1 The Menahan Sintici: ninal 2 INTRODUCED BY 3 600 A BILL FOR AN ACT ENTITLED? "AN ACT CREATING AN EXPRESS "TITLE ONLY" PROCEDURE FOR 4 CERTAIN DEALERS OF USED MOTOR VEHICLES; ALLOWING A MOTOR VEHICLE DEALER, BROKER, OR 5 WHOLESALER TO TRANSFER A USED MOTOR VEHICLE TO ANOTHER MOTOR VEHICLE DEALER, 6 7 BROKER, OR WHOLESALER BY USE OF A DEALER REASSIGNMENT SECTION ON A CERTIFICATE OF 8 OWNERSHIP; REQUIRING A FEE; REQUIRING APPLICATION FOR A CERTIFICATE OF OWNERSHIP IN 9 CERTAIN CIRCUMSTANCES; APPROPRIATING MONEY FROM THE GENERAL FUND TO THE DEPARTMENT 10 OF JUSTICE FOR IMPLEMENTATION; AMENDING SECTIONS 61-3-203, 61-4-111, 61-4-112, AND 11 61-10-222, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE AND AN APPLICABILITY DATE " 12 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 14 15 Section 1. Section 61-3-203, MCA, is amended to read: 16 "61-3-203. Fee for original certificate of ownership and transfer of registration -- disposition. (1) 17 A Except as provided in subsection (2), a charge of \$5 must be made for issuance of an original certificate 18 of ownership of title and for a transfer of registration, which must be collected by the county treasurer. The 19 fees must be distributed as follows: 20 (1)(a) The amount of \$3.50 of each fee must be remitted to the department by the county 21 treasurer, as provided in 15-1-504, for each application for original certificate of ownership or transfer of 22 registration. (2)(b) Each March, the county commissioners of each county shall divide the fees retained by the 23 24 county to: 25 (a)(i) the city road fund of each city and town within the county based on the number of motor 26 vehicles registered inside the corporate limits of each city or town; and (b) (ii) the county road fund based on the number of motor vehicles registered outside the corporate 27 28 limits of cities and towns. (2) Upon transfer of any interest in a used motor vehicle by a dealer, broker, or wholesaler as 29 30 provided in 61-4-111(1), a charge of \$15 must be paid to the department."



- 1 -



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1 Section 2. Section 61-4-111, MCA, is amended to read: 2 "61-4-111. Used motor vehicles -- transfer to and from dealers. (1) The provisions of 61-3-201(2) 3 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 4 5 dealer shall not be required to make application for a new certificate of ownership or for registration during 6 the period of his ownership of said vehicle, but upon his transfer of ownership thereof to a person other 7 than a licensed motor vehicle dealer A licensed dealer, broker, or wholesaler who intends to resell a used 8 motor vehicle and who operates the vehicle only for demonstration purposes: 9 (a) is exempt from registration under 61-3-201(2) when applying for a certificate of ownership; and 10 (b) may transfer or receive ownership of a motor vehicle by use of a dealer reassignment section 11 on a certificate of ownership; however, when the allotted number of dealer reassignment sections on a certificate of ownership has been completed, ownership of the vehicle may not be transferred until an 12 13 application for a certificate of ownership has been submitted by the dealer to the department and a new 14 certificate of ownership has been issued. 15 (2) Upon the transfer of a used motor vehicle to a person other than a licensed dealer, broker, or 16 wholesaler, the following acts shall be are required of the dealer on or before the times herein set forth in 17 this subsection: (a) Prior to his delivery of the vehicle to the purchaser, the dealer shall issue and affix to the rear 18 19 window of said the vehicle a sticker 20-day permit shall must in a form to be prescribed by the department 20 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 must be imprinted upon said sticker on 21 22 the permit in bold letters the following statement: "IT IS UNLAWFUL TO PLACE LICENSE PLATES UPON 23 THIS VEHICLE UNTIL REGISTERED AT THE OFFICE OF THE COUNTY TREASURER". One copy of said 24 sticker the permit shall must be delivered by the dealer to the county treasurer in the manner prescribed in subsection (1)(b) (2)(b) hereof, and a copy shall must be retained by the dealer for his the dealer's file. 25 It is unlawful for the dealer to issue more than one sticker permit per vehicle sale, 26 27 (b) Within 4 working days following the date of delivery of said the 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 certificates are then in his the dealer's possession), with an application for registration executed by the new owner in accordance with the provisions of 61-3-322, and



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a copy of the stieker permit affixed to said the vehicle by the dealer, and the. The department, upon receipt of said the documents from the county treasurer, together with the conditional sales contract or other lien, if any, shall issue a new certificate of ownership and certificate of registration, together with a statement of any conditional sales contract, mortgage, or other lien as provided in 61-3-202. Transmission of said the documents by the dealer to the county treasurer may be accomplished either by personal delivery or by first elass first-class mail, in which event they shall be doemed are considered to have been delivered at the time of mailing.

8 (c) If the dealer is unable to forward the certificate of ownership and/or <u>or</u> certificate of registration 9 within the time set forth in subsection (1)(b) <u>(2)(b)</u> hereof, because the same are <u>certificate is</u> lost, are <u>is</u> 10 in the possession of third parties, or are <u>is</u> in <u>the</u> process of reissuance in this state or elsewhere, he <u>the</u> 11 <u>dealer</u> shall comply in all other respects with the provisions of subsection(1)(b) <u>(2)(b)</u> and shall forward the 12 missing document or documents to the county treasurer, either personally or by first-class <u>first-class</u> mail, 13 within 3 days after their receipt.

14 (2)(3) Upon compliance by the dealer with the requirements set forth in this section, title to said 15 the motor vehicle shall be deemed is considered to have passed to the purchaser as of the date of the 16 delivery of said the vehicle to him the purchaser by the dealer, and the dealer shall have has no further 17 liability or responsibility with respect to the processing of registration.

(4) For purposes of this section, "motor vehicle" includes a trailer as defined in 61-1-111."

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Section 3. Section 61-4-112, MCA, is amended to read:

21 "61-4-112. New motor vehicles -- transfers by dealers. (1) When a motor vehicle dealer transfers
22 a new motor vehicle to a purchaser or other recipient, the dealer shall:

(a) issue and affix a sticker permit as prescribed in 61-4-111(1)(a)(2)(a) for transfers of used motor
 vehicles and retain a copy of the sticker permit;

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

27 (i) one copy of the sticker permit issued under subsection (1)(a);

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

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(iii) a statement of origin as prescribed in 61-3-502(8)(b).



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1	(2) Upon receipt from the county treasurer of the documents required under subsection (1), the
2	department shall issue a certificate of ownership and certificate of registration, together with a statement
3	of lien as provided in 61-3-202."
4	
5	Section 4. Section 61-10-222, MCA, is amended to read:
6	"61-10-222. Time for payment of fees. (1) Prior to or at the time of registration of the vehicle as
7	required under chapter 3 or chapter 4 or prior to the operation of the vehicle on the public highways, fees
8	provided in this part shall <u>must</u> be paid in the full amount unless otherwise provided by law. With respect
9	to vehicles operating on the highways with a current roar windshield sticker <u>20-day permit</u> issued under
10	the provisions of 61-4-111 or 61-4-112, the fees provided in this part shall be are due and payable at the
11	time of registration.
12	(2) A person who makes application applies for a GVW license after July 1 of any year shall pay
13	one-half of the fees provided in this part.
14	(3) When a person makes application applies for registration required under chapter 3 for a period
15	of time other than the calendar year, the fees provided in this part shall must be computed for the
16	registration period at one-twelfth of the applicable fee for each month or part of month in the registration
17	period."
18	
19	NEW SECTION. Section 5. Appropriation. There is appropriated \$75,000 from the general fund
20	to the department of justice for fiscal year 1996 and \$60,000 for fiscal year 1997 for implementation of
21	[section 2].
22	
23	NEW SECTION. Section 6. Applicability. [This act] applies to motor vehicle transfers occurring
24	on or after January 1, 1996.
25	
26	NEW SECTION. Section 7. Effective date. [This act] is effective January 1, 1996.
27	-END-



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STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0307, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

A bill creating an express "title only" procedure for certain dealers of used motor vehicles.

ASSUMPTIONS :

- 1. The bill is effective January 1, 1996. It is estimated that an additional 10% (54,000) of titles currently processed annually (540,000) will require "title only" processing. These are transactions not processed under present law because transfers of registration are not generally submitted for changes in motor vehicle dealer ownership. Additional general fund revenues are estimated to be \$405,000 ((six months/12 months) x \$54,000 x \$15 title only fee) in FY96 and \$810,000 (\$54,000 x \$15) in FY97.
- 2. About 16% of titles currently received by the Motor Vehicle Division of the Department of Justice are returned for additional information or documentation. Assuming that same experience rate of returned titles would apply to the "title only" work would mean 8,640 (54,000 x 16%) "title only" transactions would be returned for additional information/documentation requiring additional written and oral correspondence.
- 3. Total increased workload created by "title only" transactions would be 62,640 transactions (54,000 + 8,640). Presently, 1.00 FTE can rate (review and issue) approximately 24,750 "titles only" per year. It is estimated that 3.00 FTE Grade 7 would be required to implement the "title only" provisions and provide assistance to the dealers to resolve problems. The FTE estimate is based upon 62,640/24,750 = 2.53 FTE to rate "titles only". The additional 0.47 FTE would be utilized to provide assistance to the dealers in problem resolution. Total personal services expenses are \$28,314 for 1.50 FTE (3.00 x (6 months/12 months) = 1.50) for FY96 and \$56,811 for FY97.
- 4. Annual operating expenses would be for: printing of titles (54,000 x \$0.053 = \$2,862), letterhead and envelopes (\$500), postage (62,640 x \$0.28 = \$17,539), and office rent, telephone charges, and utilities (\$5,600). The expenses in FY96 would be for one-half of the year. Additional start-up costs in FY96 would be \$11,650 for programming expenses and \$7,950 for equipment (desks, chairs, and personal computers).
- 5. The bill would appropriate from the general fund to the Department of Justice \$75,000 in FY96 and \$60,000 in FY97. The estimated expenses to implement the bill differ from the appropriated amounts; the estimated expenses are shown in the fiscal impact portion of the fiscal note. The estimated expenses exceed the proposed appropriation by \$9,477 for the biennium.

(continued)

DAVE LEWIS, BUDGET DIRECTOR DATE

Office of Budget and Program Planning

DAN W. HARRINGTON, PRIMARY SPONSOR DATE

Fiscal Note for <u>HB0307</u>, as introduced **HB 307**

Fiscal Note Request, <u>HB0307, as introduced</u> Page 2 (continued)

FISCAL IMPACT:

Expenditures:	FY96	FY97
Motor Vehicle Division:	Difference	Difference
FTE	1.50	3.00
Personal Services	28,314	56,811
Operating Expenses	24,901	26,501
Equipment	7,950	0
Total	61,165	83,312
Funding:		
General Fund (01)	61,165	83,312
<u>Revenue:</u> General Fund (01)	405,000	810,000
<u>Net Impact:</u> General Fund Increase (01)	343,835	726,688

TECHNICAL NOTES:

1. The estimated expenditure impact as a result of this bill does not match with the appropriations contained in Section 5 of the bill. Accordingly, the appropriation for FY96 exceeds the estimated expenditure impact and the appropriation for FY97 is below the estimated expenditure impact. The total cost is \$9,477 more than the appropriation.

2. Page 2, line 19 - It appears that "<u>must</u>" is not needed in this sentence.

APPROVED BY COMMITTEE ON BUSINESS AND LABOR

1	HOUSE BILL NO. 307
2	INTRODUCED BY HARRINGTON, LYNCH, MENAHAN, QUILICI, PAVLOVICH, SWYSGOOD, BECK
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT CREATING AN EXPRESS "TITLE ONLY" PROCEDURE FOR
5	CERTAIN DEALERS OF USED MOTOR VEHICLES; ALLOWING A MOTOR VEHICLE DEALER, BROKER, OR
6	WHOLESALER TO TRANSFER A USED MOTOR VEHICLE TO ANOTHER MOTOR VEHICLE DEALER,
7	BROKER, OR WHOLESALER BY USE OF A DEALER REASSIGNMENT SECTION ON A CERTIFICATE OF
8	OWNERSHIP; REQUIRING A FEE; REQUIRING APPLICATION FOR A CERTIFICATE OF OWNERSHIP IN
9	CERTAIN CIRCUMSTANCES; APPROPRIATING MONEY FROM THE GENERAL FUND TO THE DEPARTMENT
10	OF JUSTICE FOR IMPLEMENTATION; AMENDING SECTIONS 61-3-203, 61-4-111, 61-4-112, AND
11	61-10-222, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE AND AN APPLICABILITY DATE."
12	
13	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
14	
15	Section 1. Section 61-3-203, MCA, is amended to read:
16	"61-3-203. Fee for original certificate of ownership and transfer of registration disposition. (1)
17	A Except as provided in subsection (2), a charge of \$5 must be made for issuance of an original certificate
18	of ownership of title and for a transfer of registration, which must be collected by the county treasurer. The
19	fees must be distributed as follows:
20	(1) (a) The amount of \$3.50 of each fee must be remitted to the department by the county
21	treasurer, as provided in 15-1-504, for each application for original certificate of ownership or transfer of
22	registration.
23	(2)(b) Each March, the county commissioners of each county shall divide the fees retained by the
24	county to:
25	(a)(i) the city road fund of each city and town within the county based on the number of motor
26	vehicles registered inside the corporate limits of each city or town; and
27	(b)(ii) the county road fund based on the number of motor vehicles registered outside the corporate
28	limits of cities and towns.
29	(2) Upon transfer of any interest in a used motor vehicle by a dealer, broker, or wholesaler as
30	provided in 61-4-111(1), a charge of \$15 \$5 must be paid to the department."



Section 2. Section 61-4-111, MCA, is amended to read: 1 2 "61-4-111. Used motor vehicles -- transfer to and from dealers. (1) The provisions of 61-3-201(2) 3 shall not apply in the event of the transfer of a motor vehicle to a duly licensed automobile dealer intending 4 to resell such vehicle and who operates the same only for demonstration purposes. In such cases, the 5 dealer shall not be required to make application for a new cortificate of ownership or for registration during 6 the period of his ownership of said vehicle, but upon his transfer of ownership thereof to a person other 7 than a licensed motor vehicle dealer A licensed dealer, broker, or wholesaler who intends to resell a used 8 motor vehicle and who operates the vehicle only for demonstration purposes: 9 (a) is exempt from registration under 61-3-201(2) when applying for a certificate of ownership; and 10 (b) may transfer or receive ownership of a motor vehicle by use of a dealer reassignment section 11 on a certificate of ownership; however, when the allotted number of dealer reassignment sections on a 12 certificate of ownership has been completed, ownership of the vehicle may not be transferred until an 13 application for a certificate of ownership has been submitted by the dealer to the department and a new 14 certificate of ownership has been issued. (2) Upon the transfer of a used motor vehicle to a person other than a licensed dealer, broker, or 15 wholesaler, the following acts shall be are required of the dealer on or before the times herein set forth in 16 17 this subsection: (a) Prior to his delivery of the vehicle to the purchaser, the dealer shall issue and affix to the rear 18 19 window of said the vehicle a sticker 20-day permit shall must in a form to be prescribed by the department 20 and containing the name and address of the purchaser, date of sale, name and address of the dealer, and 21 a description of the vehicle, including its serial number. There shall must be imprinted upon said sticker on 22 the permit in bold letters the following statement: "IT IS UNLAWFUL TO PLACE LICENSE PLATES UPON 23 THIS VEHICLE UNTIL REGISTERED AT THE OFFICE OF THE COUNTY TREASURER". One copy of said 24 sticker the permit shall must be delivered by the dealer to the county treasurer in the manner prescribed 25 in subsection (1)(b) (2)(b) hereof, and a copy shall must be retained by the dealer for his the dealer's file. 26 It is unlawful for the dealer to issue more than one sticker permit per vehicle sale. (b) Within 4 working days following the date of delivery of said the vehicle, the dealer shall forward 27 28 to the county treasurer of the county where the purchaser resides the certificate of ownership and

certificate of registration (if the same certificates are then in his the dealer's possession), with an application for registration executed by the new owner in accordance with the provisions of 61-3-322, and



HB0307.02

a copy of the sticker permit affixed to said the vehicle by the dealer, and the. The department, upon receipt of said the documents from the county treasurer, together with the conditional sales contract or other lien, if any, shall issue a new certificate of ownership and certificate of registration, together with a statement of any conditional sales contract, mortgage, or other lien as provided in 61-3-202. Transmission of said the documents by the dealer to the county treasurer may be accomplished either by personal delivery or by first elass first-class mail, in which event they shall be deemed are considered to have been delivered at the time of mailing.

(c) If the dealer is unable to forward the certificate of ownership and/or or certificate of registration
within the time set forth in subsection (1)(b) (2)(b) hereof, because the same are certificate is lost, are is
in the possession of third parties, or are is in the process of reissuance in this state or elsewhere, he the
dealer shall comply in all other respects with the provisions of subsection(1)(b) (2)(b) and shall forward the
missing document or documents to the county treasurer, either personally or by first class first-class mail,
within 3 days after their receipt.

14 (2)(3) Upon compliance by the dealer with the requirements set forth in this section, title to said 15 the motor vehicle shall be deemed is considered to have passed to the purchaser as of the date of the 16 delivery of said the vehicle to him the purchaser by the dealer, and the dealer shall have has no further 17 liability or responsibility with respect to the processing of registration.

18

(4) For purposes of this section, "motor vehicle" includes a trailer as defined in 61-1-111."

19

20 Section 3. Section 61-4-112, MCA, is amended to read:

21 "61-4-112. New motor vehicles -- transfers by dealers. (1) When a motor vehicle dealer transfers
 22 a new motor vehicle to a purchaser or other recipient, the dealer shall:

- (a) issue and affix a sticker permit as prescribed in 61-4-111(1)(a)(2)(a) for transfers of used motor
 vehicles and retain a copy of the sticker permit;
 - (b) within 4 working days following the date of delivery of the new motor vehicle, forward to the
 county treasurer of the county where the purchaser or recipient resides:
 - (i) one copy of the sticker permit issued under subsection (1)(a);
 - (ii) an application for certificate of title with a notice of security interest, if any, executed by the
 purchaser or recipient; and

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(iii) a statement of origin as prescribed in 61-3-502(8)(b).



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1	(2) Upon receipt from the county treasurer of the documents required under subsection (1). the
2	department shall issue a certificate of ownership and certificate of registration, together with a statement
3	of lien as provided in 61-3-202."
4	
5	Section 4. Section 61-10-222, MCA, is amended to read:
6	"61-10-222. Time for payment of fees. (1) Prior to or at the time of registration of the vehicle as
7	required under chapter 3 or chapter 4 or prior to the operation of the vehicle on the public highways, fees
8	provided in this part shall <u>must</u> be paid in the full amount unless otherwise provided by law. With respect
9	to vehicles operating on the highways with a current roar windshield sticker <u>20-day permit</u> issued under
10	the provisions of 61-4-111 or 61-4-112, the fees provided in this part shall be are due and payable at the
11	time of registration.
12	(2) A person who makes application applies for a GVW license after July 1 of any year shall pay
13	one-half of the fees provided in this part.
14	(3) When a person makes application applies for registration required under chapter 3 for a period
15	of time other than the calendar year, the fees provided in this part shall must be computed for the
16	registration period at one-twelfth of the applicable fee for each month or part of month in the registration
17	period."
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19	NEW SECTION. Section 5. Appropriation. There is appropriated \$75,000 from the general fund
20	to the department of justice for fiscal year 1996 and \$60,000 for fiscal year 1997 for implementation of
21	[section 2].
22	
23	NEW SECTION. Section 6. Applicability. [This act] applies to motor vehicle transfers occurring
24	on or after January 1, 1996.
25	
26	NEW SECTION. Section 7. Effective date. [This act] is effective January 1, 1996.
27	-END-



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16	A Except as provided in subsection (2), a charge of \$5 must be made for issuance of an original certificate
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16 17 13 20 21 22 23 24 25 26 27 28	A Except as provided in subsection (2), a charge of \$5 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. The fees must be distributed as follows: (1)(a) The amount of \$3.50 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. (2)(b) Each March, the county commissioners of each county shall divide the fees retained by the county to: (a)(j) 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)(jii) the county road fund based on the number of motor vehicles registered outside the corporate limits of cities and towns.
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1 Section 2. Section 61-4-111, MCA, is amended to read: 2 "61-4-111. Used motor vehicles -- transfer to and from dealers. (1) The provisions of 61-3-201(2) 3 shall not apply in the event of the transfer of a motor vehicle to a duly licensed automobile dealer intending 4 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 5 6 the period of his ownership of said vehicle, but upon his transfer of ownership thereof to a person other 7 than a licensed meter vehicle dealer A licensed dealer, broker, or wholesaler who intends to resell a used 8 motor vehicle and who operates the vehicle only for demonstration purposes: 9 (a) is exempt from registration under 61-3-201(2) when applying for a certificate of ownership; and (b) may transfer or receive ownership of a motor vehicle by use of a dealer reassignment section 10 on a certificate of ownership; however, when the allotted number of dealer reassignment sections on a 11 certificate of ownership has been completed, ownership of the vehicle may not be transferred until an 12 13 application for a certificate of ownership has been submitted by the dealer to the department and a new 14 certificate of ownership has been issued. 15 (2) Upon the transfer of a used motor vehicle to a person other than a licensed dealer, broker, or 16 wholesaler, the following acts shall be are required of the dealer on or before the times herein set forth in 17 this subsection: 18 (a) Prior to his delivery of the vehicle to the purchaser, the dealer shall issue and affix to the rear 19 window of said the vehicle a sticker 20-day permit shall must in a form to be prescribed by the department 20 and containing the name and address of the purchaser, date of sale, name and address of the dealer, and 21 a description of the vehicle, including its serial number. There shall <u>must</u> be imprinted upon said sticker on 22 the permit in bold letters the following statement: "IT IS UNLAWFUL TO PLACE LICENSE PLATES UPON 23 THIS VEHICLE UNTIL REGISTERED AT THE OFFICE OF THE COUNTY TREASURER". One copy of said 24 sticker the permit shall must be delivered by the dealer to the county treasurer in the manner prescribed 25 in subsection (1)(b) (2)(b) hereof, and a copy shall must be retained by the dealer for his the dealer's file. 26 It is unlawful for the dealer to issue more than one sticker permit per vehicle sale. 27 (b) Within 4 working days following the date of delivery of said the 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 certificates are then in his the dealer's possession), with an application for registration executed by the new owner in accordance with the provisions of 61-3-322, and



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a copy of the sticker permit affixed to said the vehicle by the dealer, and the. The department, upon receipt of said the documents from the county treasurer, together with the conditional sales contract or other lien, if any, shall issue a new certificate of ownership and certificate of registration, together with a statement of any conditional sales contract, mortgage, or other lien as provided in 61-3-202. Transmission of said the documents by the dealer to the county treasurer may be accomplished either by personal delivery or by first elass first-class mail, in which event they shall be deemed are considered to have been delivered at the time of mailing.

8 (c) If the dealer is unable to forward the certificate of ownership and/or or certificate of registration 9 within the time set forth in subsection (1)(b) (2)(b) hereof, because the same are certificate is lost, are is 10 in the possession of third parties, or are is in the process of reissuance in this state or elsewhere, he the 11 dealer shall comply in all other respects with the provisions of subsection(1)(b) (2)(b) and shall forward the 12 missing document or documents to the county treasurer, either personally or by first class first-class mail, 13 within 3 days after their receipt.

14 (2)(3) Upon compliance by the dealer with the requirements set forth in this section, title to said 15 the motor vehicle shall be deemed is considered to have passed to the purchaser as of the date of the 16 delivery of said the vehicle to him the purchaser by the dealer, and the dealer shall have has no further 17 liability or responsibility with respect to the processing of registration.

(4) For purposes of this section, "motor vehicle" includes a trailer as defined in 61-1-111."

18

19

20 Section 3. Section 61-4-112, MCA, is amended to read:

21 "61-4-112. New motor vehicles -- transfers by dealers. (1) When a motor vehicle dealer transfers
 22 a new motor vehicle to a purchaser or other recipient, the dealer shall:

(a) issue and affix a sticker permit as prescribed in 61-4-111(1)(a)(2)(a) for transfers of used motor
 vehicles and retain a copy of the sticker permit;

- (b) within 4 working days following the date of delivery of the new motor vehicle, forward to the
 county treasurer of the county where the purchaser or recipient resides:
- 27 (i) one copy of the sticker permit issued under subsection (1)(a);
- (ii) an application for certificate of title with a notice of security interest, if any, executed by the
 purchaser or recipient; and

30 (iii) a statement of origin as prescribed in 61-3-502(8)(b).



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1	(2) Upon receipt from the county treasurer of the documents required under subsection (1), the
2	department shall issue a certificate of ownership and certificate of registration, together with a statement
3	of lien as provided in 61-3-202."
4	
5	Section 4. Section 61-10-222, MCA, is amended to read:
6	"61-10-222. Time for payment of fees. (1) Prior to or at the time of registration of the vehicle as
7	required under chapter 3 or chapter 4 or prior to the operation of the vehicle on the public highways, fees
8	provided in this part shall <u>must</u> be paid in the full amount unless otherwise provided by law. With respect
9	to vehicles operating on the highways with a current rear windshield sticker 20-day permit issued under
10	the provisions of 61-4-111 or 61-4-112, the fees provided in this part shall be are due and payable at the
11	time of registration.
12	(2) A person who makes application applies for a GVW license after July 1 of any year shall pay
13	one-half of the fees provided in this part.
14	(3) When a person makes application applies for registration required under chapter 3 for a period
15	of time other than the calendar year, the fees provided in this part shall must be computed for the
16	registration period at one-twelfth of the applicable fee for each month or part of month in the registration
17	period."
18	
19	NEW SECTION. Section 5. Appropriation. There is appropriated \$75,000 from the general fund
20	to the department of justice for fiscal year 1996 and \$60,000 for fiscal year 1997 for implementation of
21	[section 2].
22	
23	NEW SECTION. Section 6. Applicability. [This act] applies to motor vehicle transfers occurring
24	on or after January 1, 1996.
25	
26	NEW SECTION. Section 7. Effective date. [This act] is effective January 1, 1996.
27	-END-



- 4 -

1	HOUSE BILL NO. 307
2	INTRODUCED BY HARRINGTON, LYNCH, MENAHAN, QUILICI, PAVLOVICH, SWYSGOOD, BECK
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT CREATING AN EXPRESS "TITLE ONLY" PROCEDURE FOR
5	CERTAIN DEALERS OF USED MOTOR VEHICLES; ALLOWING A MOTOR VEHICLE DEALER, BROKER, OR
6	WHOLESALER TO TRANSFER A USED MOTOR VEHICLE TO ANOTHER MOTOR VEHICLE DEALER,
7	BROKER, OR WHOLESALER BY USE OF A DEALER REASSIGNMENT SECTION ON A CERTIFICATE OF
8	OWNERSHIP; REQUIRING A FEE; REQUIRING APPLICATION FOR A CERTIFICATE OF OWNERSHIP IN
9	CERTAIN CIRCUMSTANCES; APPROPRIATING MONEY FROM THE GENERAL FUND TO THE DEPARTMENT
10	OF JUSTICE FOR IMPLEMENTATION; AMENDING SECTIONS 61-3-203, 61-4-111, 61-4-112, AND
11	61-10-222, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE AND AN APPLICABILITY DATE."
12	
13	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
14	
15	Section 1. Section 61-3-203, MCA, is amended to read:
16	"61-3-203. Fee for original certificate of ownership and transfer of registration disposition. (1)
17	A Except as provided in subsection (2), a charge of \$5 must be made for issuance of an original certificate
18	of ownership of title and for a transfer of registration, which must be collected by the county treasurer. The
19	fees must be distributed as follows:
20	$\frac{(1)}{(a)}$ The amount of \$3.50 of each fee must be remitted to the department by the county
21	treasurer, as provided in 15-1-504, for each application for original certificate of ownership or transfer of
22	registration.
23	(2)(b) Each March, the county commissioners of each county shall divide the fees retained by the
24	
25	county to:
20	(a)(i) the city road fund of each city and town within the county based on the number of motor
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26	(a)(i) 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
26 27	 (a)(i) 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)(ii) the county road fund based on the number of motor vehicles registered outside the corporate

Section 2. Section 61-4-111, MCA, is amended to read: 1 2 "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 3 to-resell such vehicle and who operates the same only for demonstration purposes. In such cases, the 4 dealer shall not be required to make application for a new certificate of ownership or for registration during 5 the period of his ownership of said vehicle, but upon his transfer of ownership thereof to a person other 6 7 than a licensed motor vehicle dealer A licensed dealer, broker, or wholesaler who intends to resell a used 8 motor vehicle and who operates the vehicle only for demonstration purposes: 9 (a) is exempt from registration under 61-3-201(2) when applying for a certificate of ownership; and 10 (b) may transfer or receive ownership of a motor vehicle by use of a dealer reassignment section 11 on a certificate of ownership; however, when the allotted number of dealer reassignment sections on a 12 certificate of ownership has been completed, ownership of the vehicle may not be transferred until an 13 application for a certificate of ownership has been submitted by the dealer to the department and a new 14 certificate of ownership has been issued. 15 (2) Upon the transfer of a used motor vehicle to a person other than a licensed dealer, broker, or 16 wholesaler, the following acts shall be are required of the dealer on or before the times herein set forth in 17 this subsection: 18 (a) Prior to his delivery of the vehicle to the purchaser, the dealer shall issue and affix to the rear window of said the vehicle a sticker 20-day permit shall must in a form to be prescribed by the department 19 20 and containing the name and address of the purchaser, date of sale, name and address of the dealer, and 21 a description of the vehicle, including its serial number. There shall <u>must</u> be imprinted upon said sticker <u>on</u> 22 the permit in bold letters the following statement: "IT IS UNLAWFUL TO PLACE LICENSE PLATES UPON 23 THIS VEHICLE UNTIL REGISTERED AT THE OFFICE OF THE COUNTY TREASURER". One copy of said 24 sticker the permit shall must be delivered by the dealer to the county treasurer in the manner prescribed 25 in subsection (1)(b) (2)(b) hereof, and a copy shall must be retained by the dealer for his the dealer's file. 26 It is unlawful for the dealer to issue more than one sticker permit per vehicle sale. 27

27 (b) Within 4 working days following the date of delivery of said the vehicle, the dealer shall forward 28 to the county treasurer of the county where the purchaser resides the certificate of ownership and 29 certificate of registration (if the same certificates are then in his the dealer's possession), with an 30 application for registration executed by the new owner in accordance with the provisions of 61-3-322, and



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a copy of the sticker permit affixed to said the vehicle by the dealer, and the. The department, upon receipt of said the documents from the county treasurer, together with the conditional sales contract or other lien, if any, shall issue a new certificate of ownership and certificate of registration, together with a statement of any conditional sales contract, mortgage, or other lien as provided in 61-3-202. Transmission of said the documents by the dealer to the county treasurer may be accomplished either by personal delivery or by first elass first-class mail, in which event they shall be doemed are considered to have been delivered at the time of mailing.

8 (c) If the dealer is unable to forward the certificate of ownership and/or <u>or</u> certificate of registration 9 within the time set forth in subsection (1)(b) <u>(2)(b)</u> hereof, because the same are <u>certificate is</u> lost, are <u>is</u> 10 in the possession of third parties, or are <u>is</u> in <u>the</u> process of reissuance in this state or elsewhere, he <u>the</u> 11 <u>dealer</u> shall comply in all other respects with the provisions of subsection(1)(b) <u>(2)(b)</u> and shall forward the 12 missing document or documents to the county treasurer, either personally or by first-class <u>first-class</u> mail, 13 within 3 days after their receipt.

14 (2)(3) Upon compliance by the dealer with the requirements set forth in this section, title to said 15 the motor vehicle shall be deemed is considered to have passed to the purchaser as of the date of the 16 delivery of said the vehicle to him the purchaser by the dealer, and the dealer shall have has no further 17 liability or responsibility with respect to the processing of registration.

18

(4) For purposes of this section, "motor vehicle" includes a trailer as defined in 61-1-111."

19

20 Section 3. Section 61-4-112, MCA, is amended to read:

21 "61-4-112. New motor vehicles -- transfers by dealers. (1) When a motor vehicle dealer transfers
 22 a new motor vehicle to a purchaser or other recipient, the dealer shall:

(a) issue and affix a sticker permit as prescribed in 61-4-111(1)(a)(2)(a) for transfers of used motor
 vehicles and retain a copy of the sticker permit;

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

27 (i) one copy of the sticker permit issued under subsection (1)(a);

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

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(iii) a statement of origin as prescribed in 61-3-502(8)(b).



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1	(2) Upon receipt from the county treasurer of the documents required under subsection (1), the
2	department shall issue a certificate of ownership and certificate of registration, together with a statement
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5	Section 4. Section 61-10-222, MCA, is amended to read:
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7	required under chapter 3 or chapter 4 or prior to the operation of the vehicle on the public highways, fees
8	provided in this part shall must be paid in the full amount unless otherwise provided by law. With respect
9	to vehicles operating on the highways with a current rear-windshield-sticker 20-day permit issued under
10	the provisions of 61-4-111 or 61-4-112, the fees provided in this part shall be are due and payable at the
11	time of registration.
12	(2) A person who makes application applies for a GVW license after July 1 of any year shall pay
13	one-half of the fees provided in this part.
14	(3) When a person makes application applies for registration required under chapter 3 for a period
15	of time other than the calendar year, the fees provided in this part shall must be computed for the
16	registration period at one-twelfth of the applicable fee for each month or part of month in the registration
17	period."
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19	NEW SECTION. Section 5. Appropriation. There is appropriated \$75,000 \$61,165 from the
20	general fund to the department of justice for fiscal year 1996 and \$60,000 <u>\$83,312</u> for fiscal year 1997
21	for implementation of [section 2].
22	
23	NEW SECTION. Section 6. Applicability. [This act] applies to motor vehicle transfers occurring
24	on or after January 1, 1996.
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26	NEW SECTION. Section 7. Effective date. [This act] is effective January 1, 1996.
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1	HOUSE BILL NO. 307
2	INTRODUCED BY HARRINGTON, LYNCH, MENAHAN, QUILICI, PAVLOVICH, SWYSGOOD, BECK
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT CREATING AN EXPRESS "TITLE ONLY" PROCEDURE FOR
5	CERTAIN DEALERS OF USED MOTOR VEHICLES; ALLOWING A MOTOR VEHICLE DEALER, BROKER, OR
6	WHOLESALER TO TRANSFER A USED MOTOR VEHICLE TO ANOTHER MOTOR VEHICLE DEALER,
7	BROKER, OR WHOLESALER BY USE OF A DEALER REASSIGNMENT SECTION ON A CERTIFICATE OF
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23	$\frac{2}{b}$ Each March, the county commissioners of each county shall divide the fees retained by the
24	county to:
25	(a)(i) the city road fund of each city and town within the county based on the number of motor
26	vehicles registered inside the corporate limits of each city or town; and
27	(b)<u>(ii)</u> the county road fund based on the number of motor vehicles registered outside the corporate
28	limits of cities and towns.
29	(2) Upon transfer of any interest in a used motor vehicle by a dealer, broker, or wholesaler as
30	provided in 61-4-111(1), a charge of \$15 \$5 must be paid to the department."



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Section 2. Section 61-4-111, MCA, is amended to read: 1 2 "61-4-111. Used motor vehicles -- transfer to and from dealers. (1) The provisions of 61-3-201(2) 3 shall not apply in the event of the transfer of a motor vehicle to a duly licensed automobile dealer intending 4 to recell such vehicle and who operates the same only for demonstration purposes. In such cases, the 5 dealer shall not be required to make application for a new certificate of ewnership or for registration during 6 the period of his ownership of said vehicle, but upon his transfer of ownership thereof to a person other 7 than a licensed motor vohicle dealer A licensed dealer, broker, or wholesaler who intends to resell a used 8 motor vehicle and who operates the vehicle only for demonstration purposes: 9 (a) is exempt from registration under 61-3-201(2) when applying for a certificate of ownership; and (b) may transfer or receive ownership of a motor vehicle by use of a dealer reassignment section 10 11 on a certificate of ownership; however, when the allotted number of dealer reassignment sections on a 12 certificate of ownership has been completed, ownership of the vehicle may not be transferred until an 13 application for a certificate of ownership has been submitted by the dealer to the department and a new 14 certificate of ownership has been issued. 15 (2) Upon the transfer of a used motor vehicle to a person other than a licensed dealer, broker, or 16 wholesaler, the following acts shall be are required of the dealer on or before the times herein set forth in 17 this subsection: 18 (a) Prior to his delivery of the vehicle to the purchaser, the dealer shall issue and affix to the rear 19 window of said the vehicle a sticker 20-day permit shall must in a form to be prescribed by the department

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1 (2) Upon receipt from the county treasurer of the documents required under subsection (1), the 2 department shall issue a certificate of ownership and certificate of registration, together with a statement 3 of lien as provided in 61-3-202." 4 5 Section 4. Section 61-10-222, MCA, is amended to read: 6 "61-10-222. Time for payment of fees. (1) Prior to or at the time of registration of the vehicle as 7 required under chapter 3 or chapter 4 or prior to the operation of the vehicle on the public highways, fees 8 provided in this part shall must be paid in the full amount unless otherwise provided by law. With respect 9 to vehicles operating on the highways with a current rear windshield sticker 20-day permit issued under 10 the provisions of 61-4-111 or 61-4-112, the fees provided in this part shall be are due and payable at the 11 time of registration. 12 (2) A person who makes application applies for a GVW license after July 1 of any year shall pay 13 one-half of the fees provided in this part. 14 (3) When a person makes application applies for registration required under chapter 3 for a period 15 of time other than the calendar year, the fees provided in this part shall must be computed for the 16 registration period at one-twelfth of the applicable fee for each month or part of month in the registration 17 period." 18 19 NEW SECTION. Section 5. Appropriation. There is appropriated \$75,000 \$61,165 from the 20 general fund to the department of justice for fiscal year 1996 and \$60,000 \$83,312 for fiscal year 1997 21 for implementation of [section 2]. 22 23 NEW SECTION. Section 6. Applicability. [This act] applies to motor vehicle transfers occurring 24 on or after January 1, 1996. 25 26 NEW SECTION. Section 7. Effective date. [This act] is effective January 1, 1996. 27 -END-

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