

## 1 HOUSE BILL NO. 167

2 INTRODUCED BY MCCULLOCH

3 BY REQUEST OF THE JUVENILE JUSTICE AND MENTAL HEALTH STUDY COMMISSION

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT IMPOSING A 0.1 PERCENT LOCAL VEHICLE TAX FOR THE  
6 FUNDING OF YOUTH COURT EXPENSES; REDUCING THE LOCAL OPTION VEHICLE TAX TO 0.4 PERCENT;  
7 AND AMENDING SECTIONS 61-3-509, 61-3-537, AND 61-3-701, MCA; AND PROVIDING AN EFFECTIVE  
8 DATE."  
9

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

11  
12 **Section 1.** Section 61-3-537, MCA, is amended to read:

13 **"61-3-537. (Temporary) Local option vehicle tax.** (1) A county may impose a local vehicle tax on  
14 vehicles subject to a property tax under 61-3-504(2) at a rate of up to ~~0.5%~~ 0.4% of the value determined  
15 under 61-3-503, in addition to the tax imposed under 61-3-504(2).

16 (2) A local vehicle tax is payable at the same time and in the same manner as the tax imposed  
17 under 61-3-504(2). The first priority of the local vehicle tax is for district court funding, and the tax is  
18 distributed as follows:

19 (a) 50% to the county; and

20 (b) the remaining 50% to the county and the incorporated cities and towns within the county,  
21 apportioned on the basis of population. The distribution to a city or town is determined by multiplying the  
22 amount of money available by the ratio of the population of the city or town to the total county population.  
23 The distribution to the county is determined by multiplying the amount of money available by the ratio of  
24 the population of unincorporated areas within the county to the total county population.

25 (3) (a) The Subject to subsection (3)(b), the governing body of a county may impose, revise, or  
26 revoke a local vehicle tax by adopting a resolution before July 1, after conducting a public hearing on the  
27 proposed resolution. The resolution may provide for the distribution of the local vehicle tax.

28 (b) A public hearing is not required for a resolution to reduce a local vehicle tax. (Terminates June  
29 30, 2005--sec. 2, 3, Ch. 217, L. 1995.)

30 **61-3-537. (Effective July 1, 2005) Local option vehicle tax.** (1) A county may impose a local

1 vehicle tax on vehicles subject to a property tax under 61-3-504(2) at a rate of up to ~~0.5%~~ 0.4% of the  
2 value determined under 61-3-503, in addition to the tax imposed under 61-3-504(2).

3 (2) A local vehicle tax is payable at the same time and in the same manner as the tax imposed  
4 under 61-3-504(2) and is distributed in the same manner, based on the registration address of the owner  
5 of the motor vehicle.

6 (3) ~~(a) The~~ Subject to subsection (3)(b), the governing body of a county may impose, revise, or  
7 revoke a local vehicle tax by adopting a resolution before July 1, after conducting a public hearing on the  
8 proposed resolution.

9 (b) A public hearing is not required for a resolution to reduce a local vehicle tax."  
10

11 **NEW SECTION. Section 2. Youth court vehicle tax.** (1) A county shall impose a youth court  
12 vehicle tax on vehicles subject to a property tax under 61-3-504(2) at a rate of 0.1% of the value  
13 determined under 61-3-503, in addition to the taxes imposed under 61-3-504(2) and 61-3-537.

14 (2) A youth court vehicle tax is payable at the same time and in the same manner as the tax  
15 imposed under 61-3-504(2) and is for county funding of youth court expenses.  
16

17 **Section 3.** Section 61-3-509, MCA, is amended to read:

18 **"61-3-509. Disposition of taxes.** (1) Except as provided in ~~subsection~~ subsections (2) and (3), the  
19 county treasurer shall, after deducting the district court fee, credit all taxes on motor vehicles and fees in  
20 lieu of tax on motorcycles, motor homes, travel trailers, and campers collected under 61-3-504, 61-3-521,  
21 61-3-527, and 61-3-537 to a motor vehicle suspense fund, and at some time between March 1 and March  
22 10 of each year and every 60 days after that date, the county treasurer shall distribute the money in the  
23 motor vehicle suspense fund in the relative proportions required by the levies for state, county, school  
24 district, and municipal purposes in the same manner as personal property taxes are distributed.

25 (2) The county treasurer shall credit the taxes collected under [section 2] to the county general  
26 fund to be used for county funding of youth court expenses as provided in 41-5-104.

27 ~~{2}{3}~~ (3) The county treasurer shall deduct as a district court fee 7% of the amount of the 2% tax  
28 collected on an automobile or truck having a rated capacity of 1 ton or less. The county treasurer shall  
29 credit the fee for district courts to a separate suspense account and shall forward the amount in the  
30 account to the state treasurer at the time that the county treasurer distributes the motor vehicle suspense

1 fund. The state treasurer shall credit amounts received under this subsection to the general fund to be used  
2 for purposes of state funding of the district court expenses as provided in 3-5-901."

3  
4 **Section 4.** Section 61-3-701, MCA, is amended to read:

5 **"61-3-701. Foreign vehicles used in gainful occupation to be registered -- reciprocity.** (1) Before  
6 any foreign licensed motor vehicle may be operated on the highways of this state for hire, compensation,  
7 or profit or before the owner ~~and/or~~ or user thereof of a foreign licensed motor vehicle uses the vehicle if  
8 ~~such owner and/or user is engaged~~ in gainful occupation or business enterprise in the state, including  
9 highway work, the owner of the vehicle shall ~~make application~~ apply to a county treasurer for registration  
10 upon an application form furnished by the department. Upon satisfactory evidence of ownership submitted  
11 to the county treasurer and the payment of property taxes, if appropriate, as required by 15-8-201,  
12 15-8-202, 15-24-301, 61-3-504, ~~or~~ 61-3-537, or [section 2], the treasurer shall accept the application for  
13 registration and shall collect the regular license fee required for the vehicle.

14 (2) ~~The~~ Upon acceptance of the application for registration and collection of the license fee, the  
15 treasurer shall ~~thereupon~~ issue to the applicant a copy of the certificate entitled "Owner's Certificate of  
16 Registration and Payment Receipt" and forward a duplicate copy of the certificate to the department. The  
17 treasurer shall at the same time issue to the applicant the proper license plates or other identification  
18 markers, which ~~shall~~ at all times must be displayed upon the vehicle when operated or driven upon roads  
19 and highways of this state during the effective period of the ~~life of the~~ license.

20 (3) The registration receipt ~~shall~~ does not constitute evidence of ownership ~~but shall and may~~ be  
21 used only for registration purposes. ~~No A~~ Montana certificate of ownership ~~shall may not~~ be issued for this  
22 type of registration.

23 (4) This section is not applicable to any vehicle covered by a valid and existing reciprocal  
24 agreement or declaration entered into under the provisions of the laws of Montana."

25  
26 **NEW SECTION. Section 5. Codification instruction.** [Section 2] is intended to be codified as an  
27 integral part of Title 61, chapter 3, part 5, and the provisions of Title 61, chapter 3, part 5, apply to  
28 [section 2].

29  
30 **NEW SECTION. Section 6. Effective date.** [This act] is effective July 1, 1997.

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0167, as introduced

DESCRIPTION OF PROPOSED LEGISLATION: An act imposing a 0.1 percent local vehicle tax for the funding of youth court expenses and reducing the local option vehicle tax to 0.4 percent.

ASSUMPTIONS:

1. The Department of Justice, Motor Vehicle Division is projecting Operating Expenses at \$475 for programming expenses in fiscal year 1998 to implement new fee codes.
2. HJR 2 as introduced assumes the statewide valuation of light motor vehicles will be \$3,113.584 million in FY 98 and \$3,308.910 million in FY 99. The entire valuation is assumed to be subject to the 2.5% rate.

FISCAL IMPACT:

Expenditures:

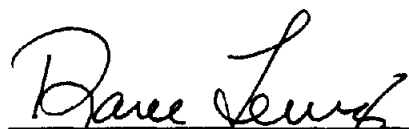
	<u>FY98</u>	<u>FY99</u>
	<u>Difference</u>	<u>Difference</u>
Operating Expenses	475	0

Funding:

General Fund (01)	475	0
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EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Given assumption number 2, the proposal will reallocate \$3.113 million in FY 98 and \$3.309 million in FY 99 to youth courts from district courts, cities and counties statewide.

 1-14-97  
DAVE LEWIS, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

 1/14/97  
LINDA MCCULLOCH, PRIMARY SPONSOR      DATE

Fiscal Note for HB0167, as introduced

**HB 167**