

## 1 SENATE BILL NO. 319

2 INTRODUCED BY J. SONJU

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING MOTOR VEHICLE LAWS RELATED TO  
5 THE USE OF AUTHORIZED AGENTS IN THE PROCESSING OF VEHICLE TITLES, REGISTRATION, AND  
6 LICENSING; AMENDING SECTIONS 15-1-504, 61-3-205, 61-3-211, 61-3-225, 61-3-303, 61-3-311, 61-3-331,  
7 61-3-338, 61-3-414, 61-3-415, 61-3-465, 61-3-467, 61-3-480, 61-4-111, AND 61-4-112, MCA; AND PROVIDING  
8 AN EFFECTIVE DATE."

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

11  
12 **Section 1.** Section 15-1-504, MCA, is amended to read:  
13 **"15-1-504. Settlement of county treasurer with department.** (1) Except as provided in subsections  
14 (2) and (3), the county treasurer, between the 1st and 20th days of each month, shall remit to the department all  
15 money belonging to the state that was collected by the county treasurer during the preceding month. The  
16 remittance must be accompanied by a detailed report upon a form that the department prescribes. The  
17 department may assess counties an interest charge of 10% a year on all money not remitted within 5 days from  
18 the time required by this section.

19 (2) By June 20 of each year, the county treasurer shall remit to the department an estimate of all money  
20 belonging to the state that was collected by the county treasurer by June 15, in addition to the amount collected  
21 during the preceding month. By July 15, the county treasurer shall remit all money belonging to the state that was  
22 collected by the county treasurer during the remainder of June.

23 (3) ~~Beginning July 1, 2006, the~~ The county treasurer and each authorized agent, as defined in 61-1-101,  
24 shall remit to the department of justice by the 20th of each month all state money that was collected by the county  
25 treasurer or authorized agent due to motor vehicle, vessel, and snowmobile transactions during the preceding  
26 month. The remittance must be accompanied by a detailed report upon a form prescribed by the department of  
27 justice. The department may assess counties and authorized agents an interest charge, at the rate of 10% a year,  
28 on all money that is not remitted by the prescribed time."

29  
30 **Section 2.** Section 61-3-205, MCA, is amended to read:

1           **"61-3-205. Transfer of ownership of vehicles by insurance company.** (1) (a) Except as provided in  
2 subsection (2), an insurance company or its adjuster that has taken possession of a motor vehicle, trailer,  
3 semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile as a result of settling  
4 an insurance claim and that transfers ownership of the motor vehicle, trailer, semitrailer, pole trailer, camper,  
5 motorboat, personal watercraft, sailboat, or snowmobile shall deliver to the transferee at the time of transfer a  
6 certificate of title signed and acknowledged by the registered owner or owners before the county treasurer, a  
7 deputy county treasurer, an authorized agent, or a notary public.

8           (b) If the certificate of title names one or more holders of a perfected security interest in the motor  
9 vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile, the  
10 insurance company or its adjuster shall also secure and deliver to the transferee a release from the secured party  
11 of the security interest.

12           (2) (a) The registered owner or owners may use an electronic signature pursuant to Title 30, chapter 18,  
13 part 1, on the certificate of title or on a limited power of attorney to assign ownership of a motor vehicle, trailer,  
14 semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile. The department may  
15 prescribe the form of the limited power of attorney to be used for this purpose. A certificate of title transferred with  
16 an electronic signature does not require acknowledgment by the county treasurer, a deputy county treasurer, an  
17 authorized agent, or a notary public. A power of attorney executed under authority of this subsection (2)(a) does  
18 not require notarization.

19           (b) A secured party may release a perfected security interest in a motor vehicle, trailer, semitrailer, pole  
20 trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile under this section by electronic signature  
21 pursuant to Title 30, chapter 18, part 1."  
22

23           **Section 3.** Section 61-3-211, MCA, is amended to read:

24           **"61-3-211. Surrender of certificate of title -- issuance of salvage certificate -- salvage retitling**  
25 **requirements.** (1) An insurer acquiring ownership of a motor vehicle that is less than 15 years of age and that  
26 the insurer determines to be a salvage vehicle shall surrender the certificate of title to the department within 15  
27 days after acquiring the certificate of title. If the insurer has not sold the salvage vehicle prior to the time of  
28 surrendering the certificate of title, the insurer shall apply for a salvage certificate on a form prescribed by the  
29 department. If the certificate of title names one or more holders of a perfected security interest in the motor  
30 vehicle, the insurer shall secure and deliver to the department or an authorized agent a release from each

1 secured party of the secured interest.

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

7 (3) If the insurer sells a salvage vehicle within the 15-day period established in subsection (1) prior to  
8 surrendering the certificate of title, the insurer shall complete a salvage receipt on a form prescribed by the  
9 department. The insurer shall deliver the original salvage receipt to the salvage vehicle purchaser only after  
10 obtaining a clear title and lien release. Prior to disposing of the salvage vehicle, the salvage vehicle purchaser  
11 shall apply for a salvage certificate by completing the salvage receipt and submitting it to the department or an  
12 authorized agent. The insurer shall deliver a copy of the salvage receipt with the surrendered certificate of title  
13 to the department or an authorized agent. Upon receipt of the certificate of title from the insurer and the  
14 application from the salvage vehicle purchaser, the department shall issue a salvage certificate to the salvage  
15 vehicle purchaser that is prima facie evidence of ownership.

16 (4) If an insurer determines that a salvage vehicle will remain with the owner after an agreed settlement,  
17 the insurer shall notify the department or an authorized agent of the settlement on a form prescribed by the  
18 department. Upon receipt of the notice, the department may require the owner to surrender the certificate of title  
19 in compliance with this part, regardless of whether ownership of the salvage vehicle was obtained in a jurisdiction  
20 not requiring the surrender of the certificate of title or a comparable ownership document.

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

25 (6) A fee of \$5 must be paid to the department for the issuance of a salvage certificate. An authorized  
26 agent may charge a fee in addition to the \$5 fee payable to the department.

27 (7) A salvage vehicle owned by or in the inventory of a motor vehicle wrecking facility on October 1,  
28 1991, is exempt from the provisions of this section if the owner of the facility has complied with the provisions of  
29 61-3-225."  
30

1           **Section 4.** Section 61-3-225, MCA, is amended to read:

2           **"61-3-225. Motor vehicle wrecking facility quarterly reports.** Quarterly, the owner or operator of a  
3 motor vehicle wrecking facility, as defined in 75-10-501, shall ~~mail~~ deliver to the department or an authorized  
4 agent, on a form approved by the department, a list of all junk vehicles, as defined in 75-10-501, received by the  
5 owner or operator of the motor vehicle wrecking facility during the quarter, stating the year, make, and complete  
6 identification number of each vehicle. If the owner or operator of a motor vehicle wrecking facility received a  
7 certificate of title when the owner or operator of the facility received a junk vehicle on the list, that certificate of  
8 title must accompany the list. The department shall issue a receipt for the certificate of title if requested by the  
9 owner or operator of the facility, and the receipt may serve as an instrument for reclaiming the certificate of title  
10 if the vehicle is rebuilt."  
11

12           **Section 5.** Section 61-3-303, MCA, is amended to read:

13           **"61-3-303. Original registration -- process -- fees.** (1) Except as provided in 61-3-324, a Montana  
14 resident who owns a motor vehicle, trailer, semitrailer, or pole trailer operated or driven upon the public highways  
15 of this state shall register the motor vehicle, trailer, semitrailer, or pole trailer ~~in the office of the county treasurer~~  
16 in the county where the owner is domiciled.

17           (2) Except as provided in subsections (3) and (11), the county treasurer or an authorized agent shall  
18 register any vehicle for which:

19           (a) as of the date that the motor vehicle, trailer, semitrailer, or pole trailer is to be registered, the owner  
20 delivers an application for a certificate of title to the department, ~~its~~ an authorized agent, or a county treasurer;  
21 or

22           (b) the county treasurer or an authorized agent confirms that the department has an electronic record  
23 of title for the motor vehicle, trailer, semitrailer, or pole trailer as provided under 61-3-101.

24           (3) (a) A county treasurer or an authorized agent may register a motor vehicle, trailer, semitrailer, or pole  
25 trailer for which a certificate of title and registration were issued in another jurisdiction and for which registration  
26 is required under 61-3-701 after the county treasurer or the authorized agent examines the current  
27 out-of-jurisdiction registration certificate or receipt and receives payment of the fees required in 61-3-701. The  
28 county treasurer or an authorized agent may ask the motor vehicle, trailer, semitrailer, or pole trailer owner to  
29 provide additional information, prescribed by the department, to ensure that the electronic record of registration  
30 maintained by the department is complete.

1 (b) A county treasurer or an authorized agent may register a motor vehicle, trailer, semitrailer, or pole  
2 trailer for which the new owner cannot, due to circumstances beyond the new owner's control, surrender a  
3 previously assigned certificate of title. The new owner may submit an application for certificate of title, subject to  
4 the registration renewal limitations of 61-3-312.

5 (4) Upon registering a motor vehicle, trailer, semitrailer, or pole trailer for the first time in this state, the  
6 county treasurer or an authorized agent shall:

7 (a) update the electronic record of title, if any, maintained for the vehicle by the department under  
8 61-3-101;

9 (b) assign a registration period for the vehicle under 61-3-311;

10 (c) determine the vehicle's age, if required, under 61-3-501;

11 (d) determine the amount of fees, including local option taxes or fees, to be paid under subsection (5);

12 and

13 (e) assign and issue license plates for the vehicle under 61-3-331.

14 (5) Unless otherwise provided by law, a person registering a motor vehicle shall pay to the county  
15 treasurer or an authorized agent:

16 (a) the fees in lieu of tax or registration fees as required for:

17 (i) a light vehicle under 61-3-321 or 61-3-562, in addition to, if applicable, any local option tax or fee  
18 under 61-3-537 or 61-3-570;

19 (ii) a motor home under 61-3-321;

20 (iii) a travel trailer under 61-3-321;

21 (iv) a motorcycle or quadricycle under 61-3-321;

22 (v) a bus, a truck having a manufacturer's rated capacity of more than 1 ton, or a truck tractor under  
23 61-3-321 and 61-3-529; or

24 (vi) a trailer under 61-3-321;

25 (b) a donation of \$1 or more if the person indicates that the person wishes to donate to promote  
26 awareness and education efforts for procurement of organ and tissue donations in Montana to favorably impact  
27 anatomical gifts; and

28 (c) a donation of \$1 or more if the person indicates that the person wishes to donate to promote  
29 education on, support for, and awareness of traumatic brain injury.

30 (6) The county treasurer or an authorized agent may not issue a registration receipt or license plates for

1 the motor vehicle, trailer, semitrailer, or pole trailer to the owner unless the owner makes the payments required  
2 by subsection (5).

3 (7) The department may make full and complete investigation of the registration status of the motor  
4 vehicle, trailer, semitrailer, or pole trailer. A person seeking to register a motor vehicle, trailer, semitrailer, or pole  
5 trailer under this section shall provide additional information to support the registration to the department if  
6 requested.

7 (8) Revenue that accrues from the voluntary donation provided in subsection (5)(b) must be forwarded  
8 by the respective county treasurer or an authorized agent to the department for deposit in the state special  
9 revenue fund to the credit of an account established by the department of public health and human services to  
10 support activities related to awareness and education efforts for procurement of organ and tissue donations for  
11 anatomical gifts.

12 (9) (a) Except as provided in subsection (9)(b), the fees in lieu of tax, taxes, and fees imposed on or  
13 collected from the registration of a travel trailer, motorcycle, or quadricycle or a trailer, semitrailer, or pole trailer  
14 that has a declared weight of less than 26,000 pounds are required to be paid only once during the time that the  
15 travel trailer, motorcycle, quadricycle, trailer, semitrailer, or pole trailer is owned by the same person who  
16 registered the travel trailer, motorcycle, quadricycle, trailer, semitrailer, or pole trailer. Once registered, a travel  
17 trailer, motorcycle, quadricycle, trailer, semitrailer, or pole trailer is registered permanently unless ownership is  
18 transferred.

19 (b) Whenever ownership of a travel trailer, motorcycle, quadricycle, trailer, semitrailer, or pole trailer is  
20 transferred, the new owner is required to register the travel trailer, motorcycle, quadricycle, trailer, semitrailer,  
21 or pole trailer as if it were being registered for the first time, including paying all of the required fees in lieu of tax,  
22 taxes, and fees.

23 (10) Revenue that accrues from the voluntary donation provided in subsection (5)(c) must be forwarded  
24 by the respective county treasurer or an authorized agent to the department for deposit in the state special  
25 revenue fund to the credit of the account established in 2-15-2218 to support activities related to education  
26 regarding prevention of traumatic brain injury.

27 (11) ~~Beginning January 1, 2013, the~~ The county treasurer or an authorized agent shall use the online  
28 motor vehicle liability insurance verification system provided in 61-6-157 to verify that the vehicle owner has  
29 complied with the requirements of 61-6-301.

30 (12) An authorized agent may charge a fee in addition to the other fees imposed under this section."

1  
2           **Section 6.** Section 61-3-311, MCA, is amended to read:  
3           **"61-3-311. Registration -- time periods.** (1) Unless a motor vehicle, trailer, semitrailer, or pole trailer  
4 is subject to permanent registration under this title and except as provided in 61-3-313, 61-3-701, 61-3-721, and  
5 subsection (3) of this section, the department, an authorized agent, or a county treasurer shall, upon original  
6 registration of a motor vehicle in this state, assign each motor vehicle to a registration period, as provided in  
7 61-3-316, based upon the calendar month in which the motor vehicle is first registered in this state and designate  
8 the calendar year in which the current registration will expire.

9           (2) Each registration period commences on the first day of the calendar month in the calendar year in  
10 which the motor vehicle is registered and the motor vehicle's registration expires on the earlier of:

11           (a) the last day of the month preceding the anniversary of the registration period for the year designated  
12 on the motor vehicle's registration decal if the motor vehicle is registered for a minimum 12-month period;

13           (b) the last day of the month preceding the anniversary of the registration period for the year designated  
14 on the motor vehicle's registration decal if the motor vehicle is registered for a period of at least 13 but less than  
15 25 months; or

16           (c) the transfer of ownership of the motor vehicle, trailer, semitrailer, or pole trailer to another person.

17           (3) (a) Upon request of the motor vehicle owner, a county treasurer or an authorized agent may assign  
18 a motor vehicle to a registration period, as provided in 61-3-316, other than a registration period beginning in the  
19 calendar month in which the motor vehicle is first registered in this state if at least 13 but less than 25 months will  
20 elapse between the first day of the calendar month in which the motor vehicle is registered and the last day of  
21 the month preceding the anniversary of the requested registration period in the year designated on the motor  
22 vehicle's registration decal.

23           (b) (i) The county treasurer or an authorized agent shall determine fees imposed for a motor vehicle  
24 registered for a period between 13 and 24 months. All registration fees, fees in lieu of tax, or local option taxes  
25 or fees that are imposed on an annual basis must be prorated based on the number of months in the requested  
26 registration period.

27           (ii) An authorized agent may charge a fee in addition to the fees referred to in subsection (3)(b)(i).

28           (c) A motor vehicle registered under the provisions of 61-3-303(3)(b) may not be registered under this  
29 subsection (3).

30           (4) If a motor vehicle, trailer, semitrailer, or pole trailer is permanently registered under the provisions

1 of this chapter, the registration is not subject to expiration unless the registered owner of the motor vehicle, trailer,  
2 semitrailer, or pole trailer transfers ownership of the vehicle to another person."

3

4 **Section 7.** Section 61-3-331, MCA, is amended to read:

5 **"61-3-331. Assignment of license plates.** The county treasurer or an authorized agent shall, at the time  
6 of issuing a registration receipt under 61-3-322, assign the motor vehicle, trailer, semitrailer, or pole trailer a  
7 distinctive license plate number and, unless the license plates must be specially ordered from the department,  
8 deliver to the applicant, depending on the type of motor vehicle that was registered, a set of two license plates  
9 or one license plate, each of which must bear the assigned distinctive number."

10

11 **Section 8.** Section 61-3-338, MCA, is amended to read:

12 **"61-3-338. Contract for manufacture and distribution of license plates.** (1) The department shall  
13 contract with Montana correctional enterprises for the manufacture, inventory control, storage, and distribution  
14 of all license plates issued under this chapter.

15 (2) The contract must include provisions for payment to Montana correctional enterprises after license  
16 plates are shipped to the department, the office of a county treasurer, an authorized agent, or a vehicle owner,  
17 as directed by the department or at the request of a vehicle owner.

18 (3) The contract must require Montana correctional enterprises to provide the necessary interface to  
19 support the automated ordering of license plates by the department or as directed by the department and to  
20 acquire and use readability software to assess any new plate design or manufactured plate and, if requested by  
21 the department, any previously issued license plates."

22

23 **Section 9.** Section 61-3-414, MCA, is amended to read:

24 **"61-3-414. Special motorcycle license plates for military personnel, veterans, and spouses --**  
25 **department to design -- fees -- disposition.** (1) The department shall design and issue motorcycle license  
26 plates for all special military and veteran license plates provided for in 61-3-458(2)(d) and (3).

27 (2) A person requesting a special military or veteran motorcycle license plate under this section:

28 (a) is subject to the eligibility requirements for the license plate as provided in 61-3-458; and

29 (b) shall pay to the county treasurer or an authorized agent:

30 (i) an administrative fee of \$5 upon issuance of the motorcycle license plate, to be deposited in the



1 county general fund;

2 (ii) a \$5 license plate fee, to be deposited in the state general fund; and

3 (iii) a \$10 veterans' cemetery fee, to be deposited as provided in 61-3-459(2).

4 (3) Upon request, after paying the fees imposed under subsection (2)(b) and any applicable vehicle  
5 registration fees under this chapter, the surviving spouse of an eligible veteran, if the spouse has not remarried,  
6 may retain the special license plates issued to the deceased veteran, subject to the eligibility requirements for  
7 the plate as provided in 61-3-458(4)."

8

9 **Section 10.** Section 61-3-415, MCA, is amended to read:

10 **"61-3-415. Special motorcycle license plates -- department to design -- fees -- distribution.** (1) A  
11 Montana resident who is the owner of a motorcycle or quadricycle titled and registered under this chapter and  
12 who pays the fee required under subsection (2) may be issued a special motorcycle license plate bearing a  
13 design created by the department. The design must recognize the efforts of one or more Montana-based nonprofit  
14 organizations that grant wishes to chronically or critically ill Montana children.

15 (2) A person requesting a special motorcycle license plate under this section shall pay to the county  
16 treasurer or an authorized agent:

17 (a) an administrative fee of \$5 upon issuance of the special license plate, to be deposited in the county  
18 general fund;

19 (b) a \$5 license plate fee; and

20 (c) a donation fee of \$20.

21 (3) The county treasurer or an authorized agent shall remit the fees required in subsections (2)(b) and  
22 (2)(c) to the department. For each special plate issued, the department shall deposit \$5 in the state general fund  
23 and \$20 in an account in the state special revenue fund to be used by the department as provided in subsection  
24 (4).

25 (4) The department shall use the money deposited in the account in the state special revenue fund as  
26 provided in subsection (3) to provide grants, using criteria established by the department, to Montana-based  
27 nonprofit organizations that grant wishes to Montana children who are chronically or critically ill.

28 (5) The department shall adopt rules to identify the entity or entities that may qualify for grants under this  
29 section and to establish the criteria that an entity must meet to receive grant funds.

30 (6) The account in the state special revenue fund provided for in subsection (3) is statutorily appropriated

1 to the department, as provided in 17-7-502."

2

3 **Section 11.** Section 61-3-465, MCA, is amended to read:

4 **"61-3-465. Issuance -- application -- additional fee -- disposition.** (1) The department shall issue or  
5 renew collegiate license plates upon receipt of an application that shows:

6 (a) compliance with 61-3-303, 61-3-311, and 61-3-312; and

7 (b) payment to the county treasurer or an authorized agent of:

8 (i) an initial application and manufacturing fee of \$10, when required; and

9 (ii) an annual scholarship donation of \$30 for the benefit of the institution named in the application.

10 (2) Once each month, the county treasurer and each authorized agent shall, as provided in 15-1-504,  
11 transfer to the state the total of the amounts collected for:

12 (a) the initial application and manufacturing fee for deposit in the state general fund; and

13 (b) scholarship donations provided for in subsection (1)(b)(ii), along with a schedule showing the number  
14 of collegiate license plates issued and the total donations received for the benefit of each institution.

15 (3) Once each month, an amount equal to the total donations credited to that institution and transferred  
16 to the state by the county treasurers and authorized agents during the preceding month must be distributed to  
17 the student academic scholarship fund or foundation of each institution.

18 (4) The amount of \$8 of the fee imposed in subsection (1)(b)(i) must be deposited in the account  
19 established in 61-6-158, and \$2 of the fee must be deposited in the state general fund."

20

21 **Section 12.** Section 61-3-467, MCA, is amended to read:

22 **"61-3-467. Authorization to receive and transmit donations.** As provided in 61-3-465 and  
23 notwithstanding any other provisions of Title 7, Title 17, or this title:

24 (1) the county treasurer or an authorized agent must receive the annual scholarship donations provided  
25 for in 61-3-465 and once each month transmit, as provided in 15-1-504, those donations to the state; and

26 (2) the appropriate agency shall accept the annual scholarship donations and once each month distribute  
27 the accumulated proceeds to the beneficiary institutions specified by and according to the totals contained in the  
28 county treasurers' and authorized agents' reports."

29

30 **Section 13.** Section 61-3-480, MCA, is amended to read:

1           **"61-3-480. Fees for generic specialty license plates -- disposition.** (1) In addition to the other fees  
 2 and taxes imposed by law, an eligible person who applies for a generic specialty license plate shall pay an  
 3 administrative fee of \$20 and, except as provided in 61-3-479(1)(b), the donation fee specified by the sponsor.

4           (2) The county treasurer or an authorized agent shall, upon receipt of the fees:

5           (a) deposit \$5 of the \$20 administrative fee in the county general fund;

6           (b) notwithstanding any other provisions of Title 7, Title 17, or this title and unless otherwise provided  
 7 in 61-3-479(1)(b), accept the donation fee paid by the plate purchaser; and

8           (c) as provided in 15-1-504, once each month, transmit to the state for distribution:

9           (i) \$10 of the \$20 administrative fee for deposit in the account provided in 61-6-158;

10          (ii) \$5 of the administrative fee to the state general fund; and

11          (iii) all donation fees provided for in subsections (1) and (3), along with a schedule showing the number  
 12 and type of generic specialty license plates issued and total donations received for the benefit of each sponsor  
 13 of a generic specialty license plate issued or renewed, to each respective sponsor.

14          (3) If the donation fee is required by a sponsor upon renewal of generic specialty license plates, the fee  
 15 must be paid to the county treasurer or an authorized agent upon renewal of registration and transmitted to the  
 16 state as prescribed in subsection (2).

17          (4) Once each month, the state shall distribute to the generic specialty license plate liaison designated  
 18 by a sponsor under 61-3-475(1)(c) or 61-3-476(1)(c) an amount equal to the total donations credited to that  
 19 sponsor and transferred to the department of revenue by the county treasurers during the preceding month."

20

21           **Section 14.** Section 61-4-111, MCA, is amended to read:

22           **"61-4-111. Used vehicles -- transfer to and from dealers.** (1) Except as provided in 61-4-124(6), a  
 23 dealer or wholesaler who intends to resell a used motor vehicle, power sports vehicle, or trailer and who operates  
 24 the motor vehicle, power sports vehicle, or trailer only for demonstration purposes:

25           (a) is exempt from registration under 23-2-515, 23-2-616, 23-2-804, or 61-3-302(3) when applying for  
 26 a certificate of title; and

27           (b) may transfer or receive ownership of a motor vehicle, power sports vehicle, or trailer by use of a  
 28 dealer reassignment section on a certificate of title. However, when the allotted number of dealer reassignment  
 29 sections on a certificate of title has been completed, ownership of the motor vehicle, power sports vehicle, or  
 30 trailer may not be transferred until an application for a certificate of title has been submitted by the dealer or an

1 authorized agent to an authorized agent or the department and a new certificate of title has been issued.

2 (2) Upon the transfer of a used motor vehicle, power sports vehicle, or trailer to a person other than a  
3 dealer or wholesaler, a temporary registration permit may be issued under 61-3-224 to the person to whom the  
4 used motor vehicle, power sports vehicle, or trailer was transferred if the dealer is an authorized agent, as defined  
5 in 61-1-101. In addition, the following acts are required of the dealer on or before the times set forth in this  
6 subsection:

7 (a) Within 30 calendar days following the date of delivery of the motor vehicle, power sports vehicle, or  
8 trailer, the dealer shall forward to an authorized agent or to the county treasurer of the county where the owner  
9 of the motor vehicle, power sports vehicle, or trailer is domiciled:

10 (i) the assigned certificate of title or, if a certificate of title for the motor vehicle, power sports vehicle, or  
11 trailer has not been issued in this state, a copy of the then-current registration receipt or certificate in the dealer's  
12 possession; and

13 (ii) an application for a certificate of title executed by the new owner in accordance with the provisions  
14 of 61-3-216 and 61-3-220.

15 (b) Transmission of the documents by the dealer to the county treasurer or an authorized agent may be  
16 accomplished either by personal delivery, by first-class mail, or by electronic means, as authorized by the  
17 department.

18 (c) If the dealer is unable to forward the certificate of title or, if applicable, registration receipt within the  
19 time set forth in subsection (2)(a) because the certificate of title is lost, is in the possession of third parties, or is  
20 in the process of reissuance in this state or elsewhere, the dealer shall comply in all other respects with the  
21 provisions of subsection (2)(a) and shall forward the missing document or documents to the county treasurer;  
22 ~~either personally or by first-class mail,~~ or an authorized agent within 3 days after receipt.

23 (3) Upon compliance by the dealer with the requirements in this section, title to the motor vehicle, power  
24 sports vehicle, or trailer is considered to have passed to the purchaser as of the date of the delivery of the motor  
25 vehicle, power sports vehicle, or trailer to the purchaser by the dealer, and the dealer has no further liability or  
26 responsibility with respect to the processing of registration."  
27

28 **Section 15.** Section 61-4-112, MCA, is amended to read:

29 **"61-4-112. New motor vehicles -- transfers by dealers.** (1) When a dealer transfers a new motor  
30 vehicle, power sports vehicle, or trailer to a purchaser or other recipient, the dealer shall, within 30 calendar days

1 following the date of delivery of the new motor vehicle, power sports vehicle, or trailer forward to an authorized  
2 agent or the county treasurer of the county where the owner of the motor vehicle, power sports vehicle, or trailer  
3 is domiciled:

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

6 (b) a manufacturer's certificate of origin that shows that the motor vehicle, power sports vehicle, or trailer  
7 has not previously been registered or owned, except as otherwise provided in this section, by any person other  
8 than a dealer holding a franchise or distribution agreement from the manufacturer, distributor, or importer of the  
9 new motor vehicle, power sports vehicle, or trailer.

10 (2) If the dealer is an authorized agent, ~~as defined in 61-1-101~~, a temporary registration permit may be  
11 issued under 61-3-224 to the person to whom the new motor vehicle, power sports vehicle, or trailer was  
12 transferred."

13

14 NEW SECTION. **Section 16. Effective date.** [This act] is effective July 1, 2013.

15

- END -