1	SENATE BILL NO. 142
2	INTRODUCED BY But
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS CONCERNING JUNK VEHICLES
5	AND MOTOR VEHICLE WRECKING FACILITIES; INCLUDING A DEMOLITION DERBY VEHICLE IN THE
6	DEFINITION OF JUNK VEHICLE; ESTABLISHING AN INITIAL LICENSE APPLICATION FEE; PROVIDING FOR
7	ADMINISTRATIVE ENFORCEMENT OF JUNK VEHICLE AND MOTOR VEHICLE WRECKING FACILITY LAWS;
8	AMENDING SECTIONS 61-3-211, 61-12-402, 75-10-501, 75-10-503, 75-10-504, 75-10-505, 75-10-511,
9	75-10-512, 75-10-513, 75-10-514, 75-10-515, 75-10-516, 75-10-532, 75-10-541, AND 75-10-542,
10	MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
11	
12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
13	
14	Section 1. Section 61-3-211, MCA, is amended to read:
15	"61-3-211. Surrender of certificate of ownership issuance of salvage certificate salvage
16	retitling requirements. (1) An insurer acquiring ownership of a vehicle that is less than 5 years of age that
17	he the insurer determines to be a salvage vehicle shall surrender the certificate of ownership to the
18	department within 15 days after acquiring the certificate. If the insurer has not sold the salvage vehicle prior
19	to the time of surrendering the certificate of ownership, the insurer shall apply for a salvage certificate on

20 a form prescribed by the department. If the certificate of ownership names one or more holders of a 21 perfected security interest in the vehicle, the insurer shall secure and deliver to the department a release 22 from each secured party of the secured interest.

23 (2) Upon receipt of a properly executed certificate of ownership and a salvage certificate 24 application from an insurer, the department shall issue a salvage certificate to the insurer within 5 working 25 days of the date of receipt of the application. Upon receipt of a salvage certificate issued by the 26 department, an insurer may possess, retain, transport, sell, transfer, or otherwise dispose of the salvage 27 vehicle. The salvage certificate is prima facie evidence of ownership of a salvage vehicle.

28 (3) If the insurer sells a salvage vehicle within the 15-day period established in subsection (1) prior 29 to surrendering the certificate of ownership, the insurer shall complete a salvage receipt on a form 30 prescribed by the department. The insurer shall deliver the original salvage receipt to the salvage vehicle



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purchaser only after obtaining a clear title and lien release. Prior to disposing of the salvage vehicle, the salvage vehicle purchaser shall apply for a salvage certificate by completing the salvage receipt and submitting it to the department. The insurer shall deliver a copy of the salvage receipt with the surrendered certificate of ownership to the department. Upon receipt of the certificate of ownership from the insurer and the application from the salvage vehicle purchaser, the department shall issue a salvage certificate to the salvage vehicle purchaser that is prima facie evidence of ownership.

7 (4) If an insurer determines that a salvage vehicle will remain with the owner after an agreed 8 settlement, the insurer shall notify the department of the settlement on a form prescribed by the 9 department. Upon receipt of the notice, the department may require the owner to surrender the certificate 10 of ownership in compliance with this part, regardless of whether ownership of the salvage vehicle was 11 obtained in a jurisdiction not requiring the surrender of the certificate of ownership or a comparable 12 ownership document.

13 (5) At the time of surrender of a certificate of ownership for a salvage vehicle not acquired by an 14 insurer, the department shall issue a salvage certificate to the owner. Upon receipt of a salvage certificate 15 issued by the department to a noninsurer, the owner may possess, retain, transport, sell, transfer, or 16 otherwise dispose of the salvage vehicle. A salvage certificate is prima facie evidence of ownership of a 17 salvage vehicle.

18

(6) A fee of \$5 must be paid to the department for the issuance of a salvage certificate.

(7) A salvage vehicle owned by or in the inventory of a motor vehicle wrecking facility on October
1, 1991, is exempt from the provisions of this section if the owner of the facility has complied with the
provisions of 75-10-513(2) <u>75-10-512(3)</u>."

22 23

Section 2. Section 61-12-402, MCA, is amended to read:

24 "61-12-402. Notice to owner. (1) Within 72 hours after any <u>a</u> vehicle is removed and held by or 25 at the direction of the Montana highway patrol, the highway patrol shall notify the sheriff of the county in 26 which the vehicle was located at the time it was taken into custody and the place where the vehicle is 27 being held. In addition, the Montana highway patrol shall furnish the sheriff <u>with</u> a complete description of 28 the vehicle, including year, make, model, serial number, and license number if available; any costs incurred 29 to that date in the removal, storage, and custody of the vehicle; and any available information concerning 30 its ownership.



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1 (2) The sheriff or the city police shall make reasonable efforts to ascertain the name and address 2 of the owner, lienholder, or person entitled to possession of the vehicle taken into custody under 3 61-12-401. If a name and address are ascertained, the sheriff or the city police shall notify the owner and 4 lienholder or person of the location of the vehicle.

5 (3) If the vehicle is registered in the office of the department, notice is considered to have been 6 given when a registered or certified letter addressed to the registered owner of the vehicle and lienholder, 7 if any, at the latest address shown by the records in the office of the department, return receipt requested 8 and postage prepaid, is mailed at least 30 days before the vehicle is sold.

9 (4) If the identity of the last-registered owner cannot be determined, if the registration does not 10 contain an address for the owner, or if it is impossible to determine with reasonable certainty the identity 11 and addresses of all lienholders, notice by one publication in one newspaper of general circulation in the 12 county where the motor vehicle was abandoned is sufficient to meet all requirements of notice pursuant 13 to this part. The notice by publication can <u>may</u> contain multiple listings of abandoned vehicles. The notice 14 must be provided in the same manner as prescribed in 25-13-701(1)(b).

(5) If the abandoned vehicle is in the possession of a motor vehicle wrecking facility licensed under 75-10-511, the wrecking facility may make the required search to ascertain the name and address of the owner, lienholder, or person entitled to possession of the vehicle and shall give the notices required in subsections (2) through (4). The wrecking facility shall deliver to the sheriff or the city police a certificate describing the efforts made to ascertain the name and address of the owner, lienholder, or person entitled to possession of the vehicle and shall deliver to the sheriff or the city police proof of the notice given.

21 (6) A vehicle found by law enforcement officials to be a "junk vehicle" as defined by 22 75-10-501(4)(a)(i) through (4)(a)(iii) and certified as having an appraised value of \$100 or less as 23 determined by the department of revenue may be directly submitted for disposal in accordance with the 24 provisions of part 5 of ohapter 10, Title 75, chapter 10, part 5, upon a release given by the sheriff or the 25 city police. In the release, the sheriff or the city police shall include a description of the vehicle, including 26 year, make, model, serial number, and license number if available. A release provided by the sheriff or the 27 city police under this section must be transmitted to the motor vehicle wrecking facility and must be 28 considered by that facility to meet the requirements for records under 75-10-512 and 75-10-513. Vehicles 29 described in this section may be submitted without notice and without a required holding period."

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1	Section 3. Section 75-10-501, MCA, is amended to read:
2	"75-10-501. Definitions. Unless the context requires otherwise, in this part, the following
3	definitions apply:
4	(1) "Board" means the board of health and environmental sciences provided for in 2-15-2104.
5	(2) "Component part" means any identifiable part of a discarded, ruined, wrecked, or dismantled
6	motor vehicle, including but not limited to fenders, doors, hoods, engine blocks, motor parts, transmissions,
7	frames, axles, wheels, tires, and passenger compartment fixtures.
8	(3) "Department" means the department of health and environmental sciences provided for in Title
9	2, chapter 15, part 21.
10	(4) <u>(a)</u> "Junk vehicle" means a discarded, ruined, wrecked, or dismantled motor vehicle, including
11	component parts, which <u>that:</u>
12	(i) is discarded, ruined, wrecked, or dismantled;
13	(ii) is not lawfully and validly licensed; and
14	(iii) remains inoperative or incapable of being driven: or
15	(iv) has been modified for use in a demolition derby.
16	(b) As used in this subsection (4), "demolition derby" means a public show in which automobiles
17	are driven into one another repeatedly until only one automobile is still moving.
18	(5) (a) "Motor vehicle" means a vehicle propelled by its own power and designed primarily to
19	transport persons or property upon the highways of the state.
20	(b) The term does not include a motorhome, trailer, motorcycle, or two-wheeled vehicle.
21	(5) (6) "Motor vehicle graveyard" means a collection point established by a county for junk motor
22	vehicles prior to their disposal.
23	(6)(7) "Motor vehicle wrecking facility" means:
24	(a) a facility buying, selling, or dealing in four or more vehicles per <u>a</u> year, of a type required to be
25	licensed, for the purpose of wrecking, dismantling, disassembling, or substantially changing the form of the
26	motor vehicle; or
27	(b) a facility that buys or sells component parts, in whole or in part, and deals in secondhand motor
28	vehicle parts. A facility that buys or sells component parts of a motor vehicle, in whole or in part, is a motor
29	vehicle wrecking facility whether or not the buying or selling price is based upon weight or any other type
30	of classification. The term does not include a garage where wrecked or disabled motor vehicles are



temporarily stored for a reasonable period of time for inspection, repairs, or subsequent removal to a 1 2 junkyard. 3 (7)(8) "Person" means any individual, firm, partnership, company, association, corporation, city, 4 town, local governmental entity, or any other governmental or private entity, whether organized for profit 5 or not. 6 (8)(9) "Public view" means any point 6 feet above the surface of the center of a public road from 7 which junk vehicles can be seen. 8 (9)(10) "Shielding" means the construction or use of fencing or manmade or natural barriers to 9 conceal junk vehicles from public view." 10 11 Section 4. Section 75-10-503, MCA, is amended to read: 12 "75-10-503. Adoption of rules. (1) The department shall adopt rules necessary for the administration of this part, except 75-10-520, including but not limited to rules pertaining to: 13 14 (a) the establishment, control, operation, and licensing of motor vehicle wrecking facilities and 15 graveyards; 16 (b) the control of junk vehicles in locations other than motor vehicle wrecking facilities and 17 graveyards; 18 (c) the inspection and evaluation of premises and records subject to or required by this part; 19 (d) the development of budget and fiscal forms and procedures for counties; 20 (e) the review, approval, and control procedures for county motor vehicle graveyards developed 21 under this part; and 22 (f) the shielding of a junk vehicle and motor vehicle wrecking facility and graveyard from public 23 view. The department may not adopt a rule which that requires any motor vehicle wrecking facility that 24 existed prior to July 1, 1973, and has been continuously utilized thereafter operated since that date as a 25 motor vehicle wrecking facility to construct a fence or manmade barrier which that would be in excess of 26 12 feet in height. 27 (2) The department of health and onvironmental sciences shall adopt rules authorizing the sale of 28 junk vehicles by county motor vehicle graveyards to licensed motor vehicle wrecking facilities. The 29 department shall adopt these rules no later than July 1, 1992."

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1	Section 5. Section 75-10-504, MCA, is amended to read:
2	"75-10-504. Shielding new facility. (1) A motor vehicle wrecking facility or motor vehicle
3	graveyard site established or proposed on or after July 1, 1973, may not be approved for use or licensed
4	if the proposed facility cannot be shielded from public view on the date on which it is initially established
5	or proposed to the department for licensure.
6	(2) The prohibition concerning approval of a new motor vehicle wreaking facility or graveyard site
7	in subsection (1) does not apply to a applications for licensure because of a change in ownership if the
8	facility site that was licensed as such at any time within the 18 months immediately preceding the date an
9	on which the new owner submits a license application is made for licensure of such site."
10	
11	Section 6. Section 75-10-505, MCA, is amended to read:
12	"75-10-505. Shielding and removal of junk vehicles generally. (1) Notwithstanding the provisions
13	of this part, any <u>a</u> person possessing one or more junk vehicles, regardless of ownership, shall shield the
14	vehicles from public view or remove the vehicles to a licensed motor vehicle wrecking facility or to a
15	licensed motor vehicle graveyard after the vehicles are released from the owner.
16	(2) Small accumulations of salvageable Accumulations of six or fewer junk vehicles or component
17	parts , none of which are offered for sale, retained by active farming or ranching operations for repair and
18	maintenance of vehicles, or <u>for repair or maintenance of</u> agricultural equipment used in their operations, are
19	exempted from this requirement."
20	
21	Section 7. Section 75-10-511, MCA, is amended to read:
22	"75-10-511. Motor vehicle wrecking facility and motor vehicle graveyard licenses. (1) A person
23	may not conduct, maintain, or operate a motor vehicle wrecking facility or motor vehicle graveyard without
24	a license issued by the department.
25	(2) Application for the a motor vehicle wrecking facility or motor vehicle graveyard license shall
26	must be made on forms furnished by the department.
27	(3) An application for a license for a new motor vehicle wrecking facility must be accompanied by
28	a \$200 nonrefundable application review fee payable to the department.
29	(4) Subject to 75-10-504, a person applying for a motor vehicle wrecking facility license for an
30	existing facility shall accompany the application with an application review fee of \$50.



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1	(3) (5) An annual <u>license renewal</u> fee of \$50 shall <u>must</u> be paid to the department for the license
2	or quarterly prorated for new facilities.
3	(4)(6) A motor vehicle graveyard is excluded from paying the annual license <u>renewal</u> fee but must
4	meet all other requirements of the <u>this</u> part.
5	(5)(7) A license shall must be displayed in a prominent place in the licensed facility or graveyard.
6	(6)(8) The license Motor vehicle wrecking facility and motor vehicle graveyard licenses expires
7	expire on December 31 of the year issued.
8	(7)(9) If a motor vehicle wrecking facility ceases to do business <u>or is sold</u> , the license shall <u>must</u>
9	be surrendered to the department. The license is not transferable to new or additional owners or to new
10	locations."
11	
12	Section 8. Section 75-10-512, MCA, is amended to read:
13	"75-10-512. Records required of facilities. (1) Each motor vehicle wrecking facility shall maintain
14	books or files in which are kept a record and description of every <u>each</u> junk vehicle obtained by it, together
15	with the name and address of the person from whom the vehicle was purchased.
16	(2) This record must also contain:
17	(a) the original or a facsimile of the certificate of ownership, sheriff's certificate of sale, notarized
18	bill of sale from the former owner or person selling the vehicle, release of ownership or interest in the motor
19	vehicle, or sheriff's release;
20	(b) the name of the state where the vehicle was last registered;
21	(c) the make of the vehicle;
22	(d) the vehicle identification number, as defined in 61-3-210, or the motor number, identification
23	number, or serial number;
24	(e) the date purchased; <u>and</u>
25	(f) the disposition of the vehicle.
26	(3) Quarterly, each motor vehicle wrecking facility shall mail to the department of justice, on a form
27	approved by the department of justice, a list of all junk vehicles received by the motor vehicle wrecking
28	facility during the quarter. The list must contain the year, make, and complete identification number for
29	each vehicle. If a certificate of ownership is received for a junk vehicle on the list, that certificate must
30	accompany the list. The department of justice shall issue a receipt for the certificate of ownership if



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1	requested by the facility, and the receipt may be used for reclaiming the certificate of ownership if the
2	vehicle is rebuilt.
3	(3)(4) An authorized representative of the department of justice who presents credentials may also
4	inspect, have access to, and copy records required under this section."
5	
6	Section 9. Section 75-10-513, MCA, is amended to read:
7	"75-10-513. Disposal of junk vehicles fees and records. (1) When a motor vehicle wrecking
8	facility submits a junk vehicle to the disposal <u>county junk vehicle</u> program, it shall pay a disposal fee of \$2
9	for each vehicle submitted, and the vehicle is then the property of the state.
10	(2) Quarterly, each wrecking facility shall mail to the department of justice a list, on a form
11	approved by the department of justice, of all junk vohicles received during the quarter, stating the year,
12	make, and the complete identification number of each vehicle. Any certificate of ownership received for
13	junk vehicles must accompany each list. The department of justice shall issue a receipt of [for] the
14	certificate of ownership if requested by the licensed facility, and such receipt may serve as an instrument
15	for reclaiming the certificate of ownership if the vehicle is rebuilt.
16	(3)(2) A motor vehicle graveyard shall submit to the department the records, documents, and other
17	information concerning junk vehicles received by it that are required by rules of the department."
18	
19	Section 10. Section 75-10-514, MCA, is amended to read:
20	"75-10-514. Denial, suspension, or revocation of license grounds. The department may deny,
21	suspend, <u>refuse to renew,</u> or revoke a motor vehicle wrecking facility's license when it proves <u>that</u> the
22	business:
23	(1) sold or otherwise disposed of a motor vehicle , trailer, or any <u>component</u> part thereof when it
24	knew the motor vehicle or component part was stolen or was appropriated without the consent of the
25	owner;
26	(2) committed forgery on a certificate of title covering a vehicle that has been reassembled from
27	component parts obtained from the disassembling of other motor vehicles;
28	(3) committed any illegal act or omission which that has caused loss as the result of a sale of a
29	motor vehicle , trailer, or <u>component</u> part thereof ;
30	(4) failed to comply with this part <u>, an order of the department,</u> or with a rule of the department;
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1	(5) obtained a license fraudulently."
2	
3	Section 11. Section 75-10-515, MCA, is amended to read:
4	75-10-515. Appeals. (1) A decision by the department to issue, deny, or revoke a motor vehicle
5	wrecking facility or graveyard license may be appealed, in writing, to the board within 30 days after receipt
6	of official notice of the department's decision.
7	(2) The board does not have jurisdiction to hear an appeal of a county's decision under
8	75-10-516(2) or an appeal from denial of a license when issuance is prohibited under 75-10-516(3)."
9	
10	Section 12. Section 75-10-516, MCA, is amended to read:
11	"75-10-516. Motor vehicle wrecking facilities and motor vehicle graveyards licensing process
12	decision criteria. (1) When an application for a <u>newly proposed</u> motor vehicle wrecking facility or <u>newly</u>
13	proposed motor vehicle graveyard is filed with the department, the department shall notify by mail:
14	(a) each owner of property adjoining the proposed facility;
15	(b) the governing body of the county in which the proposed facility is to be located; and
16	(c) a newspaper of general circulation in the area where the proposed facility is to be located.
17	(2) Within 30 days of receipt of the notification in required under subsection (1)(b), the governing
18	body of the county may:
19	(a) conduct a public hearing to determine whether the proposed facility will significantly affect the
20	quality of life of adjoining landowners and the surrounding community; and
21	(b) adopt a resolution in support of or opposition to the location of the proposed facility and
22	transmit a copy of the resolution to the department.
23	(3) The department may not grant a license to a facility that a governing body has opposed under
24	subsection (2)(b). Action by the department pursuant to this subsection is not a decision of the department
25	for purposes of appeal.
26	(4) In making its decision to grant or deny a license application for a newly proposed facility, the
27	department shall consider the effect of the proposed facility on adjoining landowners and land uses. <u>The</u>
28	anticipated effect may be the basis for a denial of a license."
29	
30	Section 13. Section 75-10-532, MCA, is amended to read:



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4	"75-10-532. Disposition of moneys money collected. All moneys money received from the sale of
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2	the junk vehicles or from recycling of the material and all motor vehicle wrecking facility license fees and
3	fees collected as motor vehicle disposal fees shall <u>must</u> be deposited with the state treasurer to be utilized
4	used for:
5	(1) the control, collection, recycling, and disposal of junk vehicles and component parts ; and
6	(2) implementation by the department of health and environmental sciences during the 1987
7	biennium of the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980
8	in accordance with 75-10-601-through 75-10-604, and the Montana Hazardous Waste Act in accordance
9	with 75-10-401 through 75-10-421, up to an amount not exceeding \$58,690."
10	
11	Section 14. Section 75-10-541, MCA, is amended to read:
12	"75-10-541. Injunction action to collect civil penalty authority of department of justice. (1) The
13	department may sue to enjoin the operation or maintenance of a motor vehicle wrecking facility or
14	graveyard either permanently or until compliance with this part, the rules of the department, or an order
15	issued pursuant to this part has been demonstrated institute and maintain in the name of the state any
16	enforcement proceedings against any person who violates:
17	(a) this part, except 75-10-520;
18	(b) a rule of the department; or
1 9	(c) an order issued pursuant to this part.
20	(2) The department may sue in district court to collect a civil penalty as provided in 75-10-542.
21	(3) Upon request of the department, the attorney general or the county attorney of the county in
22	which a motor vehicle wrecking facility or motor vehicle graveyard is located may petition the district court
23	to enjoin further operation or maintenance of a motor vehicle wrecking facility or motor vehicle graveyard
24	or to impose, assess, and recover a civil penalty, as appropriate.
25	(4) The department of justice, through the attorney general or the county attorney of the county
26	in which a facility is located, may sue in district court to collect a civil penalty, as provided in 75-10-542,
27	for violations of 75-10-512 or 75-10-513(2) discovered during department of justice inspections."
28	
2 9	Section 15. Section 75-10-542, MCA, is amended to read:
30	"75-10-542. Penalties. (1) A person who willfully violates this part, except 75-10-520, is guilty
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of a misdemeanor and upon conviction shall be fined <u>an amount</u> not to exceed \$250, imprisoned in the
county jail for a term not to exceed 30 days, or both.

3 (2) A person who violates this part, except 75-10-520, a rule of the department, or an order issued
4 as provided in this part shall be is subject to a civil penalty of not more than \$50. Each day upon which
5 a of each violation of this part or a rule or order occurs is a separate violation."

6

7 <u>NEW SECTION.</u> Section 16. Administrative enforcement. (1) When the department believes that 8 a violation of this part or a rule adopted under this part has occurred, it may serve written notice of the 9 violation by certified mail on the alleged violator or the violator's agent. Service by mail is complete on the 10 date of mailing.

11 (2) The notice must specify the provision of this part or the rule alleged to be violated and the facts 12 alleged to constitute a violation. The notice may include an order to take corrective action within a 13 reasonable period of time stated in the order. The order becomes final unless, within 30 days after the 14 notice is served, the person named makes a written request for a hearing before the board.

15 (3) On receipt of the request for a hearing, the board shall schedule a hearing.

16 (4) If, after a hearing, the board finds that a violation has occurred, it shall affirm or modify the 17 department's order. An order issued by the board or the department may prescribe time limits for particular 18 action. If, after a hearing, the board finds no violation has occurred, it shall rescind the department's order.

(5) This section does not prevent the board or department from making efforts to obtain voluntary
 compliance through warning, conference, or any other appropriate means.

21

22 <u>NEW SECTION.</u> Section 17. Codification instruction. [Section 16] is intended to be codified as 23 an integral part of Title 75, chapter 10, part 5, and the provisions of Title 75, chapter 10, part 5, apply to 24 [section 16].

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Montana Legisiative Council

NEW SECTION. Section 18. Effective date. [This act] is effective on passage and approval.

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0142, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act generally revising laws concerning junk vehicles and motor vehicle wrecking facilities; including a demolition derby vehicle in the definition of junk vehicle; establishing an initial license application fee; providing for administrative enforcement of junk vehicle and motor vehicle wrecking facility laws; and providing an immediate effective date.

ASSUMPTIONS:

- 1. The Executive present law base budget serves as the point from which any fiscal impact will be calculated, due to the proposed legislation.
- 2. The Department of Health and Environmental Sciences (DHES) will receive ten new applications for establishment and licensing of new motor vehicle wrecking facilities per year. The cost of the license application is \$200.
- 3. During FY97, the persons who received licenses in FY96 will need to pay a \$50 license renewal fee.
- 4. Existing program resources will be utilized to process these applications.

FISCAL IMPACT:

<u>Revenues:</u>

	<u>FY96</u> Difference	<u>FY97</u> Difference
Wrecking Facility Fee	2,000	2,500
<u>Net Impact:</u>	FY96 Difference	FY97 Difference
State Special Revenue	2,000	2,500

DAVE LEWIS, BUDGET DIRECTOR DATE Office of Budget and Program Planning

THOMAS BECK, PRIMARY SPONSOR DATE

Fiscal Note for <u>SB0142</u>, as introduced SB 142

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6	VEHICLE IN THE DEFINITION OF JUNK VEHICLE; ESTABLISHING AN INITIAL LICENSE APPLICATION FEE;
7	PROVIDING FOR ADMINISTRATIVE ENFORCEMENT OF JUNK VEHICLE AND MOTOR VEHICLE WRECKING
8	FACILITY LAWS; AMENDING SECTIONS 61-3-211, 61-12-402, 75-10-501, 75-10-503, 75-10-504,
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12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
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18	department within 15 days after acquiring the certificate. If the insurer has not sold the salvage vehicle prior
19	to the time of surrendering the certificate of ownership, the insurer shall apply for a salvage certificate on
20	a form prescribed by the department. If the certificate of ownership names one or more holders of a
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22	from each secured party of the secured interest.
23	(2) Upon receipt of a properly executed certificate of ownership and a salvage certificate
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25	days of the date of receipt of the application. Upon receipt of a salvage certificate issued by the
26	department, an insurer may possess, retain, transport, sell, transfer, or otherwise dispose of the salvage
27	vehicle. The salvage certificate is prima facie evidence of ownership of a salvage vehicle.
28	(3) If the insurer sells a salvage vehicle within the 15-day period established in subsection (1) prior
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prescribed by the department. The insurer shall deliver the original salvage receipt to the salvage vehicle

purchaser only after obtaining a clear title and lien release. Prior to disposing of the salvage vehicle, the salvage vehicle purchaser shall apply for a salvage certificate by completing the salvage receipt and submitting it to the department. The insurer shall deliver a copy of the salvage receipt with the surrendered certificate of ownership to the department. Upon receipt of the certificate of ownership from the insurer and the application from the salvage vehicle purchaser, the department shall issue a salvage certificate to the salvage vehicle purchaser that is prima facie evidence of ownership.

7 (4) If an insurer determines that a salvage vehicle will remain with the owner after an agreed 8 settlement, the insurer shall notify the department of the settlement on a form prescribed by the 9 department. Upon receipt of the notice, the department may require the owner to surrender the certificate 10 of ownership in compliance with this part, regardless of whether ownership of the salvage vehicle was 11 obtained in a jurisdiction not requiring the surrender of the certificate of ownership or a comparable 12 ownership document.

13 (5) At the time of surrender of a certificate of ownership for a salvage vehicle not acquired by an 14 insurer, the department shall issue a salvage certificate to the owner. Upon receipt of a salvage certificate 15 issued by the department to a noninsurer, the owner may possess, retain, transport, sell, transfer, or 16 otherwise dispose of the salvage vehicle. A salvage certificate is prima facie evidence of ownership of a 17 salvage vehicle.

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(6) A fee of \$5 must be paid to the department for the issuance of a salvage certificate.

(7) A salvage vehicle owned by or in the inventory of a motor vehicle wrecking facility on October
1, 1991, is exempt from the provisions of this section if the owner of the facility has complied with the
provisions of 75 10 513(2) <u>75-10-512(3)</u>."

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Section 2. Section 61-12-402, MCA, is amended to read:

24 "61-12-402. Notice to owner. (1) Within 72 hours after any <u>a</u> vehicle is removed and held by or 25 at the direction of the Montana highway patrol, the highway patrol shall notify the sheriff of the county in 26 which the vehicle was located at the time it was taken into custody and the place where the vehicle is 27 being held. In addition, the Montana highway patrol shall furnish the sheriff with a complete description of 28 the vehicle, including year, make, model, serial number, and license number if available; any costs incurred 29 to that date in the removal, storage, and custody of the vehicle; and any available information concerning 30 its ownership.



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1 (2) The sheriff or the city police shall make reasonable efforts to ascertain the name and address 2 of the owner, lienholder, or person entitled to possession of the vehicle taken into custody under 3 61-12-401. If a name and address are ascertained, the sheriff or the city police shall notify the owner and 4 lienholder or person of the location of the vehicle.

5 (3) If the vehicle is registered in the office of the department, notice is considered to have been 6 given when a registered or certified letter addressed to the registered owner of the vehicle and lienholder, 7 if any, at the latest address shown by the records in the office of the department, return receipt requested 8 and postage prepaid, is mailed at least 30 days before the vehicle is sold.

9 (4) If the identity of the last-registered owner cannot be determined, if the registration does not 10 contain an address for the owner, or if it is impossible to determine with reasonable certainty the identity 11 and addresses of all lienholders, notice by one publication in one newspaper of general circulation in the 12 county where the motor vehicle was abandoned is sufficient to meet all requirements of notice pursuant 13 to this part. The notice by publication ean <u>may</u> contain multiple listings of abandoned vehicles. The notice 14 must be provided in the same manner as prescribed in 25-13-701(1)(b).

15 (5) If the abandoned vehicle is in the possession of a motor vehicle wrecking facility licensed under 16 75-10-511, the wrecking facility may make the required search to ascertain the name and address of the 17 owner, lienholder, or person entitled to possession of the vehicle and shall give the notices required in 18 subsections (2) through (4). The wrecking facility shall deliver to the sheriff or the city police a certificate 19 describing the efforts made to ascertain the name and address of the owner, lienholder, or person entitled 20 to possession of the vehicle and shall deliver to the sheriff or the city police proof of the notice given.

(6) A vehicle found by law enforcement officials to be a "junk vehicle" as defined by 21 22 75-10-501(4)(a)(i) through (4)(a)(iii) and certified as having an appraised value of \$100 or less as 23 determined by the department of revenue may be directly submitted for disposal in accordance with the 24 provisions of part 5 of chapter 10, Title 75, chapter 10, part 5, upon a release given by the sheriff or the 25 city police. In the release, the sheriff or the city police shall include a description of the vehicle, including 26 year, make, model, serial number, and license number if available. A release provided by the sheriff or the 27 city police under this section must be transmitted to the motor vehicle wrecking facility and must be 28 considered by that facility to meet the requirements for records under 75-10-512 and 75-10-513. Vehicles 29 described in this section may be submitted without notice and without a required holding period."

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1	Section 3. Section 75-10-501, MCA, is amended to read:
2	"75-10-501. Definitions. Unless the context requires otherwise, in this part, the following
3	definitions apply:
4	(1) "Board" means the board of health and environmental sciences provided for in 2-15-2104.
5	(2) "Component part" means any identifiable part of a discarded, ruined, wrecked, or dismantled
6	motor vehicle, including but not limited to fenders, doors, hoods, engine blocks, motor parts, transmissions,
7	frames, axles, wheels, tires, and passenger compartment fixtures.
8	(3) "Department" means the department of health and environmental sciences provided for in Title
9	2, chapter 15, part 21.
10	(4) <u>(a)</u> "Junk vehicle" means a discarded, ruined, wrecked, or dismantled motor vehicle, including
11	component parts, which that:
12	(i) is discarded, ruined, wrecked, or dismantled;
13	(ii) is not lawfully and validly licensed; and
14	(iii) remains inoperative or incapable of being driven; or
15	(iv) has been modified for use in a demolition derby OR FOR STOCK CAR RACING AND EXHIBITS
16	OBVIOUS DAMAGE TO ITS BODY COMPONENTS.
17	(b) As used in this subsection (4), "demolition derby" means a public show in which automobiles
18	are driven into one another repeatedly until only one automobile is still moving.
19	(5) (a) "Motor vehicle" means a vehicle propelled by its own power and designed primarily to
20	transport persons or property upon the highways of the state.
21	(b) The term does not include a motorhome, trailer, motorcycle, or two-wheeled vehicle.
22	(5) (6) "Motor vehicle graveyard" means a collection point established by a county for junk motor
23	vehicles prior to their disposal.
24	(6)(7) "Motor vehicle wrecking facility" means:
25	(a) a facility buying, selling, or dealing in four or more vehicles per <u>a</u> year, of a type required to be
26	licensed, for the purpose of wrecking, dismantling, disassembling, or substantially changing the form of the
27	motor vehicle; or
28	(b) a facility that buys or sells component parts, in whole or in part, and deals in secondhand motor
29	vehicle parts. A facility that buys or sells component parts of a motor vehicle, in whole or in part, is a motor
30	vehicle wrecking facility whether or not the buying or selling price is based upon weight or any other type



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of classification. The term does not include a garage where wrecked or disabled motor vehicles are 1 2 temporarily stored for a reasonable period of time for inspection, repairs, or subsequent removal to a 3 junkyard. (7)(8) "Person" means any individual, firm, partnership, company, association, corporation, city, 4 5 town, local governmental entity, or any other governmental or private entity, whether organized for profit 6 or not. 7 (9) "Public view" means any point 6 feet above the surface of the center of a public road from 8 which junk vehicles can be seen. 9 (9)(10) "Shielding" means the construction or use of fencing or manmade or natural barriers to 10 conceal junk vehicles from public view." 11 Section 4. Section 75-10-503, MCA, is amended to read: 12 "75-10-503. Adoption of rules. (1) The department shall adopt rules necessary for the 13 14 administration of this part, except 75-10-520, including but not limited to rules pertaining to: (a) the establishment, control, operation, and licensing of motor vehicle wrecking facilities and 15 16 graveyards; 17 (b) the control of junk vehicles in locations other than motor vehicle wrecking facilities and 18 graveyards; 19 (c) the inspection and evaluation of premises and records subject to or required by this part; 20 (d) the development of budget and fiscal forms and procedures for counties; 21 (e) the review, approval, and control procedures for county motor vehicle graveyards developed 22 under this part; and 23 (f) the shielding of a junk vehicle and motor vehicle wrecking facility and graveyard from public 24 view. The department may not adopt a rule which that requires any motor vehicle wrecking facility that 25 existed prior to July 1, 1973, and has been continuously utilized thereafter operated since that date as a 26 motor vehicle wrecking facility to construct a fence or manmade barrier which that would be in excess of 27 12 feet in height. 28 (2) The department of health and onvironmental sciences shall adopt rules authorizing the sale of 29 junk vehicles by county motor vehicle graveyards to licensed motor vehicle wrecking facilities. The

30 department shall adopt these rules no later than July 1, 1992."



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1	Section 5. Section 75-10-504, MCA, is amended to read:
2	"75-10-504. Shielding new facility. (1) A motor vehicle wrecking facility or motor vehicle
3	graveyard site established or proposed on or after July 1, 1973, may not be approved for use or licensed
4	if the proposed facility cannot be shielded from public view on the date <u>on which</u> it is initially established
5	or proposed to the department for licensure.
6	(2) The prohibition concerning approval of a new motor vehicle wrecking facility or graveyard site
7	in subsection (1) does not apply to a applications for licensure because of a change in ownership if the
8	facility site that was licensed as such at any time within the 18 months immediately preceding the date an
9	on which the new owner submits a license application is made for licensure of such site."
10	
11	Section 6. Section 75-10-505, MCA, is amended to read:
12	"75-10-505. Shielding and removal of junk vehicles generally. (1) Notwithstanding the provisions
13	of this part, any <u>a</u> person possessing one or more junk vehicles, regardless of ownership, shall shield the
14	vehicles from public view or remove the vehicles to a licensed motor vehicle wrecking facility or to a
15	licensed motor vehicle graveyard after the vehicles are released from the owner.
16	(2) Small accumulations of salvageable Accumulations of six FOUR or fewer junk vehicles or
17	component parts , none of which are offered for sale, retained by active farming or ranching operations for
18	repair and maintenance of vehicles, or <u>for repair or maintenance of</u> agricultural equipment used in their
19	operations, are exempted from this requirement."
20	
21	Section 7. Section 75-10-511, MCA, is amended to read:
22	"75-10-511. Motor vehicle wrecking facility and motor vehicle graveyard licenses. (1) A person
23	may not conduct, maintain, or operate a motor vehicle wrecking facility or motor vehicle graveyard without
24	a license issued by the department.
25	(2) Application for the a motor vehicle wrecking facility or motor vehicle graveyard license shall
26	must be made on forms furnished by the department.
27	(3) An application for a license for a new motor vehicle wrecking facility must be accompanied by
28	a \$200 nonrefundable application review fee payable to the department.
29	(4) Subject to 75-10-504, a person applying for a motor vehicle wrecking facility license for an
30	existing facility shall accompany the application with an application review fee of \$50.



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1	(3)(5) An annual license renewal fee of \$50 shall must be paid to the department for the license
2	or quartorly prorated for new facilities.
3	(4)(6) A motor vehicle graveyard is excluded from paying the annual license renewal fee but must
4	meet all other requirements of the this part.
5	(5)(7) A license shall must be displayed in a prominent place in the licensed facility or graveyard.
6	(6)(8) The license Motor vehicle wrecking facility and motor vehicle graveyard licenses expires
7	expire on December 31 of the year issued.
8	(7)(9) If a motor vehicle wrecking facility ceases to do business <u>or is sold</u> , the license shall <u>must</u>
9	be surrendered to the department. The license is not transferable to new or additional owners or to new
10	locations."
11	
12	Section 8. Section 75-10-512, MCA, is amended to read:
13	"75-10-512. Records required of facilities. (1) Each motor vehicle wrecking facility shall maintain
14	books or files in which are kept a record and description of every each junk vehicle obtained by it, together
15	with the name and address of the person from whom the vehicle was purchased.
16	(2) This record must also contain:
17	(a) the original or a facsimile of the certificate of ownership, sheriff's certificate of sale, notarized
18	bill of sale from the former owner or person selling the vehicle, release of ownership or interest in the motor
19	vehicle, or sheriff's release;
20	(b) the name of the state where the vehicle was last registered;
21	(c) the make of the vehicle;
22	(d) the vehicle identification number, as defined in $61-3-210_{1}$ or the motor number, identification
23	number, or serial number;
24	(e) the date purchased; <u>and</u>
25	(f) the disposition of the vehicle.
26	(3) Quarterly, each motor vehicle wrecking facility shall mail to the department of justice, on a form
27	approved by the department of justice, a list of all junk vehicles received by the motor vehicle wrecking
28	facility during the guarter. The list must contain the year, make, and complete identification number for
29	each vehicle. If a certificate of ownership is received for a junk vehicle on the list, that certificate must
30	accompany the list. The department of justice shall issue a receipt for the certificate of ownership if

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1	requested by the facility, and the receipt may be used for reclaiming the certificate of ownership if the
2	vehicle is rebuilt.
3	(3)(4) An authorized representative of the department of justice who presents credentials may also
4	inspect, have access to, and copy records required under this section."
5	
6	Section 9. Section 75-10-513, MCA, is amended to read:
7	"75-10-513. Disposal of junk vehicles fees and records. (1) When a motor vehicle wrecking
8	facility submits a junk vehicle to the disposal county junk vehicle program, it shall pay a disposal fee of \$2
9	for each vehicle submitted, and the vehicle is then the property of the state.
10	(2)-Quarterly, each wrecking facility shall mail to the department of justice a list, on a form
11	approved by the department of justice, of all junk vohioles received during the quarter, stating the year,
12	make, and the complete identification number of each vehicle. Any cortificate of ownership received for
13	junk vehicles must accompany each list. The department of justice shall issue a receipt of [for] the
14	certificate of ownership if requested by the liconcod facility, and such receipt may serve as an instrument
15	for reclaiming the certificate of ownership if the vehicle is rebuilt.
16	(3) A motor vehicle graveyard shall submit to the department the records, documents, and other
17	information concerning junk vehicles received by it that are required by rules of the department."
18	
19	Section 10. Section 75-10-514, MCA, is amended to read:
20	"75-10-514. Denial, suspension, or revocation of license grounds. The department may deny,
21	suspend, refuse to renew, or revoke a motor vehicle wrecking facility's license when it proves that the
22	business:
23	(1) sold or otherwise disposed of a motor vehicle , trailer, or any <u>component</u> part thereof when it
24	knew the motor vehicle or component part was stolen or was appropriated without the consent of the
25	owner;
26	(2) committed forgery on a certificate of title covering a vehicle that has been reassembled from
27	component parts obtained from the disassembling of other motor vehicles;
28	(3) committed any illegal act or omission which <u>that</u> has caused loss as the result of a sale of a
29	motor vehicle , trailer, or <u>component</u> part thoreof ;
30	(4) failed to comply with this part, an order of the department, or with a rule of the department;

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1	(5) obtained a license fraudulently."
2	
3	Section 11. Section 75-10-515, MCA, is amended to read:
4	"75-10-515. Appeals. (1) A decision by the department to issue, deny, or revoke a motor vehicle
5	wrecking facility or graveyard license may be appealed, in writing, to the board within 30 days after receipt
6	of official notice of the department's decision.
7	(2) The board does not have jurisdiction to hear an appeal of a county's decision under
8	75-10-516(2) or an appeal from denial of a license when issuance is prohibited under 75-10-516(3)."
9	
10	Section 12. Section 75-10-516, MCA, is amended to read:
11	"75-10-516. Motor vehicle wrecking facilities and motor vehicle graveyards licensing process
12	decision criteria. (1) When an application for a newly proposed motor vehicle wrecking facility or newly
13	proposed motor vehicle graveyard is filed with the department, the department shall notify by mail:
14	(a) each owner of property adjoining the proposed facility;
15	(b) the governing body of the county in which the proposed facility is to be located; and
16	(c) a newspaper of general circulation in the area where the proposed facility is to be located.
17	(2) Within 30 days of receipt of the notification in required under subsection (1)(b), the governing
18	body of the county may:
19	(a) conduct a public hearing to determine whether the proposed facility will significantly affect the
20	quality of life of adjoining landowners and the surrounding community; and
21	(b) adopt a resolution in support of or opposition to the location of the proposed facility and
22	transmit a copy of the resolution to the department.
23	(3) The department may not grant a license to a facility that a governing body has opposed under
24	subsection (2)(b). Action by the department pursuant to this subsection is not a decision of the department
25	for purposes of appeal.
26	(4) In making its decision to grant or deny a license application for a newly proposed facility, the
27	department shall consider the effect of the proposed facility on adjoining landowners and land uses. <u>The</u>
28	anticipated effect may be the basis for a denial of a license."
29	
30	Section 13. Section 75-10-532, MCA, is amended to read:



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1	"75-10-532. Disposition of moneys money collected. All moneys money received from the sale of
	the junk vehicles or from recycling of the material and all motor vehicle wrecking facility license fees and
2	
3	fee's collected as motor vehicle disposal fees shall <u>must</u> be deposited with the state treasurer to be utilized
4	used for:
5	(1) the control, collection, recycling, and disposal of junk vehicles and component parts ; and
6	(2) implementation by the department of health and environmental sciences during the 1987
7	biennium of the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980
8	in accordance with 75-10-601 through 75-10-604, and the Montana Hazardous Waste Act in accordance
9	with 75-10-401 through 75-10-421, up to an amount not exceeding \$58,690."
10	
11	Section 14. Section 75-10-541, MCA, is amended to read:
12	"75-10-541. Injunction action to collect civil penalty authority of department of justice. (1) The
13	department may sue to enjoin the operation or maintenance of a motor vehicle wrecking facility or
14	graveyard either permanently or until compliance with this part, the rules of the department, or an order
15	issued pursuant to this part has been demonstrated institute and maintain in the name of the state any
16	enforcement proceedings against any person who violates:
17	(a) this part, except 75-10-520;
18	(b) a rule of the department; or
19	(c) an order issued pursuant to this part.
20	(2) The department may sue in district court to collect a civil penalty as provided in 75-10-542.
21	(3) Upon request of the department, the attorney general or the county attorney of the county in
22	which a motor vehicle wrecking facility or motor vehicle graveyard is located may petition the district court
23	to enjoin further operation or maintenance of a motor vehicle wrecking facility or motor vehicle graveyard
24	or to impose, assess, and recover a civil penalty, as appropriate.
25	(4) The department of justice, through the attorney general or the county attorney of the county
26	in which a facility is located, may sue in district court to collect a civil penalty, as provided in 75-10-542,
27	for violations of 75-10-512 or 75 10 513(2) discovered during department of justice inspections."
28	
29	Section 15. Section 75-10-542, MCA, is amended to read:
30	"75-10-542. Penalties. (1) A person who willfully violates this part, except 75-10-520, is guilty
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of a misdemeanor and upon conviction shall be fined <u>an amount</u> not to exceed \$250, imprisoned in the
county jail for a term not to exceed 30 days, or both.

3 (2) A person who violates this part, except 75-10-520, a rule of the department, or an order issued
4 as provided in this part shall be is subject to a civil penalty of not more than \$50. Each day upon which
5 a of each violation of this part or a rule or order occurs is a separate violation."

6

7 <u>NEW SECTION.</u> Section 16. Administrative enforcement. (1) When the department believes that 8 a violation of this part or a rule adopted under this part has occurred, it may serve written notice of the 9 violation by certified mail on the alleged violator or the violator's agent. Service by mail is complete on the 10 date of mailing.

11 (2) The notice must specify the provision of this part or the rule alleged to be violated and the facts 12 alleged to constitute a violation. The notice may include an order to take corrective action within a 13 reasonable period of time stated in the order. The order becomes final unless, within 30 days after the 14 notice is served, the person named makes a written request for a hearing before the board.

(3) On receipt of the request for a hearing, the board shall schedule a hearing.

(4) If, after a hearing, the board finds that a violation has occurred, it shall affirm or modify the
department's order. An order issued by the board or the department may prescribe time limits for particular
action. If, after a hearing, the board finds no violation has occurred, it shall rescind the department's order.
(5) This section does not prevent the board or department from making efforts to obtain voluntary

20 compliance through warning, conference, or any other appropriate means.

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22 <u>NEW SECTION.</u> Section 17. Codification instruction. [Section 16] is intended to be codified as 23 an integral part of Title 75, chapter 10, part 5, and the provisions of Title 75, chapter 10, part 5, apply to 24 [section 16].

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NEW SECTION. Section 18. Effective date. [This act] is effective on passage and approval.

-END-

1	SENATE BILL NO. 142
2	INTRODUCED BY BECK
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS CONCERNING JUNK VEHICLES
5	AND MOTOR VEHICLE WRECKING FACILITIES; INCLUDING A DEMOLITION DERBY OR STOCK CAR
6	VEHICLE IN THE DEFINITION OF JUNK VEHICLE; ESTABLISHING AN INITIAL LICENSE APPLICATION FEE;
7	PROVIDING FOR ADMINISTRATIVE ENFORCEMENT OF JUNK VEHICLE AND MOTOR VEHICLE WRECKING
8	FACILITY LAWS; AMENDING SECTIONS 61-3-211, 61-12-402, 75-10-501, 75-10-503, 75-10-504,
9	75-10-505, 75-10-511, 75-10-512, 75-10-513, 75-10-514, 75-10-515, 75-10-516, 75-10-532,
10	75-10-541, AND 75-10-542, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
11	
12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

THERE ARE NO CHANGES IN THIS BILL AND WILL NOT BE REPRINTED. PLEASE REFER TO YELLOW COPY FOR COMPLETE TEXT.



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