

SENATE BILL NO. 366
INTRODUCED BY BECK, CAMPBELL
BY REQUEST OF THE ATTORNEY GENERAL

IN THE SENATE

| | |
|-------------------|---|
| FEBRUARY 7, 1989 | INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS AND INDUSTRY. |
| | FIRST READING. |
| FEBRUARY 13, 1989 | COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED. |
| FEBRUARY 14, 1989 | PRINTING REPORT. |
| FEBRUARY 15, 1989 | SECOND READING, DO PASS. |
| FEBRUARY 16, 1989 | ENGROSSING REPORT. |
| FEBRUARY 17, 1989 | THIRD READING, PASSED. AYES, 47; NOES, 2. |
| | TRANSMITTED TO HOUSE. |

IN THE HOUSE

| | |
|-------------------|---|
| FEBRUARY 20, 1989 | INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT. |
| | 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, 7. |
| | RETURNED TO SENATE. |

MARCH 8, 1989

IN THE SENATE

RECEIVED FROM HOUSE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *Senate* BILL NO. *366*
2 INTRODUCED BY *Buck Campbell*
3 BY REQUEST OF THE ATTORNEY GENERAL

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR THE
6 FILING OF SECURITY INTERESTS FOR SNOWMOBILES; AND AMENDING
7 SECTIONS 23-2-611 AND 30-9-203, MCA."

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

10 **Section 1.** Section 23-2-611, MCA, is amended to read:

11 "23-2-611. Certificate of ownership -- filing of
12 security interests. (1) No A snowmobile may not be operated
13 upon any public lands, trails, easements, lakes, rivers,
14 streams, roadways or shoulders of roadways, streets, or
15 highways; unless a certificate of ownership has first been
16 obtained from the department of justice in accordance with
17 the laws of this state.

18 (2) The owner of a snowmobile shall apply for a
19 certificate of ownership with the county treasurer of the
20 county in which the owner resides, upon forms to be
21 furnished for this purpose. The forms must require the
22 following information:

- 23 (a) name of the owner;
24 (b) residence of the owner, by town and county;
25 (c) business or home mail address of the owner;

- 1 (d) name and address of any lien holder;
2 (e) amount due under any contract or lien;
3 (f) name of the manufacturer;
4 (g) model number or name;
5 (h) identification number; and
6 (i) name and address of the dealer or other person
7 from whom acquired.

8 (3) The application must be signed by at least one
9 owner or by a properly authorized officer or representative
10 of the owner.

11 (4) If a certificate of ownership has previously been
12 issued under the provisions of 23-2-601 through 23-2-644,
13 the application for a new certificate must be accompanied by
14 the immediately previous certificate. This subsection does
15 not apply to snowmobiles that are purchased as new and
16 unused machines or that were operated when the provisions of
17 23-2-601 through 23-2-644 were not in force and effect.

18 (5) Upon completion of the application, on forms
19 furnished by the department of justice, the county treasurer
20 shall issue to the applicant two copies of the application,
21 one of which shall be marked "file copy". The treasurer
22 shall forward one copy and the original application to the
23 department of justice, which shall enter the information
24 contained in the application upon the corresponding records
25 of its office, and shall furnish the applicant a certificate

1 of ownership which shall contain that information in the
2 application considered necessary by the department of
3 justice and a permanent ownership number. The certificate of
4 ownership is not to be renewed annually and is valid as long
5 as the person holding it owns the snowmobile.

6 (6) The owner shall at all times retain possession of
7 the certificate of ownership, except when it is being
8 transmitted to and from the department of justice for
9 endorsement or cancellation.

10 (7) Upon application for a certificate of ownership, a
11 fee of \$3 shall be paid to the county treasurer, \$2 of which
12 shall be forwarded by the county treasurer to the department
13 of justice and deposited in the motor vehicle recording
14 account of the state special revenue fund.

15 (8) A security interest in a snowmobile is not valid
16 as against creditors, subsequent purchasers, or
17 encumbrancers unless a lien notice, on a form approved by
18 the department of justice, showing that a security interest
19 has been created and has been filed with the department of
20 justice as provided in this section. The department of
21 justice may not file a security interest or other lien
22 unless it is accompanied by or specified in the application
23 for a certificate of ownership of the snowmobile encumbered.
24 If the lien notice is transmitted to the department of
25 justice, the security agreement or other lien instrument

1 that creates the security interest must be retained by the
2 secured party. A copy of the security agreement is
3 sufficient as a lien notice if it contains the name and
4 address of the debtor and the secured party, the complete
5 snowmobile description, the amount of the lien, and the
6 signature of the debtor. The department of justice shall
7 file the security interest or lien by entering the name and
8 address of the secured party upon the face of the
9 certificate of ownership. The department of justice shall
10 mail a statement certifying the filing of a security
11 interest or lien to the secured party. The department of
12 justice shall mail the certificate of ownership to the owner
13 at the address given on the certificate; however, if the
14 transfer of ownership and filing of the security interest
15 are paid for by a creditor or secured party, the department
16 of justice shall return the certificate of ownership to the
17 county treasurer of the county where the snowmobile is to be
18 registered. The owner of a snowmobile is the person
19 entitled to operate and possess the snowmobile.

20 (9) A security interest in a snowmobile held as
21 inventory by a dealer must be perfected in accordance with
22 Title 30, chapter 9, and no endorsement on the certificate
23 of title is necessary for perfection.

24 (10) Whenever a security interest or lien is filed
25 against a snowmobile that is subject to two security

1 interests previously perfected by filing under this section,
2 the department of justice shall endorse on the face of the
3 certificate of ownership: "NOTICE. This snowmobile is
4 subject to additional security interest on file with the
5 Department of Justice". No other information regarding the
6 additional security interests need be endorsed on the
7 certificate.

8 (11) Satisfactions or statements of release filed with
9 the department of justice under this part must be retained
10 for a period of 8 years after receipt, after which they may
11 be destroyed.

12 (12) The filing of a security interest or other lien as
13 herein provided perfects a security interest that has
14 attached at the time the certificate of ownership noting the
15 interest is issued. Issuance of a certificate of ownership
16 constitutes constructive notice to subsequent purchasers or
17 encumbrancers, from the time of filing, of the existence of
18 the security interest.

19 (13) Upon default under a chattel mortgage or
20 conditional sales contract covering a snowmobile, the
21 mortgagee or vendor has the same remedies as in the case of
22 other personal property. In case of attachment of a
23 snowmobile all the provisions of 27-18-413, 27-18-414, and
24 27-18-804 are applicable, except that deposits must be made
25 with the department of justice.

1 (14) A conditional sales vendor or chattel mortgagee or
2 assignee who fails to file a satisfaction of a chattel
3 mortgage, assignment, or conditional sales contract within
4 15 days after receiving final payment is required to pay the
5 department of justice the sum of \$1 for each day that he
6 fails to file the satisfaction.

7 (15) Upon receipt of any liens, notice of liens
8 dependent on possession, or attachments against the record
9 of any snowmobile registered in this state, the department
10 of justice shall within 24 hours mail to the owner,
11 conditional sales vendor, mortgagee, or their assignee a
12 notice showing the name and address of the lien claimant,
13 the amount of the lien, the date of execution of the lien,
14 and, in the case of attachment, the full title of the court,
15 the action, and the name of the attorney for the plaintiff
16 or the name of the attaching creditor, or both.

17 (16) It is not necessary to refile with the department
18 of justice any instruments on file in the office of the
19 county clerk and recorder on [the effective date of this
20 act].

21 (17) A fee of \$4 must be paid to the department of
22 justice to file any security interest or other lien against
23 a snowmobile. The \$4 fee must cover the cost of filing a
24 satisfaction or release of the security interest and the
25 cost of entering the satisfaction or release on the records

of the department of justice and deleting the endorsement of the security interest from the face of the certificate of ownership. A fee of \$4 must be paid to the department of justice for issuing a certified copy of a certificate of ownership subject to a security interest or other lien on file with the department of justice or for filing an assignment of a security interest or other lien on file with the department of justice. All fees provided for in this section must be paid to the county treasurer for deposit in the motor vehicle recording account of the state special revenue fund in accordance with 15-1-504."

Section 2. Section 30-9-203, MCA, is amended to read:

"30-9-203. Attachment and enforceability of security interest -- proceeds, formal requisites. (1) Subject to the provisions of 30-4-208 on the security interest of a collecting bank, 30-8-321 on security interests in securities, and 30-9-113 on a security interest arising under the Chapter on Sales, a security interest is not enforceable against the debtor or third parties with respect to the collateral and does not attach unless:

(a) the collateral is in the possession of the secured party pursuant to agreement or the debtor has signed a security agreement which contains a description of the collateral and in addition, when the security interest covers crops growing or to be grown or timber to be cut, a

description of the land concerned;

(b) value has been given; and

(c) the debtor has rights in the collateral.

(2) A security interest attaches when it becomes enforceable against the debtor with respect to the collateral. Attachment occurs as soon as all of the events specified in subsection (1) have taken place unless explicit agreement postpones the time of attaching.

(3) Unless otherwise agreed a security agreement gives the secured party the rights to proceeds provided by 30-9-306.

(4) A transaction, although subject to this chapter, is also subject to Title 23, chapter 2, part 6, to Title 32, chapter 5, as enacted by Chapter 283, Laws of Montana 1959, to Title 31, chapter 1, part 2, as enacted by Chapter 282, Laws of Montana 1959, and to 81-8-301 through 81-8-305, Title 61, chapter 3, Title 16, chapters 1 through 6, and Title 31, chapter 1, part 4, as amended, and in the case of conflict between the provisions of this chapter and any such statute, the provisions of such statute control. Failure to comply with any applicable statute has only the effect which is specified therein."

NEW SECTION. Section 3. Extension of authority. Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of

LC 1688/01

1 [this act].

-End-

In compliance with a written request, there is hereby submitted a Fiscal Note for SB366, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

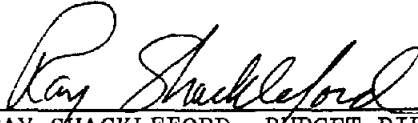
An Act to provide for the filing of security interests for snowmobiles; and amending Sections 23-2-611 and 30-9-203, MCA.

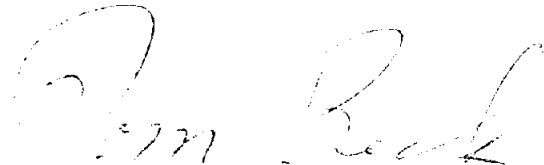
ASSUMPTIONS:

1,400 snowmobile titles will be processed each year of the biennium, with 40% requiring the filing of a security interest.

FISCAL IMPACT:

| | Current | FY90 Proposed | | Current | FY91 Proposed | |
|-----------------------|---------|------------------|------------|---------|------------------|------------|
| Revenue: | Law | Law | Difference | Law | Law | Difference |
| Motor Vehicle Account | \$ -0- | \$2,200 | \$2,200 | \$ -0- | \$2,200 | \$2,200 |


 DATE 2/14/89
 RAY SHACKLEFORD, BUDGET DIRECTOR
 OFFICE OF BUDGET AND PROGRAM PLANNING


 DATE 2/14/89
 TOM BECK, PRIMARY SPONSOR

Fiscal Note for SB366, as introduced

SB 366

APPROVED BY COMM. ON
BUSINESS & INDUSTRY

SENATE BILL NO. 366

INTRODUCED BY BECK, CAMPBELL

BY REQUEST OF THE ATTORNEY GENERAL

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR THE
FILING OF SECURITY INTERESTS FOR SNOWMOBILES; AND AMENDING
SECTIONS 23-2-611 AND 30-9-203, MCA."

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

Section 1. Section 23-2-611, MCA, is amended to read:

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security interests. (1) No A snowmobile may not be operated
upon any public lands, trails, easements, lakes, rivers,
streams, roadways or shoulders of roadways, streets, or
highways, unless a certificate of ownership has first been
obtained from the department of justice in accordance with
the laws of this state.

(2) The owner of a snowmobile shall apply for a
certificate of ownership with the county treasurer of the
county in which the owner resides, upon forms to be
furnished for this purpose. The forms must require the
following information:

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

(d) name and address of any lien holder;

(e) amount due under any contract or lien;

(f) name of the manufacturer;

(g) model number or name;

(h) identification number; and

(i) name and address of the dealer or other person
from whom acquired.

(3) The application must be signed by at least one
owner or by a properly authorized officer or representative
of the owner.

(4) If a certificate of ownership has previously been
issued under the provisions of 23-2-601 through 23-2-644,
the application for a new certificate must be accompanied by
the immediately previous certificate. This subsection does
not apply to snowmobiles that are purchased as new and
unused machines or that were operated when the provisions of
23-2-601 through 23-2-644 were not in force and effect.

(5) Upon completion of the application, on forms
furnished by the department of justice, the county treasurer
shall issue to the applicant two copies of the application,
one of which shall be marked "file copy". The treasurer
shall forward one copy and the original application to the
department of justice, which shall enter the information
contained in the application upon the corresponding records
of its office, and shall furnish the applicant a certificate

1 of ownership which shall contain that information in the
 2 application considered necessary by the department of
 3 justice and a permanent ownership number. The certificate of
 4 ownership is not to be renewed annually and is valid as long
 5 as the person holding it owns the snowmobile.

6 (6) The owner shall at all times retain possession of
 7 the certificate of ownership, except when it is being
 8 transmitted to and from the department of justice for
 9 endorsement or cancellation.

10 (7) Upon application for a certificate of ownership, a
 11 fee of \$3 shall be paid to the county treasurer, \$2 of which
 12 shall be forwarded by the county treasurer to the department
 13 of justice and deposited in the motor vehicle recording
 14 account of the state special revenue fund.

15 (8) A security interest in a snowmobile is not valid
 16 as against creditors, subsequent purchasers, or
 17 encumbrancers unless a lien notice, on-a--form--approved--by
 18 the--department-of-justice, showing that a security interest
 19 has been created, and has been filed with the department of
 20 justice as provided in this section. THE LIEN NOTICE MUST BE
 21 FILED ON A FORM APPROVED BY THE DEPARTMENT. The department
 22 of justice may not file a security interest or other lien
 23 unless it is accompanied by or specified in the application
 24 for a certificate of ownership of the snowmobile encumbered.
 25 If the lien notice is transmitted to the department of

1 justice, the security agreement or other lien instrument
 2 that creates the security interest must be retained by the
 3 secured party. A copy of the security agreement is
 4 sufficient as a lien notice if it contains the name and
 5 address of the debtor and the secured party, the complete
 6 snowmobile description, the amount of the lien, and the
 7 signature of the debtor. The department of justice shall
 8 file the security interest or lien by entering the name and
 9 address of the secured party upon the face of the
 10 certificate of ownership. The department of justice shall
 11 mail a statement certifying the filing of a security
 12 interest or lien to the secured party. The department of
 13 justice shall mail the certificate of ownership to the owner
 14 at the address given on the certificate; however, if the
 15 transfer of ownership and filing of the security interest
 16 are paid for by a creditor or secured party, the department
 17 of justice shall return the certificate of ownership to the
 18 county treasurer of the county where the snowmobile is to be
 19 registered. The owner of a snowmobile is the person
 20 entitled to operate and possess the snowmobile.

21 (9) A security interest in a snowmobile held as
 22 inventory by a dealer must be perfected in accordance with
 23 Title 30, chapter 9, and no endorsement on the certificate
 24 of title is necessary for perfection.

25 (10) Whenever a security interest or lien is filed

1 against a snowmobile that is subject to two security
 2 interests previously perfected by filing under this section,
 3 the department of justice shall endorse on the face of the
 4 certificate of ownership: "NOTICE. This snowmobile is
 5 subject to additional security interest on file with the
 6 Department of Justice". No other information regarding the
 7 additional security interests need be endorsed on the
 8 certificate.

9 (11) Satisfactions or statements of release filed with
 10 the department of justice under this part must be retained
 11 for a period of 8 years after receipt, after which they may
 12 be destroyed.

13 (12) The filing of a security interest or other lien as
 14 herein provided perfects a security interest that has
 15 attached at the time the certificate of ownership noting the
 16 interest is issued. Issuance of a certificate of ownership
 17 constitutes constructive notice to subsequent purchasers or
 18 encumbrancers, from the time of filing, of the existence of
 19 the security interest.

20 (13) Upon default under a chattel mortgage or
 21 conditional sales contract covering a snowmobile, the
 22 mortgagee or vendor has the same remedies as in the case of
 23 other personal property. In case of attachment of a
 24 snowmobile all the provisions of 27-18-413, 27-18-414, and
 25 27-18-804 are applicable, except that deposits must be made

1 with the department of justice.

2 (14) A conditional sales vendor or chattel mortgagee or
 3 assignee who fails to file a satisfaction of a chattel
 4 mortgage, assignment, or conditional sales contract within
 5 15 days after receiving final payment is required to pay the
 6 department of justice the sum of \$1 for each day that he
 7 fails to file the satisfaction.

8 (15) Upon receipt of any liens, notice of liens
 9 dependent on possession, or attachments against the record
 10 of any snowmobile registered in this state, the department
 11 of justice shall within 24 hours mail to the owner,
 12 conditional sales vendor, mortgagee, or their assignee a
 13 notice showing the name and address of the lien claimant,
 14 the amount of the lien, the date of execution of the lien,
 15 and, in the case of attachment, the full title of the court,
 16 the action, and the name of the attorney for the plaintiff
 17 or the name of the attaching creditor, or both.

18 (16) It is not necessary to refile with the department
 19 of justice any instruments on file in the office of the
 20 county clerk and recorder on [the effective date of this
 21 act].

22 (17) A fee of \$4 must be paid to the department of
 23 justice to file any security interest or other lien against
 24 a snowmobile. The \$4 fee must cover the cost of filing a
 25 satisfaction or release of the security interest and the

1 cost of entering the satisfaction or release on the records
 2 of the department of justice and deleting the endorsement of
 3 the security interest from the face of the certificate of
 4 ownership. A fee of \$4 must be paid to the department of
 5 justice for issuing a certified copy of a certificate of
 6 ownership subject to a security interest or other lien on
 7 file with the department of justice or for filing an
 8 assignment of a security interest or other lien on file with
 9 the department of justice. All fees provided for in this
 10 section must be paid to the county treasurer for deposit in
 11 the motor vehicle recording account of the state special
 12 revenue fund in accordance with 15-1-504."

13 **Section 2.** Section 30-9-203, MCA, is amended to read:

14 "30-9-203. Attachment and enforceability of security
 15 interest -- proceeds, formal requisites. (1) Subject to the
 16 provisions of 30-4-208 on the security interest of a
 17 collecting bank, 30-8-321 on security interests in
 18 securities, and 30-9-113 on a security interest arising
 19 under the Chapter on Sales, a security interest is not
 20 enforceable against the debtor or third parties with respect
 21 to the collateral and does not attach unless:

22 (a) the collateral is in the possession of the secured
 23 party pursuant to agreement or the debtor has signed a
 24 security agreement which contains a description of the
 25 collateral and in addition, when the security interest

1 covers crops growing or to be grown or timber to be cut, a
 2 description of the land concerned;

3 (b) value has been given; and

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5 (2) A security interest attaches when it becomes
 6 enforceable against the debtor with respect to the
 7 collateral. Attachment occurs as soon as all of the events
 8 specified in subsection (1) have taken place unless explicit
 9 agreement postpones the time of attaching.

10 (3) Unless otherwise agreed a security agreement gives
 11 the secured party the rights to proceeds provided by
 12 30-9-306.

13 (4) A transaction, although subject to this chapter,
 14 is also subject to Title 23, chapter 2, part 6, to Title 32,
 15 chapter 5, as enacted by Chapter 283, Laws of Montana 1959,
 16 to Title 31, chapter 1, part 2, as enacted by Chapter 282,
 17 Laws of Montana 1959, and to 81-8-301 through 81-8-305,
 18 Title 61, chapter 3, Title 16, chapters 1 through 6, and
 19 Title 31, chapter 1, part 4, as amended, and in the case of
 20 conflict between the provisions of this chapter and any such
 21 statute, the provisions of such statute control. Failure to
 22 comply with any applicable statute has only the effect which
 23 is specified therein."

24 **NEW SECTION. Section 3.** Extension of authority. Any
 25 existing authority to make rules on the subject of the

SB 0366/02

1 provisions of [this act] is extended to the provisions of
2 [this act].

-End-

1 SENATE BILL NO. 366

2 INTRODUCED BY BECK, CAMPBELL

3 BY REQUEST OF THE ATTORNEY GENERAL

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 6 department of justice the sum of \$1 for each day that he
 7 fails to file the satisfaction.

8 (15) Upon receipt of any liens, notice of liens
 9 dependent on possession, or attachments against the record
 10 of any snowmobile registered in this state, the department
 11 of justice shall within 24 hours mail to the owner,
 12 conditional sales vendor, mortgagee, or their assignee a
 13 notice showing the name and address of the lien claimant,
 14 the amount of the lien, the date of execution of the lien,
 15 and, in the case of attachment, the full title of the court,
 16 the action, and the name of the attorney for the plaintiff
 17 or the name of the attaching creditor, or both.

18 (16) It is not necessary to refile with the department
 19 of justice any instruments on file in the office of the
 20 county clerk and recorder on [the effective date of this
 21 act].

22 (17) A fee of \$4 must be paid to the department of
 23 justice to file any security interest or other lien against
 24 a snowmobile. The \$4 fee must cover the cost of filing a
 25 satisfaction or release of the security interest and the

cost of entering the satisfaction or release on the records of the department of justice and deleting the endorsement of the security interest from the face of the certificate of ownership. A fee of \$4 must be paid to the department of justice for issuing a certified copy of a certificate of ownership subject to a security interest or other lien on file with the department of justice or for filing an assignment of a security interest or other lien on file with the department of justice. All fees provided for in this section must be paid to the county treasurer for deposit in the motor vehicle recording account of the state special revenue fund in accordance with 15-1-504."

Section 2. Section 30-9-203, MCA, is amended to read:

"30-9-203. Attachment and enforceability of security interest -- proceeds, formal requisites. (1) Subject to the provisions of 30-4-208 on the security interest of a collecting bank, 30-8-321 on security interests in securities, and 30-9-113 on a security interest arising under the Chapter on Sales, a security interest is not enforceable against the debtor or third parties with respect to the collateral and does not attach unless:

(a) the collateral is in the possession of the secured party pursuant to agreement or the debtor has signed a security agreement which contains a description of the collateral and in addition, when the security interest

covers crops growing or to be grown or timber to be cut, a description of the land concerned;

(b) value has been given; and

(c) the debtor has rights in the collateral.

(2) A security interest attaches when it becomes enforceable against the debtor with respect to the collateral. Attachment occurs as soon as all of the events specified in subsection (1) have taken place unless explicit agreement postpones the time of attaching.

(3) Unless otherwise agreed a security agreement gives the secured party the rights to proceeds provided by 30-9-306.

(4) A transaction, although subject to this chapter, is also subject to Title 23, chapter 2, part 6, to Title 32, chapter 5, as enacted by Chapter 283, Laws of Montana 1959, to Title 31, chapter 1, part 2, as enacted by Chapter 282, Laws of Montana 1959, and to 81-8-301 through 81-8-305, Title 61, chapter 3, Title 16, chapters 1 through 6, and Title 31, chapter 1, part 4, as amended, and in the case of conflict between the provisions of this chapter and any such statute, the provisions of such statute control. Failure to comply with any applicable statute has only the effect which is specified therein."

NEW SECTION. Section 3. Extension of authority. Any existing authority to make rules on the subject of the

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- 1 provisions of [this act] is extended to the provisions of
- 2 [this act].

-End-

SENATE BILL NO. 366

INTRODUCED BY BECK, CAMPBELL

BY REQUEST OF THE ATTORNEY GENERAL

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR THE
FILING OF SECURITY INTERESTS FOR SNOWMOBILES; AND AMENDING
SECTIONS 23-2-611 AND 30-9-203, MCA."

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

Section 1. Section 23-2-611, MCA, is amended to read:

"23-2-611. Certificate of ownership -- filing of security interests. (1) No A snowmobile may not be operated upon any public lands, trails, easements, lakes, rivers, streams, roadways or shoulders of roadways, streets, or highways, unless a certificate of ownership has first been obtained from the department of justice in accordance with the laws of this state.

(2) The owner of a snowmobile shall apply for a certificate of ownership with the county treasurer of the county in which the owner resides, upon forms to be furnished for this purpose. The forms must require the following information:

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

(d) name and address of any lien holder;

(e) amount due under any contract or lien;

(f) name of the manufacturer;

(g) model number or name;

(h) identification number; and

(i) name and address of the dealer or other person
from whom acquired.

(3) The application must be signed by at least one
owner or by a properly authorized officer or representative
of the owner.

(4) If a certificate of ownership has previously been
issued under the provisions of 23-2-601 through 23-2-644,
the application for a new certificate must be accompanied by
the immediately previous certificate. This subsection does
not apply to snowmobiles that are purchased as new and
unused machines or that were operated when the provisions of
23-2-601 through 23-2-644 were not in force and effect.

(5) Upon completion of the application, on forms
furnished by the department of justice, the county treasurer
shall issue to the applicant two copies of the application,
one of which shall be marked "file copy". The treasurer
shall forward one copy and the original application to the
department of justice, which shall enter the information
contained in the application upon the corresponding records
of its office, and shall furnish the applicant a certificate

1 of ownership which shall contain that information in the
2 application considered necessary by the department of
3 justice and a permanent ownership number. The certificate of
4 ownership is not to be renewed annually and is valid as long
5 as the person holding it owns the snowmobile.

6 (6) The owner shall at all times retain possession of
7 the certificate of ownership, except when it is being
8 transmitted to and from the department of justice for
9 endorsement or cancellation.

10 (7) Upon application for a certificate of ownership, a
11 fee of \$3 shall be paid to the county treasurer, \$2 of which
12 shall be forwarded by the county treasurer to the department
13 of justice and deposited in the motor vehicle recording
14 account of the state special revenue fund.

15 (8) A security interest in a snowmobile is not valid
16 as against creditors, subsequent purchasers, or
17 encumbrancers unless a lien notice, on-a--form--approved--by
18 the--department-of-justice, showing that a security interest
19 has been created, and has been filed with the department of
20 justice as provided in this section. THE LIEN NOTICE MUST BE
21 FILED ON A FORM APPROVED BY THE DEPARTMENT. The department
22 of justice may not file a security interest or other lien
23 unless it is accompanied by or specified in the application
24 for a certificate of ownership of the snowmobile encumbered.
25 If the lien notice is transmitted to the department of

1 justice, the security agreement or other lien instrument
2 that creates the security interest must be retained by the
3 secured party. A copy of the security agreement is
4 sufficient as a lien notice if it contains the name and
5 address of the debtor and the secured party, the complete
6 snowmobile description, the amount of the lien, and the
7 signature of the debtor. The department of justice shall
8 file the security interest or lien by entering the name and
9 address of the secured party upon the face of the
10 certificate of ownership. The department of justice shall
11 mail a statement certifying the filing of a security
12 interest or lien to the secured party. The department of
13 justice shall mail the certificate of ownership to the owner
14 at the address given on the certificate; however, if the
15 transfer of ownership and filing of the security interest
16 are paid for by a creditor or secured party, the department
17 of justice shall return the certificate of ownership to the
18 county treasurer of the county where the snowmobile is to be
19 registered. The owner of a snowmobile is the person
20 entitled to operate and possess the snowmobile.

21 (9) A security interest in a snowmobile held as
22 inventory by a dealer must be perfected in accordance with
23 Title 30, chapter 9, and no endorsement on the certificate
24 of title is necessary for perfection.

25 (10) Whenever a security interest or lien is filed

1 against a snowmobile that is subject to two security
 2 interests previously perfected by filing under this section,
 3 the department of justice shall endorse on the face of the
 4 certificate of ownership: "NOTICE. This snowmobile is
 5 subject to additional security interest on file with the
 6 Department of Justice". No other information regarding the
 7 additional security interests need be endorsed on the
 8 certificate.

9 (11) Satisfactions or statements of release filed with
 10 the department of justice under this part must be retained
 11 for a period of 8 years after receipt, after which they may
 12 be destroyed.

13 (12) The filing of a security interest or other lien as
 14 herein provided perfects a security interest that has
 15 attached at the time the certificate of ownership noting the
 16 interest is issued. Issuance of a certificate of ownership
 17 constitutes constructive notice to subsequent purchasers or
 18 encumbrancers, from the time of filing, of the existence of
 19 the security interest.

20 (13) Upon default under a chattel mortgage or
 21 conditional sales contract covering a snowmobile, the
 22 mortgagee or vendor has the same remedies as in the case of
 23 other personal property. In case of attachment of a
 24 snowmobile all the provisions of 27-18-413, 27-18-414, and
 25 27-18-804 are applicable, except that deposits must be made

1 with the department of justice.

2 (14) A conditional sales vendor or chattel mortgagee or
 3 assignee who fails to file a satisfaction of a chattel
 4 mortgage, assignment, or conditional sales contract within
 5 15 days after receiving final payment is required to pay the
 6 department of justice the sum of \$1 for each day that he
 7 fails to file the satisfaction.

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 9 dependent on possession, or attachments against the record
 10 of any snowmobile registered in this state, the department
 11 of justice shall within 24 hours mail to the owner,
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