

HOUSE BILL 625

IN THE HOUSE

February 7, 1979

Introduced and referred to  
Committee on Taxation.

1 *House* BILL NO. *625*  
 2 INTRODUCED BY *Manuel*

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT CERTAIN  
 5 FUNDS NOW PAID INTO THE EARMARKED REVENUE FUND FOR  
 6 ACQUISITION AND MAINTENANCE OF STATE PARKS, CULTURAL  
 7 PROJECTS, AND ENFORCEMENT OF SNOWMOBILE AND MOTORBOAT  
 8 CERTIFICATION AND SAFETY LAWS BE PAID INTO THE GENERAL FUND;  
 9 AMENDING SECTIONS 15-35-108, 23-2-512, 23-2-616, AND  
 10 23-2-619, MCA."

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

12 Section 1. Section 15-35-108, MCA, is amended to read:  
 13 "15-35-108. Disposal of severance taxes. Severance  
 14 taxes collected under the provisions of this chapter are  
 15 allocated as follows:  
 16

17 (1) To the trust fund created by Article IX, section  
 18 5, of the Montana constitution, 25% of total collections a  
 19 year. After December 31, 1979, 50% of coal severance tax  
 20 collections are allocated to this trust fund. The trust fund  
 21 moneys shall be deposited in the fund established under  
 22 17-6-203(5) and invested by the board of investments as  
 23 provided by law.

24 (2) Coal severance tax collections remaining after  
 25 allocation to the trust fund under subsection (1) are

1 allocated in the following percentages of the remaining  
 2 balance:

3 (a) to the county in which coal is mined, 2% of the  
 4 severance tax paid on the coal mined in that county until  
 5 January 1, 1980, for such purposes as the governing body of  
 6 the county may determine;

7 (b) 2 1/2% until December 31, 1979, and thereafter 5%  
 8 to the earmarked revenue fund to the credit of the  
 9 alternative energy research development and demonstration  
 10 account;

11 (c) 26 1/2% until July 1, 1979, and thereafter 37 1/2%  
 12 to the earmarked revenue fund to the credit of the local  
 13 impact and education trust fund account;

14 (d) for each of the 2 fiscal years following June 30,  
 15 1977, 13% to the earmarked revenue fund to the credit of the  
 16 coal area highway improvement account;

17 (e) 10% to the earmarked revenue fund for state  
 18 equalization aid to public schools of the state;

19 (f) 1% to the earmarked revenue fund to the credit of  
 20 the county land planning account;

21 (g) 2 1/2% to the sinking fund to the credit of the  
 22 renewable resource development bond account;

23 ~~(h) 2 1/2% through June 30, 1979, one-half to the~~  
 24 ~~earmarked revenue fund for the purpose of acquisition~~  
 25 ~~operation or maintenance of sites and areas described in~~

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1 ~~23-1-102 and protection of works of art in the state capital~~  
 2 ~~and other cultural and aesthetic projects, subject to~~  
 3 ~~legislative appropriations, and one-half to the earmarked~~  
 4 ~~revenue fund to be invested in a trust fund for the purpose~~  
 5 ~~of parks acquisition or management. After June 30, 1979, 5%~~  
 6 ~~to the trust fund for the purpose of parks acquisition or~~  
 7 ~~management. Income from the fund established in this~~  
 8 ~~subsection (h) may be appropriated for the acquisition of~~  
 9 ~~sites and areas described in 23-1-102 and the operation and~~  
 10 ~~maintenance of sites so acquired and protection of works of~~  
 11 ~~art in the state capital and other cultural and aesthetic~~  
 12 ~~projects.~~

13 ~~(+)(h) all other revenues from severance taxes~~  
 14 ~~collected under the provisions of this chapter to the credit~~  
 15 ~~of the general fund of the state."~~

16 Section 2. Section 23-2-512, MCA, is amended to read:

17 "23-2-512. Identification number. (1) The owner of  
 18 each motorboat requiring numbering by this state shall file  
 19 an application for number in the office of the county  
 20 treasurer where the motorboat is owned or taxable on forms  
 21 prepared and furnished by the division of motor vehicles.  
 22 The application shall be signed by the owner of the  
 23 motorboat and shall be accompanied by a fee of \$1. Any  
 24 alteration, change, or false statement contained in the  
 25 application will render the certificate of number void. Upon

1 receipt of the application in approved form, the county  
 2 treasurer shall issue to the applicant a certificate of  
 3 number prepared and furnished by the division of motor  
 4 vehicles, stating the number awarded to the motorboat and  
 5 the name and address of the owner.

6 (2) Before filing the application with the county  
 7 treasurer, the applicant shall submit it to the county  
 8 assessor, who shall enter on the application, in a space to  
 9 be provided for that purpose, the market value and taxable  
 10 value of the motorboat for the year for which the  
 11 application for registration is made.

12 (3) The applicant, upon the filing of the application,  
 13 shall pay to the county treasurer the registration fee and  
 14 the personal property taxes assessed against the motorboat  
 15 or vessel for the current year of registration before the  
 16 application for registration or reregistration may be  
 17 accepted by the county treasurer.

18 (4) Should the ownership of a motorboat change, a new  
 19 application form with fee shall be filed within a reasonable  
 20 time with the county treasurer and a new certificate of  
 21 number awarded in the same manner as provided for in an  
 22 original award of number.

23 (5) If an agency of the United States government has  
 24 in force a comprehensive system of identification numbering  
 25 for motorboats in the United States, the numbering system

1 employed pursuant to this part by the division of motor  
2 vehicles shall be in conformity.

3 (6) Every certificate of number and the license decals  
4 awarded under this part shall continue in effect for a  
5 period not to exceed 1 year unless sooner terminated or  
6 discontinued in accordance with the provisions of this part.  
7 Certificates of number and license decals shall show the  
8 date of expiration and may be renewed by the owner in the  
9 same manner provided for in the initial securing of the  
10 certificate.

11 (7) Certificates of number shall expire on April 30 of  
12 each year and may not be in effect unless renewed under this  
13 part.

14 (8) In event of transfer of ownership, the purchaser  
15 shall furnish the county treasurer notice within a  
16 reasonable time of the acquisition of all or any part of his  
17 interest, other than the creation of a security interest, in  
18 a motorboat numbered in this state or of the loss, theft,  
19 destruction, or abandonment of the motorboat. The transfer,  
20 loss, theft, destruction, or abandonment terminates the  
21 certificate of number for the motorboat. Recovery from theft  
22 or transfer of a part interest that does not affect the  
23 owner's right to operate the motorboat does not terminate  
24 the certificate of number.

25 (9) A holder of a certificate of number shall notify

1 the county treasurer within reasonable time if his address  
2 no longer conforms to the address appearing on the  
3 certificate and furnish the county treasurer with his new  
4 address. The division of motor vehicles may provide by rule  
5 for the surrender of the certificate bearing the former  
6 address and its replacement with a certificate bearing the  
7 new address or the alteration of an outstanding certificate  
8 to show the new address of the holder.

9 (10) (a) The number awarded must be painted on or  
10 attached to each outboard side of the forward half of the  
11 motorboat or, if there are no such sides, at a corresponding  
12 location on both outboard sides of the foredeck of the  
13 motorboat. The number awarded shall read from left to right,  
14 be in Arabic numerals, in block characters of good  
15 proportion at least 3 inches tall excluding border or trim,  
16 of a color that contrasts with the color of the background,  
17 and be so maintained as to be clearly visible and legible.  
18 The number may not be placed on the obscured underside of  
19 the flared bow where it cannot be easily seen from another  
20 vessel or ashore. No numerals, letters, or devices, other  
21 than those used in connection with the identifying number  
22 issued, may be placed in the proximity of the identifying  
23 number. No numerals, letters, or devices which might  
24 interfere with the ready identification of the motorboat by  
25 its identifying number may be carried as to interfere with

1 the motorboat's identification. No number other than the  
 2 number and license decal awarded to a motorboat or granted  
 3 reciprocity under this part shall be painted, attached, or  
 4 otherwise displayed on either side of the forward half of  
 5 the motorboat.

6 (b) The certificate of number shall be pocket size and  
 7 available to federal, state, or local law enforcement  
 8 officers at all reasonable times for inspection on the  
 9 motorboat whenever the motorboat is on waters of this state.

10 (c) Boat liveries are not required to have the  
 11 certificate of number on board each motorboat, but a rental  
 12 agreement must be carried on board livery motorboats in  
 13 place of the certificate of number.

14 (11) Fees collected under this section shall be  
 15 transmitted to the state treasurer who shall deposit the  
 16 fees in the ~~motorboat-certificate-identification-account~~ of  
 17 ~~an earmarked revenue fund. These fees shall be used only for~~  
 18 ~~the administration and enforcement of this part as amended~~  
 19 general fund.

20 (12) An owner of a motorboat must within a reasonable  
 21 time notify the division of motor vehicles, giving the  
 22 motorboat's identifying number and the owner's name when  
 23 that motorboat becomes documented as a vessel of the United  
 24 States or is transferred, lost, destroyed, abandoned, or  
 25 frauded or within 60 days after change of state of principal

1 use."

2 Section 3. Section 23-2-616, MCA, is amended to read:  
 3 "23-2-616. Display of tax-paid decals -- application  
 4 and issuance -- use of fees. (1) No snowmobile may be  
 5 operated by any person in the state of Montana unless there  
 6 is displayed in a conspicuous place on it a decal as visual  
 7 proof that Montana personal property taxes have been paid on  
 8 it for the current year.

9 (2) Application for the tax-paid decal shall be made  
 10 to the county treasurer upon forms to be furnished for this  
 11 purpose, which may be obtained from the division of motor  
 12 vehicles or at the county assessor's office in the county  
 13 where the owner resides. The application shall contain the  
 14 following information:

- 15 (a) name of owner;
- 16 (b) address;
- 17 (c) certificate of ownership number;
- 18 (d) name of manufacturer;
- 19 (e) model number;
- 20 (f) make;
- 21 (g) horsepower;
- 22 (h) year of manufacture;
- 23 (i) statement evidencing assessment and payment of  
 24 property tax; and
- 25 (j) such other information as the division of motor

1 vehicles may require.

2 (3) The application shall be signed by the county  
3 treasurer and transmitted by him to the division of motor  
4 vehicles accompanied by a fee of \$2. Upon receipt of the  
5 application in approved form, the division of motor vehicles  
6 or county treasurer shall issue to the applicant a decal in  
7 the style and design prescribed by the division and of a  
8 different color than the preceding year, numbered in  
9 sequence.

10 (4) Before filing the application with the county  
11 treasurer, the applicant shall submit it to the county  
12 assessor of the county and the county assessor shall enter  
13 on the application in a place provided for that purpose the  
14 market value and taxable value of the snowmobile for the  
15 year for which the application is made.

16 (5) The applicant shall pay the county treasurer the  
17 application fee and the personal property taxes assessed  
18 against the snowmobile for the current year before the  
19 application may be accepted by the county treasurer.

20 (6) All moneys collected from payment of the fees and  
21 all interest accruing from use of these moneys shall be  
22 turned over to the state treasurer and placed in the  
23 ~~earmarked revenue fund to the credit of the department with~~  
24 ~~\$1 designated for use in enforcing the purposes of this part~~  
25 ~~and \$1 designated for use in the development maintenance~~

1 ~~end-operation-of-snowmobile-facilities~~ general fund."

2 Section 4. Section 23-2-619, MCA, is amended to read:

3 "23-2-619. Dealer registration certificate -- use of  
4 fees. (1) A dealer registration certificate shall be issued  
5 in accordance with this part.

6 (2) Upon receipt of dealer application and payment of  
7 fees, which will be \$5, the dealer shall be issued two  
8 dealer snowmobile identification cards which shall be  
9 carried by dealer or dealer's customer when operating or  
10 demonstrating dealer's snowmobiles.

11 (3) No bond is required of the dealer.

12 (4) Additional dealer snowmobile identification cards  
13 may be purchased by the dealer for a fee of \$2.

14 (5) A dealer registration certificate and  
15 identification cards expire on June 30 following the date of  
16 issuance.

17 (6) All money collected from such fees and all  
18 interest accruing from use of this money shall be deposited  
19 in the ~~earmarked revenue fund to the credit of the~~  
20 ~~department with one-half designated for use in enforcing~~  
21 ~~the purposes of this part and one-half designated for use in~~  
22 ~~the development maintenance and operation of snowmobile~~  
23 ~~facilities~~ state general fund."

-End-

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## STATE OF MONTANA

Request No. 289-79

## FISCAL NOTE

Form BD-15

In compliance with a written request received February 7, 1979, there is hereby submitted a Fiscal Note for House Bill 625 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:

This proposed bill provides that certain funds now paid into the Earmarked Revenue Fund for acquisition and maintenance of state parks, cultural projects, and enforcement of snowmobile and motorboat certification and safety laws be paid into the General Fund.

## ASSUMPTIONS:

1. The Department of Revenue projections for the coal severance tax of \$49.093 in FY 80 and \$54.272 M in FY 81 are correct.
2. Coal tax collections are homogeneous. (One-quarter of the estimated fiscal year collections is collected each quarter.)

## FISCAL IMPACT:

	<u>FY 80</u>	<u>FY 81</u>
Additional revenue to the General Fund:		
Motorboat certification fees	.040 M	.040 M
Snowmobile decal and registration fees	.040 M	.040 M
Coal severance taxes (see attached schedule)	<u>1.227 M</u>	<u>1.357 M</u>
Total additional revenue to General Fund	<u>\$1.307 M</u>	<u>\$1.437 M</u>

The proposed legislation, assuming that lost revenues to the Department of Fish and Game are not replaced with General Fund appropriation, increases revenues to the State General Fund in the amounts reflected above; decreases revenue earmarked for the Department of Fish and Game by \$80,000 each year, excluding any amounts that would be appropriated to the Department from coal severance tax investment earnings which the Department estimates to be \$238,000 for the biennium; and eliminates coal severance tax contributions to the trust fund for the purpose of parks acquisition or management, the income from which may be used for specific purposes.

*Richard L. Young for*

BUDGET DIRECTOR  
Office of Budget and Program Planning  
Date: 3/15/79

FISCAL IMPACT - (F.N. Req. 289-79 for House Bill 625)

MILLIONS OF DOLLARS

	FY80			FY81		
	Current Law	Proposed Law	Change	Current Law	Proposed Law	Change
Coal Tax Trust	\$15.342	\$15.342	\$ 0	\$27.136	\$27.136	\$ 0
County of Origin	.552	.552	0	0	0	0
Alternative Energy	.997	.997	0	1.357	1.357	0
Local Impact	11.644	11.644	0	10.176	10.176	0
School Equalization	3.375	3.375	0	2.714	2.714	0
County Planning	.338	.338	0	.271	.271	0
Renewable Resources	.844	.844	0	.678	.678	0
Sites & Areas	1.457	.230	(1.227)	1.357	0	(1.357)
Coal Area Highways	1.197	1.197	0	0	0	0
General Fund	13.347	14.574	1.227	10.583	11.940	1.357
	<u>\$49.093</u>	<u>\$49.093</u>	<u>\$ 0</u>	<u>\$54.272</u>	<u>\$54.272</u>	<u>\$ 0</u>