

1 House BILL NO. 674  
2 INTRODUCED BY FAGA

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT IMPOSING A WHEEL TAX  
5 UPON CERTAIN MOTOR VEHICLES; PROVIDING FOR DISTRIBUTION OF  
6 THE TAX REVENUES TO THE COUNTIES AND CITIES; AND PROVIDING  
7 FOR LOCAL OPTION EXEMPTIONS FROM IMPOSITION OF THE TAX."  
8

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

10 Section 1. Wheel tax on motor vehicles other than  
11 motor trucks and truck-tractors. There is imposed a wheel  
12 tax of twenty-five cents (\$.25) on every motor vehicle,  
13 except motor trucks, truck-tractors, and busses required to  
14 pay additional fees under Title 32, chapter 33. The tax  
15 shall be paid at the time property taxes are paid and before  
16 the vehicle is registered or reregistered.

17 Section 2. Disposition of wheel tax revenues. (1)  
18 The county treasurer shall allocate the revenues derived  
19 from the wheel tax according to the following formula:

20 (a) ten percent (10%) of the total revenue shall be  
21 credited to the county road fund; and

22 (b) ninety percent (90%) of the total revenues shall  
23 be distributed to the cities divided in the same proportions  
24 as the proportion of registered vehicles in those cities  
25 bears to the registered vehicle in all the cities in the

1 county.  
2 (2) The moneys so distributed shall be used by the  
3 counties and cities for construction and reconstruction of  
4 roads and streets.

5 Section 3. County commissioners may exempt county from  
6 tax. The board of county commissioners may exempt the  
7 taxpayers of a county from the payment of the wheel tax  
8 imposed by this act.

-End-

STATE OF MONTANA

REQUEST NO. 231-75

FISCAL NOTE

Form BD-15

In compliance with a written request received February 13, 19 75, there is hereby submitted a Fiscal Note for House Bill 674 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 674 imposes a wheel tax upon motor vehicles other than motor trucks, busses and truck-tractors, provides for distribution of 10% of the tax collections to the county road fund, the remainder to the cities, and provides local option exemptions for imposition of the tax.

ASSUMPTIONS:

1. The bill will only apply to motorcycles and automobiles.  
An estimated 370,000 vehicles in FY 76 and 390,000 in FY 77 will be subject to the tax.
2. All counties will apply the tax.

CONCLUSION:

Enactment of House Bill 674 will increase local government tax collections throughout the state by an estimated \$92,500 in FY 76 and \$97,500 in FY 77. Ten percent of the additional revenue will be distributed to county road funds. The remainder will accrue to cities on the basis of the number of registered vehicles. The additional administrative expenses should be negligible. There will be no fiscal impact on state government.

*Michael J. Bellings*  
*by Karen Walker*

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: \_\_\_\_\_

Approved by Committee  
on Taxation

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11 motor trucks and truck-tractors. There is imposed a wheel  
12 tax of twenty-five cents (\$.25) PER WHEEL on every motor  
13 vehicle; ~~except motor trucks, truck tractors, and buses~~  
14 ~~required to pay additional fees under Title 32, chapter 33~~  
15 OF TEN THOUSAND (10,000) GVW OR LESS. The tax shall be paid  
16 at the time property taxes are paid and before the vehicle  
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-End-