, and ~~need-not-be~~
 24 ~~renewed-annually~~ annual renewal is not needed.

25 (8) Upon its determination that a certificate of

1 ownership contains an error caused by the department, the
 2 department may cancel the certificate of ownership and issue
 3 a replacement for the erroneous certificate. The
 4 cancellation may occur no sooner than 5 days after the
 5 department notifies the owner and secured parties of the
 6 error in the certificate of ownership and of its intention
 7 to cancel. The notice requirement is complied with by
 8 deposit of the notice in the post office in Deer Lodge,
 9 Montana, postage prepaid, addressed to the owner and secured
 10 parties, if any, at their respective addresses shown on the
 11 records of the department."

12 NEW SECTION. Section 2. Extension of authority. Any
 13 existing authority to make rules on the subject of the
 14 provisions of [this act] is extended to the provisions of
 15 [this act].

-End-

APPROVED BY COMMITTEE
ON HIGHWAYS & TRANSPORTATION

SENATE BILL NO. 123

INTRODUCED BY BECK, CAMPBELL

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR CANCELLATION AND REISSUANCE OF A MOTOR VEHICLE CERTIFICATE OF OWNERSHIP CONTAINING AN ERROR CAUSED BY THE DEPARTMENT OF JUSTICE; CREATING A MISDEMEANOR OFFENSE FOR FAILING TO RETURN A CERTIFICATE FOLLOWING ACTUAL NOTICE OF THE DEPARTMENT'S DEMAND FOR THE RETURN; AND AMENDING SECTION 61-3-201, MCA."

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

Section 1. Section 61-3-201, MCA, is amended to read:

"61-3-201. Transfer of interest -- cancellation of erroneous certificate of ownership. (1) Upon a transfer of any interest in a motor vehicle registered under the provisions of this chapter, the person whose interest is to be transferred shall write his signature with pen and ink upon the certificate of ownership issued for such the vehicle in the appropriate space provided upon the reverse side of the certificate, and his signature ~~shall~~ must be acknowledged before a notary public.

(2) Within 20 calendar days thereafter, the transferee shall forward both the endorsed certificate of ownership with the odometer mileage statement required under 61-3-206

and the certificate of registration, together with the information required under 61-3-202, to the county treasurer, who shall forward them to the department. No The department may not issue a certificate of ownership or certificate of registration may-be-issued-by-the--department until the outstanding certificates are surrendered to that office or their loss is established to its reasonable satisfaction. Failure to make application within the 20-day grace period subjects the transferee to a penalty of \$10. The county treasurer shall collect the penalty is--to--be collected---by---the---county---treasurer at the time of registration, and The penalty is in addition to the fees otherwise provided by law. If the transferee has does not made make application within 25 days, a creditor or secured party may pay the fees for the transfer of title and filing of security interest or lien in order to have title transferred to the transferee and have the security interest or lien filed. The creditor or secured party is not liable for the penalty, registration fees, or taxes. The department shall return the certificate of title to the county treasurer as provided in 61-3-103(1). When the certificate of ownership is returned by the department to the county treasurer, the treasurer shall hold the certificate of ownership until the vehicle is properly registered.

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

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

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

17 (5) (a) ~~in--the--event--of--the--death--of~~ If the owner of
 18 one or more motor vehicles, trailers, semitrailers, or
 19 housetrailer registered ~~hereunder~~ under this chapter and
 20 not exceeding a combined value of \$15,000 dies without
 21 leaving other property necessitating the procuring of
 22 letters of administration or letters testamentary, ~~then~~ the
 23 surviving spouse or other heir unless such the property is
 24 by will otherwise bequeathed may secure transfer of the
 25 decedent's certificate of ownership and the certificate of

1 registration for the vehicle.

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

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

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

24 (7) The ~~certificates~~ certificate of ownership shall
25 ~~remain~~ is valid until canceled by the department upon a

1 transfer of any interest shown therein, and ~~need--not--be~~
2 ~~renewed-annually~~ annual renewal is not needed.

3 (8) (A) Upon its determination that a certificate of
4 ownership contains an error caused by the department, the
5 department may cancel the certificate of ownership and issue
6 a replacement for the erroneous certificate. ~~---The~~
7 ~~cancellation-may-occur-no-sooner-than-5-days-after-the~~
8 ~~department--notifies--the--owner--and-secured-parties-of-the~~
9 ~~error-in-the-certificate-of-ownership-and-of--its--intention~~
10 ~~to--cancel.---The--notice--requirement--is--complied--with--by~~
11 ~~deposit-of-the-notice-in-the--post--office--in--Deer--Bodge,~~
12 ~~Montana,--postage-prepaid,--addressed-to-the-owner-and-secured~~
13 ~~parties,--if-any,--at-their-respective-addresses-shown-on-the~~
14 ~~records-of-the-department. IF THE OWNER HAS RETURNED THE~~
15 ~~CERTIFICATE TO BE CANCELED.~~

16 (B) ANY PERSON WHO FAILS TO RETURN A CERTIFICATE OF
17 OWNERSHIP ISSUED WITH AN ERROR CAUSED BY THE DEPARTMENT
18 AFTER RECEIVING ACTUAL NOTICE OF THE DEPARTMENT'S DEMAND FOR
19 THE RETURN OF THE CERTIFICATE AS REQUIRED BY SUBSECTION
20 (B)(A) IS GUILTY OF A MISDEMEANOR AND UPON CONVICTION MAY BE
21 FINED AN AMOUNT NOT TO EXCEED \$500."

22 NEW SECTION. Section 2. Extension of authority. Any
23 existing authority to make rules on the subject of the
24 provisions of [this act] is extended to the provisions of
25 [this act].

-End-

SENATE BILL NO. 123

INTRODUCED BY BECK, CAMPBELL

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR CANCELLATION AND REISSUANCE OF A MOTOR VEHICLE CERTIFICATE OF OWNERSHIP CONTAINING AN ERROR CAUSED BY THE DEPARTMENT OF JUSTICE; CREATING A MISDEMEANOR OFFENSE FOR FAILING TO RETURN A CERTIFICATE FOLLOWING ACTUAL NOTICE OF THE DEPARTMENT'S DEMAND FOR THE RETURN; AND AMENDING SECTION 61-3-201, MCA."

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

Section 1. Section 61-3-201, MCA, is amended to read:

"61-3-201. Transfer of interest -- cancellation of erroneous certificate of ownership. (1) Upon a transfer of any interest in a motor vehicle registered under the provisions of this chapter, the person whose interest is to be transferred shall write his signature with pen and ink upon the certificate of ownership issued for such the vehicle in the appropriate space provided upon the reverse side of the certificate, and his signature ~~shall~~ must be acknowledged before a notary public.

(2) Within 20 calendar days thereafter, the transferee shall forward both the endorsed certificate of ownership with the odometer mileage statement required under 61-3-206

and the certificate of registration, together with the information required under 61-3-202, to the county treasurer, who shall forward them to the department. No The department may not issue a certificate of ownership or certificate of registration may-be-issued-by-the--department until the outstanding certificates are surrendered to that office or their loss is established to its reasonable satisfaction. Failure to make application within the 20-day grace period subjects the transferee to a penalty of \$10. The county treasurer shall collect the penalty is--to--be collected---by---the---county---treasurer at the time of registration, and The penalty is in addition to the fees otherwise provided by law. If the transferee ~~has~~ does not ~~made~~ make application within 25 days, a creditor or secured party may pay the fees for the transfer of title and filing of security interest or lien in order to have title transferred to the transferee and have the security interest or lien filed. The creditor or secured party is not liable for the penalty, registration fees, or taxes. The department shall return the certificate of title to the county treasurer as provided in 61-3-103(1). When the certificate of ownership is returned by the department to the county treasurer, the treasurer shall hold the certificate of ownership until the vehicle is properly registered.

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

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

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

17 (5) (a) ~~in--the--event--of--the--death--of~~ If the owner of
 18 one or more motor vehicles, trailers, semitrailers, or
 19 housetrailer registered ~~hereunder under this chapter~~ and
 20 not exceeding a combined value of \$15,000 dies without
 21 leaving other property necessitating the procuring of
 22 letters of administration or letters testamentary, then the
 23 surviving spouse or other heir unless such the property is
 24 by will otherwise bequeathed may secure transfer of the
 25 decedent's certificate of ownership and the certificate of

1 registration for the vehicle.

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

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

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

24 (7) The certificates certificate of ownership shall
25 remain is valid until canceled by the department upon a

1 transfer of any interest shown therein, and need--not--be
2 renewed-annually annual renewal is not needed.

3 (8) (A) Upon its determination that a certificate of
4 ownership contains an error caused by the department, the
5 department may cancel the certificate of ownership and issue
6 a replacement for the erroneous certificate.---The
7 cancellation may occur no sooner than 5 days after the
8 department notifies the owner and secured parties of the
9 error in the certificate of ownership and of its intention
10 to cancel. The notice requirement is complied with by
11 deposit of the notice in the post office in Deer Lodge,
12 Montana, postage prepaid, addressed to the owner and secured
13 parties, if any, at their respective addresses shown on the
14 records of the department. IF THE OWNER HAS RETURNED THE
15 CERTIFICATE TO BE CANCELED.

16 (B) ANY PERSON WHO FAILS TO RETURN A CERTIFICATE OF
17 OWNERSHIP ISSUED WITH AN ERROR CAUSED BY THE DEPARTMENT
18 AFTER RECEIVING ACTUAL NOTICE OF THE DEPARTMENT'S DEMAND FOR
19 THE RETURN OF THE CERTIFICATE AS REQUIRED BY SUBSECTION
20 (8)(A) IS GUILTY OF A MISDEMEANOR AND UPON CONVICTION MAY BE
21 FINED AN AMOUNT NOT TO EXCEED \$500."

22 NEW SECTION. Section 2. Extension of authority. Any
23 existing authority to make rules on the subject of the
24 provisions of [this act] is extended to the provisions of
25 [this act].

-End-

SENATE BILL NO. 123

INTRODUCED BY BECK, CAMPBELL

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR CANCELLATION AND REISSUANCE OF A MOTOR VEHICLE CERTIFICATE OF OWNERSHIP CONTAINING AN ERROR CAUSED BY THE DEPARTMENT OF JUSTICE; CREATING A MISDEMEANOR OFFENSE FOR FAILING TO RETURN A CERTIFICATE FOLLOWING ACTUAL NOTICE OF THE DEPARTMENT'S DEMAND FOR THE RETURN; AND AMENDING SECTION 61-3-201, MCA."

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

Section 1. Section 61-3-201, MCA, is amended to read:

"61-3-201. Transfer of interest -- cancellation of erroneous certificate of ownership. (1) Upon a transfer of any interest in a motor vehicle registered under the provisions of this chapter, the person whose interest is to be transferred shall write his signature with pen and ink upon the certificate of ownership issued for such the vehicle in the appropriate space provided upon the reverse side of the certificate, and his signature ~~shall~~ must be acknowledged before a notary public.

(2) Within 20 calendar days thereafter, the transferee shall forward both the endorsed certificate of ownership with the odometer mileage statement required under 61-3-206

and the certificate of registration, together with the information required under 61-3-202, to the county treasurer, who shall forward them to the department. No The department may not issue a certificate of ownership or certificate of registration may-be-issued-by-the--department until the outstanding certificates are surrendered to that office or their loss is established to its reasonable satisfaction. Failure to make application within the 20-day grace period subjects the transferee to a penalty of \$10. The county treasurer shall collect the penalty is--to--be collected---by---the---county---treasurer at the time of registration, and The penalty is in addition to the fees otherwise provided by law. If the transferee has does not made make application within 25 days, a creditor or secured party may pay the fees for the transfer of title and filing of security interest or lien in order to have title transferred to the transferee and have the security interest or lien filed. The creditor or secured party is not liable for the penalty, registration fees, or taxes. The department shall return the certificate of title to the county treasurer as provided in 61-3-103(1). When the certificate of ownership is returned by the department to the county treasurer, the treasurer shall hold the certificate of ownership until the vehicle is properly registered.

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

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

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

17 (5) (a) ~~in--the--event--of--the--death--of~~ If the owner of
 18 one or more motor vehicles, trailers, semitrailers, or
 19 housetrailer registered hereunder under this chapter and
 20 not exceeding a combined value of \$15,000 dies without
 21 leaving other property necessitating the procuring of
 22 letters of administration or letters testamentary, ~~then~~ the
 23 surviving spouse or other heir unless such the property is
 24 by will otherwise bequeathed may secure transfer of the
 25 decedent's certificate of ownership and the certificate of

1 registration for the vehicle.

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

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

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

24 (7) The certificates certificate of ownership shall
25 remain is valid until canceled by the department upon a

1 transfer of any interest shown therein, and need -not--be
2 renewed-annually annual renewal is not needed.

3 (8) (A) Upon its determination that a certificate of
4 ownership contains an error caused by the department, the
5 department may cancel the certificate of ownership and issue
6 a replacement for the erroneous certificate:--The
7 cancellation-may-occur-no-sooner-than-5-days-after-the
8 department--notifies--the-owner-and-secured-parties-of-the
9 error-in-the-certificate-of-ownership-and-of-its-intention
10 to-cancel:--The-notice-requirement-is-complied-with-by
11 deposit-of-the-notice-in-the-post-office-in-Beer-bodgey
12 Montana, postage-prepaid, addressed-to-the-owner-and-secured
13 parties,--if-any, at-their-respective-addresses-shown-on-the
14 records-of-the-department. IF THE OWNER HAS RETURNED THE
15 CERTIFICATE TO BE CANCELED.

16 (B) ANY PERSON WHO FAILS TO RETURN A CERTIFICATE OF
17 OWNERSHIP ISSUED WITH AN ERROR CAUSED BY THE DEPARTMENT
18 AFTER RECEIVING ACTUAL NOTICE OF THE DEPARTMENT'S DEMAND FOR
19 THE RETURN OF THE CERTIFICATE AS REQUIRED BY SUBSECTION
20 (8)(A) IS GUILTY OF A MISDEMEANOR AND UPON CONVICTION MAY BE
21 FINED AN AMOUNT NOT TO EXCEED \$500."

22 NEW SECTION. Section 2. Extension of authority. Any
23 existing authority to make rules on the subject of the
24 provisions of [this act] is extended to the provisions of
25 [this act].

-End-

-6-