

SENATE BILL NO. 28

INTRODUCED BY B. BEARD

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE GRACE PERIOD FOR VEHICLE TITLING TO 60 DAYS; REVISING THE EXPIRATION DATE OF TEMPORARY REGISTRATION PERMITS TO 60 DAYS; AND AMENDING SECTIONS 61-3-218, 61-3-220, 61-3-317, AND 61-3-431, MCA."

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

Section 1. Section 61-3-218, MCA, is amended to read:

"61-3-218. Certificate of title -- issuance -- delivery. (1) Except as provided in subsection (2), if a person who applied for a certificate of title also requested the issuance of the certificate of title as provided in 61-3-216(2)(f)(i), upon receipt of the application and all supporting documents and after an examination and determination that the application is complete and regular, the department shall issue a certificate of title of the motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile and shall mail the certificate of title to the owner.

(2) If a person to whom a motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile was transferred has not satisfied the titling and registration provisions of this chapter or, if applicable, the registration provisions of Title 23, chapter 2, part 5 or 6, within the ~~40-day~~ 60-day period provided in 61-3-220(3) and the secured party or lienholder pays the title fee required in 61-3-203, the department may mail a certificate of title to the secured party or lienholder upon request of the secured party or lienholder.

(3) (a) A motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile owner who requested the delayed issuance of a certificate of title under 61-3-216(2)(f)(ii), in the initial application for a certificate of title, may submit a request for the issuance of the certificate of title to the department, its authorized agent, or a county treasurer in a manner prescribed by the department. Upon receipt, the department shall issue a certificate of title for the motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile and mail the certificate

1 of title to the owner.

2 (b) A title fee may not be demanded from the owner or collected by the department, its authorized
3 agent, or a county treasurer for a certificate of title requested or issued under subsection (3)(a)."

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5 **Section 2.** Section 61-3-220, MCA, is amended to read:

6 **"61-3-220. Certificate of title -- voluntary transfer -- duties.** (1) Upon the voluntary transfer of any
7 interest in a motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or
8 snowmobile for which a certificate of title was issued under the provisions of this chapter, the owner whose
9 interest is to be transferred shall:

10 (a) authorize, in writing and on a form prescribed by the department, an authorized agent, or a
11 county treasurer, to enter the transfer of the owner's interest in the motor vehicle, trailer, semitrailer, pole trailer,
12 camper, motorboat, personal watercraft, sailboat, or snowmobile to the transferee on the electronic record of
13 title maintained under 61-3-101; or

14 (b) execute a transfer in the appropriate space provided on the certificate of title issued to the
15 owner and deliver the assigned certificate of title to:

16 (i) the transferee at the time of delivery of the motor vehicle, trailer, semitrailer, pole trailer,
17 camper, motorboat, personal watercraft, sailboat, or snowmobile; or

18 (ii) the department, its authorized agent, or a county treasurer if an application for a certificate of
19 title has been completed by the transferee and accompanies the assigned certificate of title.

20 (2) When transfer occurs between individuals, the transferor's signature on the certificate of title, or
21 the form authorizing transfer of interest upon the electronic record of title, must be acknowledged before the
22 county treasurer, a deputy county treasurer, an elected official authorized to acknowledge signatures, an
23 employee or authorized agent of the department, or a notary public.

24 (3) Except as provided in 61-4-111, the person to whom an interest in a motor vehicle has been
25 transferred shall:

26 (a) execute an application for a certificate of title in the space provided on the assigned certificate
27 of title or as prescribed by the department;

28 (b) request the return of the original title for vehicles 30 years or older, or whose certificates of title

1 were removed from department records pursuant to 61-3-227, on a form prescribed by the department; and

2 (c) within ~~40~~ 60 days after the interest in the motor vehicle, trailer, semitrailer, pole trailer, camper,
3 motorboat, personal watercraft, sailboat, or snowmobile was transferred to the person, either:

4 (i) apply for a certificate of title under 61-3-216 and register the motor vehicle, trailer, semitrailer,
5 pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile under 61-3-303; or

6 (ii) subject to the limitations of 61-3-312, register the motor vehicle, trailer, semitrailer, pole trailer,
7 camper, motorboat, personal watercraft, sailboat, or snowmobile without the surrender of a previously assigned
8 certificate of title and application for certificate of title under 61-3-303.

9 (4) If the person to whom an interest in a motor vehicle, trailer, semitrailer, pole trailer, camper,
10 motorboat, personal watercraft, sailboat, or snowmobile has been transferred fails to comply with the
11 requirements described in subsection (3) within the ~~40-day~~ 60-day grace period, a late penalty of \$10 must be
12 imposed against the transferee. The penalty must be paid before the transferee registers the motor vehicle,
13 trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile in this state,
14 with or without the surrender of an assigned certificate of title. The penalty is in addition to the fees otherwise
15 provided by law.

16 (5) If the transferee does not comply with the requirements of subsection (3) within the ~~40-day~~ 60-
17 day grace period, a secured party or lienholder of record may pay the fees for the transfer of title and for filing a
18 voluntary security interest or lien. The secured party or lienholder is not liable for the late penalty imposed in
19 subsection (4) or for registration fees, taxes, or fees in lieu of tax on the motor vehicle, trailer, semitrailer, pole
20 trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile.

21 (6) The department may adopt rules for the transfer of vehicles in this section."
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23 **Section 3.** Section 61-3-317, MCA, is amended to read:

24 **"61-3-317. New registration required for transferred motor vehicle -- grace period -- penalty --**
25 **display of proof of purchase.** (1) The new owner of a transferred motor vehicle, trailer, semitrailer, or pole
26 trailer has a grace period of ~~40~~ 60 calendar days from the date of purchase to make application for a certificate
27 of title and pay the registration fees, fees in lieu of tax and other fees required by this chapter, and local option
28 taxes, if applicable. However, the motor vehicle, trailer, semitrailer, or pole trailer may not be operated upon the

streets and highways of this state during this period unless a temporary registration permit has been issued for and is properly displayed on the motor vehicle, trailer, semitrailer, or pole trailer as permitted by 61-3-224.

(2) If the motor vehicle, trailer, semitrailer, or pole trailer was not purchased from a licensed motor vehicle dealer as provided in this chapter, it is not a violation of this chapter or any other law for the purchaser to operate the motor vehicle, trailer, semitrailer, or pole trailer upon the streets and highways of this state without a current registration receipt or registration decal during the period allowed under 61-1-101(81)(b) if at all times during that period a temporary registration permit issued under 61-3-224 is properly displayed."

Section 4. Section 61-3-431, MCA, is amended to read:

"61-3-431. Special mobile equipment -- exemption from registration and payment of fees and charges -- identification decal -- temporary registration permit -- publicly owned special mobile equipment. (1) A person, firm, partnership, or corporation that owns, leases, or rents special mobile equipment, a motor vehicle or trailer designed and used to apply fertilizer to agricultural land, or a log loader and that occasionally moves that equipment on, over, or across the highways of the state is not subject to registration of that equipment or required to pay the fees and charges provided for in 61-4-301 through 61-4-308 or Title 61, chapter 10, part 2. Prior to movement on the highways:

(a) each piece of equipment must display an equipment identification decal or a dealer's license plate attached to the equipment, except for motor vehicles or trailers designed and used to apply fertilizer to agricultural land that are brought into Montana for demonstration purposes;

(b) each motor vehicle or trailer designed and used to apply fertilizer to agricultural land that is brought into Montana for demonstration purposes must have a temporary registration permit conspicuously displayed.

(2) (a) Annual application for the identification decal must be made to the county treasurer before any piece of equipment is moved on the highways. Application must be made on a form furnished by the department, together with the payment of a fee of \$5. The equipment for which a special mobile equipment decal or for which a temporary registration permit is sought is subject to the assessment of personal property taxes. The person, firm, partnership, or corporation applying for the decal shall report the application for the identification decal to the department of revenue. For migratory personal property described in 15-24-301(1),

1 the personal property taxes assessed against the special mobile equipment, a motor vehicle or trailer designed
2 and used to apply fertilizer to agricultural land, or a log loader must be paid before an identification decal may
3 be issued. The fees collected under this section must be deposited in the state general fund, except that \$25 of
4 the temporary registration permit fee must be remitted to the department of transportation.

5 (b) Application must be made for a temporary registration permit as provided in subsection (1)(b).
6 The application must be made to the county treasurer or to an authorized agent before the piece of equipment
7 is moved on Montana highways. Application for the temporary registration permit must be made on a form
8 furnished by the department and must be accompanied by the payment of a fee of \$50, in addition to the fee
9 required under 61-3-224.

10 (3) The identification decal expires on December 31 of each year. If the expired identification decal
11 is displayed, an owner of special mobile equipment, a motor vehicle or trailer designed and used to apply
12 fertilizer to agricultural land, or a log loader registered under the provisions of this section is entitled to operate
13 the equipment between January 1 and February 15 following expiration without displaying the identification
14 decal or receipt of the current year.

15 (4) (a) The temporary registration permit expires ~~40~~ 60 days after its issuance. Special mobile
16 equipment, a motor vehicle or trailer designed and used to apply fertilizer to agricultural land, or a log loader
17 that remains in the state past the expiration of the permit is subject to the assessment of personal property
18 taxes, starting on the first day following expiration of the permit.

19 (b) If the holder of a temporary registration permit leases or sells the piece of equipment during the
20 term that is covered by the permit, the permit is no longer valid and the special mobile equipment, motor vehicle
21 or trailer designed and used to apply fertilizer to agricultural land, or log loader is subject to the assessment of
22 personal property taxes, starting on the first day of the lease or the date of the sale.

23 (5) Publicly owned special mobile equipment, motor vehicles or trailers designed and used to apply
24 fertilizer to agricultural land, or log loaders and implements of husbandry used exclusively by an owner in the
25 conduct of the owner's farming operations are exempt from this section."

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