

**MINUTES OF MEETING  
HIGHWAYS & TRANSPORTATION COMMITTEE  
MONTANA STATE SENATE**

February 3, 1967

The meeting of the Highways and Transportation Committee was called to order by Chairman Tyeit, at 1:00 p.m., on February 3, 1967, in Room 410 of the State Capitol.

**ROLL CALL:** All members were present except Senator Stimatz, who was absent.

**CONSIDERATION OF SENATE BILL 116:** Senator Farrell, Senate District No. 31, sponsor of the bill, testified that Senate Bill 116 would strengthen the enforcement of the gasoline license tax collection law. The distributors who engage in the business of producing refinery, manufacturing, or compounding gasoline for sale in the state of Montana, and choose to become licensed to assume the Montana state gasoline liability tax would be a dealer licensed as of January 1, 1969. Persons who engage in the distribution of gasoline in this state shall pay an annual license fee of \$200.00 upon renewal of the license.

**PROponents:** Doug Alexander, President, Montana Petroleum Market Association, representing all the distributors around the state testified that there were two portions of the bill which concerns the distributors. (1) Line 5, pages 8-12, "any person who is engaged in the distribution shall pay a \$200 license fee." There are some grandfather situations throughout the state who don't pay anything. I would say 95% of all of our distributors present would pay the \$200.00 fee.

Mr. Alexander testified that licensed distributors who sell gasoline for the purpose of export to a person not having a Montana gasoline distributor's license shall collect and remit the gasoline license tax on such sales.

**OPponents:** There were none.

**QUESTIONS FROM THE COMMITTEE:** Senator Hoffman was concerned as to the options of lines 8, 9, and 10. Mr. Nicholas responded by saying that at the present time there are three ways to be licensed in the state of Montana. (1) Refiner. (2) Gasoline imported into the state. (3) Distributor.

**CLOSING:** Senator Farrell closed by saying that Senate Bill 116 would help the distributors especially the ones who import not less than one transport load of gasoline during any six-month period.

**CONSIDERATION OF SENATE BILL 166:** Senator McCallum, Senate District 116, sponsor of the bill, testified that Senate Bill 166 would require flaps, or antisail flaps on the rear wheels of all vehicles. This bill would help safeguard windshields of moving vehicles.

**PROPOSITION:** Ben Noydahl, Montana Motor Carrier's Association was concerned about Senate Bill 166 and the over-the-road trucks. He also explained that an "antisail flap" is a firm flap that is placed behind the wheel of a vehicle. By being a firm flap this keeps the flap from "sailing" as the vehicle is traveling down the highway. Mr. Noydahl also raised the question to the committee as to the application of flaps on buses. Montana Motor Carrier's Association does not have any problem with Senate Bill 166.

**QUESTIONS FROM THE COMMITTEE:** A discussion was held by the committee as to what an "antisail flap" was and what type of vehicle would require an antisail flap. There was also discussion as to the regulations of antisail flaps where they extend downward to a point that is not more than 10 inches above the surface of the highway when the vehicle is empty.

**CLOSING:** Senator McCallum closed by saying that he felt Senate Bill 166 should be tabled.

**DISCUSSION ON SENATE BILL 100:** Jesse Monroe, GVM, Department of Highways, testified on Senate Bill 100 since there was some confusion by the committee as to the "ad valorem tax" on trailers, semitrailers, and house trailers. Under section 61-1-102, "motor vehicle" means every vehicle propelled by its own power and designed primarily to transport persons or property upon the highways of the state, except that for the purpose of chapter 3, the term also includes trailers, semitrailers, and house trailers.

Senate Bill 100 clarified the types of vehicles subject to a new car sales tax by including trailers, semitrailers, and house trailers. That trailers, house trailers, and semitrailers would not be considered a vehicle under the definition of motor vehicle; the new vehicle is subject to the light vehicle license fee, if applicable, but is not subject to any other assessment, taxation, or fee in lieu of a tax during a calendar year in which the original application for title is made.

\*page 2, subsection, the new vehicle is subject to the light vehicle license fee, if applicable, but is not subject to

any other assessment, taxation, or fee in lieu of tax during the calendar year in which the original application for title is made. Paragraph 1, subsection 1, all cars and vehicles will pay the new car sales tax, subsection 6, says the light vehicle is applicable if they pay that also, but if not applicable, they will not pay anything; the property tax and ad valorem tax is not collected and prohibited under subsection 6, the first year.

QUESTIONS FROM THE COMMITTEE: There was a lengthy discussion by the committee about the ad valorem tax and sales tax with regards to collecting the new car sales tax on trailers, house trailers, and semitrailers. The County Treasurer of each county should be collecting the "ad valorem tax" and not the "new car sales tax". With the collecting of the ad valorem tax the Highway Department would be receiving the money instead of the County Treasurer if Senate Bill 100 passes.

ADJOURNMENT: The meeting was adjourned.

Senator Tveit  
Senator Larry Tveit, Chairman

Taxable -

$$1. 4204 \times \$700 \text{ each} = \$2,942,800 \times .015 \text{ NCST} = \$44,142 \text{ NCST}$$

$$4204 \times \$700 \text{ each} = \$2,942,800 \times 11\% = \$323,708 \text{ TV} \times .225 \text{ mill} = \$72,834$$

Some Taxables

$$2. 602 \times \$15,000 \text{ each} = \$9,030,000 \times .015 \text{ NCST} = \$135,450 \text{ NCST}$$

$$602 \times \$15,000 \text{ each} = \$9,030,000 \times 16\% = 1,444,800 \text{ TV} \times .225 \text{ mill} = \$325,080$$

### 1. Single Trailer

$$^{\$700} \times .015 \text{ NCST} = \$10.50 \text{ New Car Sales Tax}$$

$$^{\$700} \times 11\% = ^{\$77} \text{ taxable value} \times .225 \text{ mill} = ^{\$17.33} \text{ property tax}$$

### 2. Semi-Trailer

$$15,000 \times .015 \text{ NCST} = ^{\$225} \text{ New Car Sales Tax}$$

$$15,000 \times .16\% = 2400 \text{ Taxable Value} = ^{\$540} \text{ property tax}$$

11-3-312. Sales tax on new motor vehicles -- exceptions, (1) In consideration of the right to use the highways of the state, there is imposed a tax upon all sales of new motor vehicles for which a license is sought and an original application for title is made. The tax shall be paid by the purchaser when he applies for his original Montana license through the county treasurer.

(2) Except as provided in subsection (4), the sales tax shall be:

(a) 1 1/4% of the f.o.b. factory list price or f.o.b. port-of-entry list price, during the first quarter of the year or for a registration period other than a calendar year or calendar quarter;

(b) 1 1/4% of the list price during the second quarter of the year;

(c) 1/2 of 1% during the third quarter of the year;

(d) 1/2 of 1% during the fourth quarter of the year.

(3) If the manufacturer or importer fails to furnish the f.o.b. factory list price or f.o.b. port-of-entry list price, the department may use published price lists.

(4) The new car sales tax on vehicles subject to the provisions of 81-3-312 through 81-3-316 is 1 1/4% of the f.o.b. factory list price or f.o.b. port-of-entry list price regardless of the month in which the new vehicle is purchased.

(5) The proceeds from this tax shall be remitted to the state treasurer every 30 days for credit to the state highway account of the state special revenue fund.

(6) The new vehicle is subject to the light vehicle license fee, if applicable, but is not subject to any other assessment, taxation, or fee in lieu of tax during the calendar year in which the original application for title is made.

(7) (a) The applicant for original registration of any new and unused motor vehicle, or a new motor vehicle furnished without charge by a dealer to a school district for use as a traffic education motor vehicle by a school district operating a state-approved traffic education program within the state, whether or not previously licensed or titled to the school district (except a mobile home as defined in 15-1-101(1)), acquired by original contract after January 1 of any year, is required, whenever the vehicle has not been otherwise assessed, to pay the motor vehicle sales tax provided by this section irrespective of whether the vehicle was in the state of Montana on January 1 of the year.

(b) No motor vehicle may be registered or licensed under the provisions of this subsection unless the application for registration is accompanied by a statement of origin to be furnished by the dealer selling the vehicle, showing that the vehicle has not previously been registered or owned, except as otherwise provided herein, by any person, firm, corporation, or association that is not a new motor vehicle dealer holding a franchise or distribution agreement from a new car manufacturer, distributor, or importer.

(8) (a) Motor vehicles operating exclusively for transportation of persons for hire within the limits of incorporated cities or towns and within 10 miles from such limits are exempt from subsection (1).

(b) Motor vehicles brought or driven into Montana by a nonresident, migratory, bona fide agricultural worker temporarily employed in agricultural work in this state where those motor vehicles are used exclusively for transportation of agricultural workers are also exempt from subsection (1).

(c) Vehicles lawfully displaying a licensed dealer's plate as provided in 61-4-103 are exempt from subsection (1) when moving to or from a dealer's place of business when unloaded or loaded with dealer's property only, and in the case of vehicles having a gross loaded weight of less than 24,000 pounds, while being demonstrated in the course of the dealer's business.

History: (1) 1925 (S.S. Sec. 6-214, Ch. 187, L. 1925; and Sec. 5, Ch. 790, L. 1927; and Sec. 119, Ch. 314, L. 1974; and Sec. 15, Ch. 74, L. 1975; Sec. 32-312, R.C.M. 1947; (61-4-103) Sec. 5, Ch. 74, L. 1974; and Sec. 1, Ch. 287, L. 1975; re-en. Sec. 1759, R.C.M. 1921; and Sec. 22, Ch. 11, L. 1923; and Sec. 2, Ch. 181, L. 1924; and Sec. 1, Ch. 158, L. 1931; and Sec. 1, Ch. 156, L. 1933; and Sec. 1, Ch. 74, L. 1937; and Sec. 1, Ch. 193, L. 1953; and Sec. 1, Ch. 264, L. 1954; and Sec. 1, Ch. 223, L. 1957; and Sec. 1, Ch. 243, L. 1958; and Sec. 1, Ch. 208, L. 1957; and Sec. 3, Ch. 208, L. 1967; and Sec. 3, Ch. 214, L. 1971; and Sec. 11, Ch. 74, L. 1975; and Sec. 1, Ch. 84, L. 1977; and Sec. 1, Ch. 321, L. 1977; and Sec. 49, Ch. 66, L. 1979; Sec. 32-314, R.C.M. 1947; Sec. 12, Ch. 219, L. 1931; and Sec. 1, Ch. 262, L. 1953; and Sec. 1, Ch. 44, L. 1973; Sec. 32-313, R.C.M. 1947; and, and re-en. 32-314 by Sec. 123, Ch. 54, L. 1954; Sec. 32-315, R.C.M. 1947; R.C.M. 1947, 32-316(part)

**61-1-102. Motor vehicle.** "Motor vehicle" means every vehicle propelled by its own power and designed primarily to transport persons or property upon the highways of the state, except that for the purpose of chapter 3, the term also includes trailers, semitrailers, and house trailers. The term does not include a bicycle as defined in 61-1-123.

**History:** App. Sec. 6-215, Ch. 107, L. 1966; and Sec. 5, Ch. 290, L. 1967; and Sec. 119, Ch. 316, L. 1974; and Sec. 13, Ch. 74, L. 1975; Sec. 32-3315, R.C.M. 1947; App. Sec. 4, Ch. 75, L. 1977; re-en. Sec. 1754, R.C.M. 1931; and Sec. 2, Ch. 159, L. 1933; re-en. Sec. 1754, R.C.M. 1935; and Sec. 4, Ch. 72, L. 1937; and Sec. 1, Ch. 146, L. 1943; and Sec. 1, Ch. 63, L. 1946; and Sec. 1, Ch. 115, L. 1953; and Sec. 1, Ch. 200, L. 1955; and Sec. 1, Ch. 139, L. 1961; and Sec. 7, Ch. 127, L. 1969; and Sec. 1, Ch. 179, L. 1971; and Sec. 1, Ch. 164, L. 1973; Sec. 53-107, R.C.M. 1949; R.C.M. 1947, 32-3315(part), 53-107(part); and Sec. 2, Ch. 431, L. 1977; and Sec. 2, Ch. 508, L. 1979.

**Cross-References**

Property exempt from taxation — truck or automobile, 26-1-817.

Retail installment sales — "motor vehicle" defined, 31-1-202.

Criminal trespass to vehicles, 45-6-297.

Vehicles subject to staggered registration, 61-3-313.

Required motor vehicle insurance, 61-6-101.

**61-3-531. Light vehicle fee — definitions.** As used in 61-3-531 through 61-3-536, the following definitions apply:

(1) "Light vehicle" means an automobile or a truck having a rated capacity of three-quarters of a ton or less.

(2) "Vehicle age" means the difference between the calendar year of the first day of the registration period and the manufacturer's designated model year.

**History:** En. Sec. 1, Ch. 614, L. 1981.

**61-3-532. Light vehicle license fee.** (1) Except as provided in subsection (2), light vehicles are subject to a license fee. This fee is imposed in lieu of a property tax and is in addition to the tax on new motor vehicles.

(2) (a) Light vehicles that meet the description of property exempt from taxation under the provisions of subsections (a), (c), (d), or (e) of 15-6-201(1) or 15-6-203(2) are exempt from the fee imposed in subsection (1) of this section.

(b) A dealer for light vehicles is not required to pay the license fee for light vehicles held for sale or used in the dealer's business in selling or demonstrating the vehicles. Vehicles exempt under this subsection may not be used for the personal use of the dealer, his family, or employees or for any use not necessary in the pursuit of business.

**History:** En. Sec. 2, Ch. 614, L. 1981.

**Cross-References**

Assessment of proportionally registered interstate motor vehicle fleets, 15-24-101.

Personal property brought into state — assessment, 15-34-203.

Deductions allowed in computing net income, 15-30-121.

Deductions allowed in computing income, 15-31-116.

Credit for personal property taxes, 15-50-207.

Application for registration, 61-3-303.

Number plates, 61-3-332.

Disposition of taxes and fees in lieu of tax, 61-3-308.

Foreign vehicles used in gainful occupation to be registered, 61-3-701.

Motor vehicle dealers, Title 61, ch. 4, part 1.

ROLL CALL

HIGHWAYS & TRANSPORTATION COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 2-3-87

*Bill-156*

NAME	PRESENT	ABSENT	EXCUSED
Chairman: Larry Tveit	✓		
Vice Chairman: Lawrence Stimatz		✓	
Senator Hubert J. Abrams	✓		
Senator William Farrell	✓		
Senator Tom Hager	<i>late</i> <del>✓</del>	<del>✗</del>	
Senator Sam Hofman	✓		
Senator Ray Lybeck	✓		
Senator Darryl Meyer	✓		
Senator Cecil Weeding	✓		
Senator Bob Williams	✓		

Each day attach to minutes.

Amendment to Senate Bill No. 100

SENATE HIGHWAYS  
NO. \_\_\_\_\_  
ON TITLE \_\_\_\_\_  
BILL NO. \_\_\_\_\_

1. Title, line 7  
Strike: "HOUSETRAILERS"  
Insert: "TRAVEL TRAILERS"
  
2. Page 1, line 16  
Strike: "housetrailers"  
Insert: "travel trailers"

SENATE HIGHWAYS

EXHIBIT NO. I

DATE 2/3/87

BILL NO. 100



