

Break in Ownership Process Guide

This guide is intended to assist in the ownership transfer of vehicles when a proper ownership transfer cannot be completed using a vehicle title or subsequent document in some cases. This may be a break in ownership or a break in ownership with a bond requirement.

Break or Break Bond Determination

Montana statute determines if a bond is required within the break in ownership process. The specific determination is based on the following scenarios.

No Bond

If application is made for a motor vehicle, trailer, semitrailer, or pole trailer that is 30 years old or older or with a value of \$1,000 or less. The vehicle value is determined by the National Appraisal Guide (NADA) as follows.

- If the vehicle is 30 years old or older regardless of condition, no bond is required.
- If the vehicle is valued at less than \$1,000 in the National Appraisal Guide (NADA), no bond is required.
- If the vehicle is valued at \$1,000 or greater in the National Appraisal Guide (NADA), but the customer is attesting the vehicle is not in mechanically functional condition as determined by the guide, no bond is required.
 - The customer must complete section 5 on the application and submit a Bill of Sale (form MV24). The **Title available** section of MV24 must be marked as **No**, and the vehicle value must be declared by the applicant.
- If the vehicle is not found in the National Appraisal Guide (NADA), the customer must provide form MV24 attesting to the value being less than \$1,000.

Bond Required

If application is being made for a motor vehicle, trailer, semitrailer, or pole trailer that is less than 30 years old with a value that exceeds \$1,000. The value is determined by the National Appraisal Guide (NADA) as follows.

- If the vehicle is valued at \$1,000 or greater in the National Appraisal Guide (NADA), a bond is required in the amount of the vehicle value.
- If the vehicle is not found in the National Appraisal Guide (NADA), and the completed MV24 attests to the value being greater than \$1,000, a bond is required in the amount the vehicle value was attested to on the MV24.

Eligible Vehicles

In general, any motor vehicle authorized by statute to be titled in the state of Montana may use the break in ownership title process. Specifically, Montana Code Annotated authorizes the break in ownership titling process for a motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile.

Who Can Apply

Persons authorized to title and/or register a motor vehicle in the state of Montana may use the break in ownership titling process.

Required Documents – Break with Bond

- Application for Break/Bond Title (MV10)
- Proof of Purchase – This should be a document that ties the applicant to who they acquired the vehicle from. (i.e., financial document linking the vehicle to the applicant such as a bill of sale, check that has been cleared by bank, invoice).
 - On a case-by-case basis, if a vehicle is located on property owned by the applicant, and the applicant provides a statement of fact (MV100) explaining how and why the vehicle is located on the property, a county office or authorized agent may decide if the situation fulfills the proof of purchase requirement based on the facts provided.
 - If information provided on the MV100 warrants an abandoned vehicle process, the county office or authorized agent should not process the break in ownership and guide the customer to the appropriate process.
- Bill of Sale (MV24) is required if the vehicle is not in mechanically functional condition
 - On a case-by-case basis, if a vehicle is located on the property owned by the applicant and the applicant provides a statement of fact (MV100) explaining how and why the vehicle is located on the property, a county office or authorized agent may decide if the situation fulfills the proof of purchase requirement based on the facts provided.
 - If information provided on the MV100 warrants an abandoned vehicle process, the county office or authorized agent should not process the break in ownership and guide the customer to the appropriate process.
- Vehicle OHV Identification Number Inspection (MV20)
 - If the vehicle is in another state
 - The vehicle inspection (MV20) must be completed by a sworn law enforcement officer from that state. If the state allows a third-party to inspect vehicles as part of their title and registration process, the third party may inspect the vehicle in lieu of law enforcement.
 - The application must be accompanied by a photocopy of the law enforcement officer's identification card or business card, or the third parties credential recognizing them as a third-party inspector by the state.
- NMVTIS Report for vehicles 1981 and newer. Website <https://vehiclehistory.gov/index.html>
 - Off highway, snowmobiles and vessels, customers are not required to obtain the NADA or the NMVTIS report. These are not reported to NMVTIS nor are they required by statute to carry a bond.
 - Trailers are not required to obtain a NMVTIS report, they are not generally reported to NMVTIS
- Picture of public VIN (Located on dashboard window driver side area, or on door frame manufacturer decal)
- Picture of odometer if odometer is required
- Picture of majority of the vehicle (side view)
- Fees

Required Documents – Break with Bond

In addition to the requirements above the applicant needs.

- A surety bond issued by a surety company authorized to do business in this state.
 - The surety bond must show the vehicle description and be in an amount equal to the value of the vehicle as determined by the application process.

**Off highway, snowmobiles and vessels, customers are not required to obtain the NADA or the NMVTIS report. These are not reported to NMVTIS nor are they required to carry a bond as authorized by statute.*