

SENATE BILL NO. 175

INTRODUCED BY BECK, CAMPBELL

BY REQUEST OF THE DEPARTMENT OF JUSTICE

IN THE SENATE

JANUARY 18, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS AND INDUSTRY.
	FIRST READING.
JANUARY 26, 1989	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
JANUARY 27, 1989	PRINTING REPORT.
JANUARY 28, 1989	SECOND READING, DO PASS.
JANUARY 30, 1989	ENGROSSING REPORT.
JANUARY 31, 1989	THIRD READING, PASSED. AYES, 50; NOES, 0.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

JANUARY 31, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT.
FEBRUARY 20, 1989	FIRST READING.
MARCH 3, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 4, 1989	PASSED CONSIDERATION FOR THE DAY.
MARCH 6, 1989	SECOND READING, CONCURRED IN.
MARCH 7, 1989	THIRD READING, CONCURRED IN. AYES, 89; NOES, 4.
	RETURNED TO SENATE.

MARCH 8, 1989

IN THE SENATE

RECEIVED FROM HOUSE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *Senate* BILL NO. *175*
2 INTRODUCED BY *Bob LaPlante*
3 BY REQUEST OF THE DEPARTMENT OF JUSTICE
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A PROCEDURE
6 TO ENABLE A PERSON HARMED BY THE UNLAWFUL CONDUCT OF A
7 LICENSED MOTOR VEHICLE DEALER TO TAKE ACTION AGAINST THE
8 DEALER'S REQUIRED BOND; AND AMENDING SECTION 61-4-101, MCA."

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

11 **Section 1.** Section 61-4-101, MCA, is amended to read:

12 **"61-4-101. Application for dealer's license.** (1) Every
13 person, firm, corporation, or association which, for
14 commission or profit, engages in the business of buying,
15 selling, exchanging, or acting as a broker of new motor
16 vehicles, recreational vehicles, used motor vehicles,
17 trailers (except trailers having an unloaded weight of less
18 than 500 pounds), semitrailers, or special mobile equipment
19 as defined in 61-1-104 shall file, by mail or otherwise, in
20 the office of the department a verified application for
21 licensure as a dealer, on a blank to be furnished by the
22 department for that purpose and containing the information
23 required. The application and all of the information
24 contained in it shall be verified by the Montana highway
25 patrol. Each application must be accompanied by the license

1 fee hereinafter specified in 61-4-102. A dealer's license
2 must be renewed and paid for annually, and an application
3 for relicensure must be filed not later than January 1 of
4 each year. If an application for renewal of a license has
5 been received by the department prior to the expiration of
6 the license, the dealer may operate his business and display
7 dealer plates under the expired license between January 1
8 and February 15 following expiration.

9 (2) To qualify for licensure and the issuance and use
10 of "D", "UD", "RV", "DTR", or "MCD" plates as hereinafter
11 provided, the applicant must furnish the following
12 information and qualify under the following provisions:

13 (a) To qualify as a new motor vehicle dealer and for
14 the use of "D" plates, the applicant must:

15 (i) state the name under which the business is to be
16 conducted and the location of the premises (street address,
17 city, county, and state) where records are kept, sales are
18 made, and stock of motor vehicles is displayed;

19 (ii) state the name and address of all owners or
20 persons having an interest in the business, provided that in
21 the case of a corporation, the names and addresses of the
22 president and secretary are sufficient;

23 (iii) state the name and make of all motor vehicles
24 handled and the name and address of the manufacturer,
25 importer, or distributor with whom the applicant has a

1 written new motor vehicle franchise or sales agreement;

2 (iv) execute a certificate to the effect that the
3 applicant has a permanent building for the display and sale
4 of new motor vehicles at the location of the premises where
5 sales are conducted;

6 (v) execute a certificate to the effect that the
7 applicant has a bona fide service department for the repair,
8 service, and maintenance of motor vehicles; and

9 (vi) execute a certificate to the effect that the
10 applicant is a bona fide dealer in new motor vehicles and
11 that he is recognized by a manufacturer, importer, or
12 distributor as a dealer in new motor vehicles.

13 (b) To qualify as a used motor vehicle dealer and for
14 the use of "UD" plates or as a recreational vehicle,
15 trailer, semitrailer, or special mobile equipment dealer and
16 for the use of "DTR" plates or as a motorcycle or
17 quadricycle dealer and for the use of "MCD" plates, the
18 applicant must, in addition to the matters set forth in
19 subsections (i) and (ii) of subsection (2)(a) above,
20 provide:

21 (i) a statement that the applicant has a building or
22 lot and a sign readable at a minimum distance of 150 feet
23 indicating the firm name as the principal place of business
24 and that vehicles are offered for sale; and

25 (ii) a certificate to the effect that the applicant is

1 a bona fide dealer in used motor vehicles, recreational
2 vehicles, trailers, semitrailers, special mobile equipment,
3 motorcycles, or quadricycles. An applicant for a
4 recreational vehicle dealer license must also indicate on
5 the same certificate that he is recognized by a
6 manufacturer, importer, or distributor as a dealer in
7 recreational vehicles.

8 (c) To qualify for a used motor vehicle dealer's
9 license, a person must submit an annual application for that
10 license and comply with the provisions of 61-4-102(5) in
11 addition to fulfilling the requirements of subsection (2)(b)
12 above.

13 (d) The provisions of subsection (2)(c) above do not
14 apply to an applicant who is licensed as a motor vehicle
15 wrecking facility under the provisions of Title 75, chapter
16 10, part 5.

17 (3)(a) The applicant for a dealer's license shall also
18 file with his application a good and sufficient bond in the
19 sum of \$5,000, and the bond ~~shall~~ must be conditioned that
20 the applicant shall conduct his business in accordance with
21 the requirements of the law. All bonds ~~shall~~ must run to the
22 state of Montana and ~~shall~~ must be approved by the
23 department and filed in its office and ~~shall~~ must be renewed
24 annually.

25 (b) A person who suffers loss or damage due to the

1 unlawful conduct of a dealer licensed under this section
2 shall obtain a judgment from a court of competent
3 jurisdiction prior to collecting the judgment from the
4 department. The department is responsible for payment under
5 this section, in an amount not to exceed the maximum bond
6 amount, only if the judgment on which the payment is based
7 determines a specific loss or damage amount and concludes
8 that the dealer's unlawful operation caused the loss or
9 damage."

-End-

APPROVED BY COMM. ON
BUSINESS & INDUSTRY

1 *Senate* BILL NO. *175*
2 INTRODUCED BY *Bob Campbell*
3 BY REQUEST OF THE DEPARTMENT OF JUSTICE
4

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14 commission or profit, engages in the business of buying,
15 selling, exchanging, or acting as a broker of new motor
16 vehicles, recreational vehicles, used motor vehicles,
17 trailers (except trailers having an unloaded weight of less
18 than 500 pounds), semitrailers, or special mobile equipment
19 as defined in 61-1-104 shall file, by mail or otherwise, in
20 the office of the department a verified application for
21 licensure as a dealer, on a blank to be furnished by the
22 department for that purpose and containing the information
23 required. The application and all of the information
24 contained in it shall be verified by the Montana highway
25 patrol. Each application must be accompanied by the license

1 fee hereinafter specified in 61-4-102. A dealer's license
2 must be renewed and paid for annually, and an application
3 for relicensure must be filed not later than January 1 of
4 each year. If an application for renewal of a license has
5 been received by the department prior to the expiration of
6 the license, the dealer may operate his business and display
7 dealer plates under the expired license between January 1
8 and February 15 following expiration.

9 (2) To qualify for licensure and the issuance and use
10 of "D", "UD", "RV", "DTR", or "MCD" plates as hereinafter
11 provided, the applicant must furnish the following
12 information and qualify under the following provisions:

13 (a) To qualify as a new motor vehicle dealer and for
14 the use of "D" plates, the applicant must:

15 (i) state the name under which the business is to be
16 conducted and the location of the premises (street address,
17 city, county, and state) where records are kept, sales are
18 made, and stock of motor vehicles is displayed;

19 (ii) state the name and address of all owners or
20 persons having an interest in the business, provided that in
21 the case of a corporation, the names and addresses of the
22 president and secretary are sufficient;

23 (iii) state the name and make of all motor vehicles
24 handled and the name and address of the manufacturer,
25 importer, or distributor with whom the applicant has a

1 written new motor vehicle franchise or sales agreement;

2 (iv) execute a certificate to the effect that the
3 applicant has a permanent building for the display and sale
4 of new motor vehicles at the location of the premises where
5 sales are conducted;

6 (v) execute a certificate to the effect that the
7 applicant has a bona fide service department for the repair,
8 service, and maintenance of motor vehicles; and

9 (vi) execute a certificate to the effect that the
10 applicant is a bona fide dealer in new motor vehicles and
11 that he is recognized by a manufacturer, importer, or
12 distributor as a dealer in new motor vehicles.

13 (b) To qualify as a used motor vehicle dealer and for
14 the use of "UD" plates or as a recreational vehicle,
15 trailer, semitrailer, or special mobile equipment dealer and
16 for the use of "DTR" plates or as a motorcycle or
17 quadricycle dealer and for the use of "MCD" plates, the
18 applicant must, in addition to the matters set forth in
19 subsections (i) and (ii) of subsection (2)(a) above,
20 provide:

21 (i) a statement that the applicant has a building or
22 lot and a sign readable at a minimum distance of 150 feet
23 indicating the firm name as the principal place of business
24 and that vehicles are offered for sale; and

25 (ii) a certificate to the effect that the applicant is

1 a bona fide dealer in used motor vehicles, recreational
2 vehicles, trailers, semitrailers, special mobile equipment,
3 motorcycles, or quadricycles. An applicant for a
4 recreational vehicle dealer license must also indicate on
5 the same certificate that he is recognized by a
6 manufacturer, importer, or distributor as a dealer in
7 recreational vehicles.

8 (c) To qualify for a used motor vehicle dealer's
9 license, a person must submit an annual application for that
10 license and comply with the provisions of 61-4-102(5) in
11 addition to fulfilling the requirements of subsection (2)(b)
12 above.

13 (d) The provisions of subsection (2)(c) above do not
14 apply to an applicant who is licensed as a motor vehicle
15 wrecking facility under the provisions of Title 75, chapter
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17 (3)(a) The applicant for a dealer's license shall also
18 file with his application a good and sufficient bond in the
19 sum of \$5,000, and the bond ~~shall~~ must be conditioned that
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21 the requirements of the law. All bonds ~~shall~~ must run to the
22 state of Montana and ~~shall~~ must be approved by the
23 department and filed in its office and ~~shall~~ must be renewed
24 annually.

25 (b) A person who suffers loss or damage due to the

1 unlawful conduct of a dealer licensed under this section
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3 jurisdiction prior to collecting the judgment from the
4 department. The department is responsible for payment under
5 this section, in an amount not to exceed the maximum bond
6 amount, only if the judgment on which the payment is based
7 determines a specific loss or damage amount and concludes
8 that the dealer's unlawful operation caused the loss or
9 damage."

-End-

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-End-

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INTRODUCED BY BECK, CAMPBELL

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A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A PROCEDURE TO ENABLE A PERSON HARMED BY THE UNLAWFUL CONDUCT OF A LICENSED MOTOR VEHICLE DEALER TO TAKE ACTION AGAINST THE DEALER'S REQUIRED BOND; AND AMENDING SECTION 61-4-101, MCA."

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