

House Bill 177

In The House

January 13, 1981	Introduced and referred to Committee on Taxation.
January 14, 1981	Fiscal note requested.
January 19, 1981	Fiscal note returned.
January 23, 1981	Committee recommend bill do not pass.

1 inventories shall be assessed to their respective purchasers
2 as of the dates the vehicles are registered by the
3 purchasers.

4 (c) "Purchasers" includes dealers who apply for
5 registration or reregistration of motor vehicles, except as
6 otherwise provided by 61-3-502.

7 (d) Goods, wares, and merchandise of motor vehicle
8 dealers, other than new motor vehicles and new mobile homes,
9 shall be assessed at market value as of January 1.

10 (2) In all cases where taxes or a fee in lieu of tax
11 were required to be paid, the applicant for registration or
12 reregistration of a motor vehicle, other than a mobile home,
13 is not relieved of the duty of paying taxes or the fee in
14 lieu of tax if the taxes or fees have not been paid by a
15 prior applicant or owner."

16 Section 3. Section 61-3-332, MCA, is amended to read:
17 "61-3-332. Number plates. (1) Every motor vehicle
18 which shall be driven upon the streets or highways of this
19 state shall display both front and rear a number plate,
20 bearing the distinctive number assigned such vehicle. Such
21 number plate shall be in eight series: one series for owners
22 of motorcars, one for owners of motor vehicles of the
23 motorcycle type, one for trailers, one for trucks, one for
24 dealers in vehicles of the motorcycle type which shall bear
25 the distinctive letters "MCD" or the letters "MC" and the

1 word "DEALER", one for franchised dealers in new motorcars
2 (including trucks and trailers) or new and used motorcars
3 (including trucks and trailers) which shall bear the
4 distinctive letter "D" or the word "DEALER", one for dealers
5 in used motorcars only (including used trucks and trailers)
6 which shall bear the distinctive letters "UD" or the letter
7 "U" and the word "DEALER", and one for dealers in trailers
8 and/or semitrailers (new or used) which shall bear the
9 distinctive letters "DTR" or the letters "TR" and the word
10 "DEALER". All such markings for the aforementioned kinds of
11 dealers' plates shall be placed on the number plates
12 assigned thereto in such position thereon as the division
13 may designate.

14 (2) All number plates for motor vehicles shall be
15 issued for a minimum period of 4 years, shall bear a
16 distinctive marking, and shall be furnished by the state.
17 In years when number plates are not issued, the division
18 shall provide nonremovable stickers bearing appropriate
19 registration numbers which shall be affixed to the license
20 plates in use.

21 (3) In the case of motorcars and trucks, number plates
22 shall be of metal 6 inches wide and 12 inches in length. For
23 number plates issued after 1976, the outline of the state
24 of Montana shall be used as a distinctive border on such
25 license plates, and the word "Montana" with the year shall

1 be placed across the bottom of the plate. Such registration
2 plate shall be treated with a reflectorized background
3 material according to specifications prescribed by the
4 division.

5 (4) The distinctive registration numbers shall begin
6 with a number one or with a letter-number combination such
7 as "A 1" or "AA 1", or any other similar combination of
8 letters and numbers and be numbered consecutively for each
9 series of plates. The distinctive registration number or
10 letter-number combination assigned to the vehicle shall
11 appear on the plate preceded by the number of the county and
12 appearing in horizontal order on the same horizontal
13 baseline, and the county number shall be separated from the
14 distinctive registration number by a separation mark unless
15 a letter-number combination is used. The dimensions of such
16 numerals and letters shall be determined by the division,
17 provided that all county and registration numbers shall be
18 of equal height.

19 (5) For the use of tax-exempt motor vehicles, in
20 addition to the markings herein provided, number plates
21 shall have thereon the following distinctive markings:

22 (a) For vehicles owned by the state the division may
23 designate the prefix number for the various state
24 departments, and all numbered plates issued to state
25 departments shall bear the words "State Owned" and no year

1 number will be indicated thereon as these numbered plates
2 will be of a permanent nature, and will be replaced by the
3 division at such time when the physical condition of
4 numbered plates requires same.

5 (b) For vehicles owned by the counties,
6 municipalities, irrigation districts organized under the
7 laws of Montana and not operating for profit, and school
8 districts and used and operated by officials and employees
9 thereof in line of duty as such and for school buses leased
10 or privately contracted exclusively to school districts for
11 the state-approved transportation of students, and for
12 vehicles on loan from the United States government or the
13 state of Montana, to, or owned by, the civil air patrol and
14 used and operated by officials and employees thereof in the
15 line of duty as such, there shall be placed on the number
16 plates assigned thereto, in such position thereon as the
17 division may designate, the letter "X" or the word "EXEMPT".
18 Distinctive registration numbers for plates assigned to
19 motor vehicles of each of the counties in the state and
20 those of the municipalities and school districts situated
21 within each of said counties and those of the irrigation
22 districts which obtain plates within each county shall begin
23 with number one and be numbered consecutively.

24 (6) On all number plates assigned to motor vehicles of
25 the truck and trailer type, other than tax-exempt trucks and

1 trailers, there shall appear the letter "T" or the word
 2 "TRUCK" for plates assigned to trucks and the letters "TR"
 3 or the word "TRAILER" for plates assigned to trailers and
 4 housetrainers. The letters "MC" or the word "CYCLE" shall
 5 appear for plates assigned to vehicles of the motorcycle
 6 type.

7 (7) Number plates issued to a passenger car, truck,
 8 trailer, or vehicle of the motorcycle type may be
 9 transferred only to a replacement passenger car, truck,
 10 trailer, or motorcycle type vehicle. No registration or
 11 license fee may be assessed upon a transfer of a number
 12 plate under 61-3-317 and 61-3-335.

13 (8) For the purpose of this chapter, the several
 14 counties of the state shall be assigned numbers as follows:
 15 Silver Bow, 1; Cascade, 2; Yellowstone, 3; Missoula, 4;
 16 Lewis and Clark, 5; Gallatin, 6; Flathead, 7; Fergus, 8;
 17 Powder River, 9; Carbon, 10; Phillips, 11; Hill, 12;
 18 Ravalli, 13; Custer, 14; Lake, 15; Dawson, 16; Roosevelt,
 19 17; Beaverhead, 18; Chouteau, 19; Valley, 20; Toole, 21; Big
 20 Horn, 22; Musselshell, 23; Blaine, 24; Madison, 25; Pondera,
 21 26; Richland, 27; Powell, 28; Rosebud, 29; Deer Lodge, 30;
 22 Teton, 31; Stillwater, 32; Treasure, 33; Sheridan, 34;
 23 Sanders, 35; Judith Basin, 36; Daniels, 37; Glacier, 38;
 24 Fallon, 39; Sweet Grass, 40; McCone, 41; Carter, 42;
 25 Broadwater, 43; Wheatland, 44; Prairie, 45; Granite, 46;

1 Meagher, 47; Liberty, 48; Park, 49; Garfield, 50; Jefferson,
 2 51; Wibaux, 52; Golden Valley, 53; Mineral, 54; Petroleum,
 3 55; Lincoln, 56. Any new counties shall be assigned numbers
 4 by the division as they may be formed, beginning with the
 5 number 57."

6 Section 4. Section 61-3-501, MCA, is amended to read:
 7 "61-3-501. When vehicle property tax is due. (1)
 8 Property taxes, new car taxes, and fees in lieu of tax on a
 9 motor home, or travel trailer or school bus leased or
 10 privately contracted exclusively to a school district for
 11 the state-approved transportation of students must be paid
 12 on the date of registration or reregistration of the
 13 vehicle.

14 (2) If the anniversary date for reregistration of a
 15 vehicle passes while the vehicle is owned and held for sale
 16 by a licensed new or used car dealer, property taxes or the
 17 fee in lieu of property taxes abate on such vehicle properly
 18 reported with the department of revenue until the vehicle is
 19 sold and thereafter the purchaser shall pay the pro rata
 20 balance of the taxes or the fee in lieu of tax due and owing
 21 on the vehicle.

22 (3) In the event a vehicle's registration period is
 23 changed under 61-3-315, all taxes and other fees due thereon
 24 shall be prorated and paid from the last day of the old
 25 period until the first day of the new period in which the

1 vehicle shall be registered. Thereafter taxes and other fees
 2 must be paid from the first day of the new period for a
 3 minimum period of 1 year. When the change is to a later
 4 registration period, taxes and fees shall be prorated and
 5 paid based on the same tax year as the original registration
 6 period. Thereafter, during the appropriate anniversary
 7 registration period, each vehicle shall again register or
 8 reregister and shall pay all taxes and fees due thereon for
 9 a 12-month period."

10 Section 5. Section 61-3-503, MCA, is amended to read:

11 "61-3-503. Assessment. (1) A person who files an
 12 application for registration or reregistration of a motor
 13 vehicle, other than a motor home, travel trailer, or a
 14 mobile home as defined in 15-1-101(1), or a school bus
 15 leased or privately contracted exclusively to a school
 16 district for the state-approved transportation of students,
 17 shall before filing such application with the county
 18 treasurer submit the application to the county assessor.
 19 The county assessor shall enter on the application in a
 20 space to be provided for that purpose the market value and
 21 taxable value of the vehicle for the year for which the
 22 application for registration is made.

23 (2) Except as provided in subsection (3), motor
 24 vehicles, other than motor homes, travel trailers, or mobile
 25 homes as defined in 15-1-101(1), or school buses leased or

1 privately contracted exclusively to school districts for the
 2 state-approved transportation of students, are assessed for
 3 taxes on January 1 in each year irrespective of the time
 4 fixed by law for the assessment of other classes of personal
 5 property and irrespective of whether the levy and tax may be
 6 a lien upon real property within the state. In no event may
 7 any motor vehicle be subject to assessment, levy, and
 8 taxation more than once in each year.

9 (3) Vehicles subject to the provisions of 61-3-313
 10 through 61-3-316 shall be assessed as of the first day of
 11 the registration period, and a lien for taxes and fees due
 12 thereon shall occur on the anniversary date of the
 13 registration and shall continue until such fees and taxes
 14 have been paid."

15 Section 6. Section 61-3-504, MCA, is amended to read:

16 "61-3-504. Computation of tax. The amount of taxes on
 17 a motor vehicle, other than a motor home, travel trailer, or
 18 a mobile home as defined in 15-1-101(1), or a school bus
 19 leased or privately contracted exclusively to a school
 20 district for the state-approved transportation of students,
 21 is computed and determined by the county treasurer on the
 22 basis of the levy of the year preceding the current year of
 23 application for registration or reregistration. The
 24 determination is entered on the application form in a space
 25 provided therefor."

1 Section 7. Section 61-3-509, MCA, is amended to read:

2 "61-3-509. Disposition of taxes and fees in lieu of
3 tax. The county treasurer shall credit all taxes on motor
4 vehicles and fees in lieu of tax collected on motor homes,
5 and travel trailers, and school buses exempt under [section
6 9] collected to a motor vehicle suspense fund, and at some
7 time between March 1 and March 10 of each year and every 60
8 days thereafter, the county treasurer shall distribute the
9 money in the motor vehicle suspense fund in the relative
10 proportions required by the levies for state, county, school
11 district, and municipal purposes in the same manner as other
12 personal property taxes are distributed."

13 Section 8. Section 61-3-521, MCA, is amended to read:

14 "61-3-521. Fee in lieu of tax for certain vehicles.
15 (1) There is a fee in lieu of property tax imposed on motor
16 homes, travel trailers, and campers, and school buses leased
17 or privately contracted exclusively to school districts for
18 the state-approved transportation of students. The fee is in
19 addition to annual registration fees.

20 (2) The fee imposed by subsection (1) need not be paid
21 by a dealer for vehicles that constitute inventory of the
22 dealership."

23 NEW SECTION. Section 9. Fee for school bus contracted
24 to school district -- exceptions. (1) The owner of a school
25 bus leased or privately contracted exclusively to a school

1 district for the state-approved transportation of students
2 shall pay an annual fee in lieu of property tax of \$25. This
3 fee is in addition to the annual registration fee and is
4 payable at the time of registration.

5 (2) When a privately-owned school bus is engaged in
6 passenger carrying operations other than as provided in
7 subsection (1), the property taxes due shall be prorated and
8 paid for each month the bus is used for other than school
9 bus service.

10 NEW SECTION. Section 10. Property-tax-paid decal
11 required on school bus used for other than school bus
12 service -- issuance. (1) No school bus subject to taxation
13 in Montana may be operated by any person on the public
14 highways or streets in this state unless there is displayed
15 in a conspicuous place thereon a decal as visual proof that
16 the property tax has been paid thereon for the period of
17 time the school bus is used for other than school bus
18 service.

19 (2) Upon payment of the prorated property taxes due
20 for any month the school bus is used for other than school
21 bus service, the county treasurer shall issue a decal in the
22 style and design prescribed by the department.

23 NEW SECTION. Section 11. Penalty for operation of
24 school bus without decal. Operation of a school bus in
25 violation of [section 10] is a misdemeanor punishable by a

LC 0274/01

1 fine not to exceed \$50.

2 Section 12. Codification instruction. Sections 9
3 through 11 are intended to be codified as an integral part
4 of Title 61, chapter 3, and the provisions of Title 61,
5 chapter 3, apply to sections 9 through 11.

-End-

STATE OF MONTANA

REQUEST NO. 95-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 14, 19 81, there is hereby submitted a Fiscal Note for House Bill 177 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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

An act to provide that school buses leased or privately contracted exclusively to school districts for the state-approved transportation of students are exempt from property taxation for the period of the time engaged in state-approved school bus service; to require instead a fee in lieu of property tax of \$25 for each registration year.

Assumptions

1. The 1980 county assessor reports indicated that 498 buses were assessed. Assume 400 of these would be affected by the proposal.
2. The average assessed value is \$6,682.
3. The mill levies that apply are 220 for the counties and 6 mills for the University levy.
4. Lower taxes on the buses will lower contract prices.

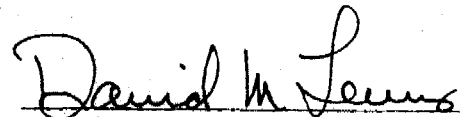
Fiscal Impact

	<u>FY 1982</u>	<u>FY 1983</u>
University Levy		
Under current law	None	\$2,085
Under proposed legislation		<u>270</u>
Estimated decrease		(\$1,815)

Loss to the university levy caused by this measure is \$1,815.

Local Impact

Local governments might lose about \$67,000 per year due to this measure; however, much of this cost would be offset with the lower costs of operating the school buses being passed on the school districts through lower contract prices.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-19-81