

House Bill 234

In The House

January 14, 1981

Introduced and referred  
to Committee on Taxation.

April 23, 1981

Died In Committee.

1 *HOUSE* BILL NO. *234*  
 2 INTRODUCED BY *HARP* ~~*Spencer*~~ *Keedy* *Miller*  
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH A FEE IN  
 5 LIEU OF TAX FOR AUTOMOBILES AND LIGHT TRUCKS BASED ON ENGINE  
 6 SIZE AND AGE OF THE VEHICLE; DIRECTING COUNTY TREASURERS TO  
 7 CREATE A SYSTEM OF REREGISTRATION BY MAIL; RAISING THE  
 8 REGISTRATION FEE; PROVIDING FOR ONE REGISTRATION DECAL; AND  
 9 AMENDING SECTIONS 10-2-301, 15-6-139, 15-6-140, 15-6-201,  
 10 15-8-201, 15-8-202, 15-24-301, 15-30-121, 15-31-114,  
 11 15-50-207, 61-3-303, 61-3-321, 61-3-322, 61-3-332, 61-3-335,  
 12 61-3-342, 61-3-501, 61-3-503, 61-3-504, 61-3-509, 61-3-521,  
 13 61-3-701, AND 61-10-233, MCA."

14  
 15 WHEREAS, the Legislature recognizes that there is a  
 16 vast disparity between the counties of the state in the  
 17 amount of property tax levied on motor vehicles, which leads  
 18 to licensing in counties in which a lower tax rate exists by  
 19 vehicle owners not residing in that county; and

20 WHEREAS, County Assessors spend a greater amount of  
 21 time assessing motor vehicles than any other type of  
 22 property, which creates a burden on county government; and

23 WHEREAS, the current tax system penalizes the use of  
 24 energy-saving vehicles, which pay higher taxes as their  
 25 value increases and encourages the use of fuel-consuming

1 vehicles, which pay lower taxes as their value decreases;  
 2 and

3 WHEREAS, a burden is placed on taxpayers by requiring  
 4 them to stand in lines for the purpose of registering their  
 5 vehicles.

6 THEREFORE, it is the intent of this bill to:

- 7 (1) remove the disparity in the tax charged among
- 8 counties;
- 9 (2) reduce the time burdens on County Assessors,
- 10 making the administration of property taxes easier for
- 11 counties;
- 12 (3) encourage the use of fuel-efficient automobiles;
- 13 (4) make registration procedures easier for owners of
- 14 motor vehicles; and
- 15 (5) reduce the costs of the registration procedure.

16  
 17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

18 Section 1. Section 10-2-301, MCA, is amended to read:  
 19 "10-2-301. Free license plates to disabled veterans.  
 20 Any person who is a veteran of the armed service of the  
 21 United States and 100% disabled because of an injury which  
 22 has been determined by the veterans administration to be  
 23 service connected and who is a citizen and resident of the  
 24 state of Montana and who is the owner of a passenger  
 25 automobile or of a truck up to and including three-quarter

1 ton GVW-rated capacity shall be provided with free license  
2 plates upon payment of personal property tax equal to 1% of  
3 the taxable value for such automobile or truck and upon  
4 proof of 100% service-connected disability."

5 Section 2. Section 15-6-139, MCA, is amended to read:

6 "15-6-139. Class nine property -- description --  
7 taxable percentage. (1) Class nine property includes:

8 (a) ~~automobiles, buses, and trucks weighing 1 1/2 tons~~  
9 ~~or less with a GVW-rated capacity of more than three-quarter~~  
10 ~~ton and equal to or less than 1 1/2 tons;~~

11 (b) ~~stock, camping, and travel trailers;~~

12 (c) ~~truck campers and toppers weighing more than 300~~  
13 ~~pounds, except those included in class five;~~

14 (d) ~~motor homes, except those included in class five;~~

15 (e) ~~(f)~~ furniture, fixtures, and equipment, except that  
16 specifically included in another class, used in commercial  
17 establishments as defined in this section;

18 (f) ~~(d)~~ x-ray and medical and dental equipment; and

19 (g) ~~(e)~~ citizens' band radios and mobile telephones.

20 (2) "Commercial establishment" includes any hotel;  
21 motel; office; petroleum marketing station; or service,  
22 wholesale, retail, or food-handling business.

23 (3) Class nine property is taxed at 13% of its market  
24 value."

25 Section 3. Section 15-6-140, MCA, is amended to read:

1 "15-6-140. Class ten property -- description --  
2 taxable percentage. (1) Class ten property includes:

3 (a) radio and television broadcasting and transmitting  
4 equipment;

5 (b) cable television systems;

6 (c) centrally assessed utility allocations after  
7 deductions of locally assessed properties, except as  
8 provided in:

9 (i) class five for cooperative rural electrical and  
10 cooperative rural telephone associations; and

11 (ii) class seven for rural telephone and electrical  
12 organizations;

13 (d) coal and ore haulers;

14 (e) trucks weighing with a GVW-rated capacity of more  
15 than 1 1/2 tons, including those prorated under 15-24-102;

16 (f) trailers, except those included in classes five,  
17 eight, or nine, including those prorated under 15-24-102;

18 (g) theater projectors and sound equipment; and

19 (h) all other property not included in the preceding  
20 nine classes.

21 (2) Class ten property is taxed at 16% of its market  
22 value."

23 Section 4. Section 15-6-201, MCA, is amended to read:

24 "15-6-201. Exempt categories. (1) The following  
25 categories of property are exempt from taxation:

1 (a) the property of:  
 2 (i) the United States, the state, counties, cities,  
 3 towns, school districts;  
 4 (ii) irrigation districts organized under the laws of  
 5 Montana and not operating for profit;  
 6 (iii) municipal corporations; and  
 7 (iv) public libraries;  
 8 (b) buildings, with land they occupy and furnishings  
 9 therein, owned by a church and used for actual religious  
 10 worship or for residences of the clergy, together with  
 11 adjacent land reasonably necessary for convenient use of  
 12 such buildings;  
 13 (c) property used exclusively for agricultural and  
 14 horticultural societies, for educational purposes, and for  
 15 hospitals;  
 16 (d) property that meets the following conditions:  
 17 (i) is owned and held by any association or  
 18 corporation organized under Title 35, chapter 2, 3, 20, or  
 19 21;  
 20 (ii) is devoted exclusively to use in connection with a  
 21 cemetery or cemeteries for which a permanent care and  
 22 improvement fund has been established as provided for in  
 23 Title 35, chapter 20, part 3; and  
 24 (iii) is not maintained and operated for private or  
 25 corporate profit;

1 (e) institutions of purely public charity;  
 2 (f) evidence of debt secured by mortgages of record  
 3 upon real or personal property in the state of Montana;  
 4 (g) public art galleries and public observatories not  
 5 used or held for private or corporate profit;  
 6 (h) all household goods and furniture, including but  
 7 not limited to clocks, musical instruments, sewing machines,  
 8 and wearing apparel of members of the family, used by the  
 9 owner for personal and domestic purposes or for furnishing  
 10 or equipping the family residence;  
 11 (i) a truck canopy cover or topper weighing less than  
 12 300 pounds and having no accommodations attached. Such  
 13 property is also exempt from the fee in lieu of tax.  
 14 (j) a bicycle, as defined in 61-1-123, used by the  
 15 owner for personal transportation purposes;  
 16 ~~(k) a vehicle listed in 61-3-521 on which a fee in~~  
 17 ~~lieu of tax is charged.~~  
 18 (2) (a) The term "institutions of purely public  
 19 charity" includes organizations owning and operating  
 20 facilities for the care of the retired or aged or  
 21 chronically ill, which are not operated for gain or profit.  
 22 (b) The terms "public art galleries" and "public  
 23 observatories" include only those art galleries and  
 24 observatories, whether of public or private ownership, that  
 25 are open to the public without charge at all reasonable

1 hours and are used for the purpose of education only.

2 (3) The following portions of the appraised value of a  
3 capital investment made after January 1, 1979, in a  
4 recognized nonfossil form of energy generation, as defined  
5 in 15-32-102, are exempt from taxation for a period of 10  
6 years following installation of the property:

7 (a) \$20,000 in the case of a single family residential  
8 dwelling;

9 (b) \$100,000 in the case of a multifamily residential  
10 dwelling or a nonresidential structure."

11 Section 5. Section 15-8-201, MCA, is amended to read:

12 "15-8-201. General assessment day. (1) The department  
13 of revenue or its agent must, between January 1 and the  
14 second Monday of July in each year, ascertain the names of  
15 all taxable inhabitants and assess all property subject to  
16 taxation in each county. The department or its agent must  
17 assess property to the person by whom it was owned or  
18 claimed or in whose possession or control it was at midnight  
19 of January 1 next preceding. It must also ascertain and  
20 assess all mobile homes arriving in the county after  
21 midnight of January 1 next preceding. No mistake in the name  
22 of the owner or supposed owner of real property, however,  
23 renders the assessment invalid.

24 (2) The procedure provided by this section may not  
25 apply to:

1 (a) motor vehicles that are required by 15-9-202 to be  
2 assessed on January 1 or upon their anniversary registration  
3 date;

4 (b) motor homes---and---travel---trailers vehicles  
5 enumerated in 61-3-521, subject to a fee in lieu of property  
6 tax;

7 (c) livestock;

8 (d) property defined in 61-1-104(2) as "special mobile  
9 equipment" that is subject to assessment for personal  
10 property taxes on the date that application is made for a  
11 special mobile equipment plate; and

12 (e) mobile homes held by a distributor or dealer of  
13 mobile homes as a part of his stock-in-trade.

14 (3) Credits must be assessed as provided in  
15 15-1-101(1)(c)."

16 Section 6. Section 15-8-202, MCA, is amended to read:

17 "15-8-202. Motor vehicle assessment. (1) (a) The  
18 department or its agent must, in each year, ascertain and  
19 assess all motor vehicles other than motor homes--travel  
20 ~~trailers~~ or mobile homes vehicles in each county subject to  
21 a fee in lieu of tax or taxation as of January 1 or as of  
22 the anniversary registration date of those vehicles subject  
23 to 61-3-313 through 61-3-316 and 61-3-501. The motor  
24 vehicles shall be assessed in each year to the persons by  
25 whom owned or claimed or in whose possession or control they

1 were at midnight of January 1 or the anniversary  
2 registration date thereof, whichever is applicable.

3 (b) No tax may be assessed against motor vehicles that  
4 constitute inventory of motor vehicle dealers as of January  
5 1. These vehicles and all other motor vehicles brought into  
6 the state subsequent to January 1 as motor vehicle dealers'  
7 inventories shall be assessed to their respective purchasers  
8 as of the dates the vehicles are registered by the  
9 purchasers.

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

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

16 (2) In all cases where taxes or a fee in lieu of tax  
17 were required to be paid, the applicant for registration or  
18 reregistration of a motor vehicle, other than a mobile home,  
19 is not relieved of the duty of paying taxes or the fee in  
20 lieu of tax if the taxes or fees have not been paid by a  
21 prior applicant or owner."

22 Section 7. Section 15-24-301, MCA, is amended to read:

23 \*15-24-301. Personal property brought into the state  
24 -- assessment -- exceptions -- custom combine equipment. (1)  
25 Property in the following cases is subject to fees in lieu

1 of taxes or taxation and assessment for all taxes levied  
2 that year in the county in which it is located:

3 (a) any personal property (including livestock)  
4 brought, driven, or coming into this state at any time  
5 during the year that is used in the state for hire,  
6 compensation, or profit;

7 (b) property whose owner or user is engaged in gainful  
8 occupation or business enterprise in the state; or

9 (c) property which comes to rest and becomes a part of  
10 the general property of the state.

11 (2) The taxes or fees in lieu of taxes on this  
12 property are levied in the same manner and to the same  
13 extent, except as otherwise provided, as though the property  
14 had been in the county on the regular assessment date,  
15 provided that the property has not been regularly assessed  
16 for the year in some other county of the state.

17 (3) Nothing in this section shall be construed to levy  
18 a tax against a merchant or dealer within this state on  
19 goods, wares, or merchandise brought into the county to  
20 replenish the stock of the merchant or dealer in addition to  
21 the tax levied against the inventory of said merchant or  
22 dealer on the regular assessment date.

23 (4) This section does not apply to any motor vehicle  
24 brought, driven, or coming into this state by any  
25 nonresident person temporarily employed in Montana for a

1 period not exceeding 90 days if the motor vehicle is used  
2 exclusively for transportation of such person.

3 (5) Agricultural harvesting machinery classified under  
4 class eight, licensed in other states, and operated on the  
5 lands of persons other than the owner of the machinery under  
6 contracts for hire shall be subject to a fee in lieu of  
7 taxation of \$35 per machine for a 60-day period. The  
8 machines shall be subject to taxation under class eight only  
9 if they are sold in Montana."

10 Section 8. Section 15-30-121, MCA, is amended to read:

11 "15-30-121. Deductions allowed in computing net  
12 income. In computing net income, there are allowed as  
13 deductions:

14 (1) the items referred to in sections 161 and 211 of  
15 the Internal Revenue Code of 1954, or as sections 161 and  
16 211 shall be labeled or amended, subject to the following  
17 exceptions which are not deductible:

18 (a) items provided for in 15-30-123;

19 (b) state income tax paid;

20 (2) federal income tax paid within the taxable year;

21 (3) child and dependent care expenses determined in  
22 accordance with the provisions of section 214 of the  
23 Internal Revenue Code of 1954 that were in effect for the  
24 taxable year that began January 1, 1974. However, the  
25 limitation set forth in section 214(e)(4) of the Internal

1 Revenue Code of 1954 as that section was in effect for the  
2 taxable year that began January 1, 1974, applies only to  
3 payments made to a child of the taxpayer who is under 19  
4 years of age at the close of the taxable year and to  
5 payments made to an individual with respect to whom a  
6 deduction is allowable under 15-30-112(5) to the taxpayer or  
7 the taxpayer's spouse.

8 (4) that portion of an energy-related investment  
9 allowed as a deduction under 15-32-103;

10 (5) in the case of an individual, political  
11 contributions determined in accordance with the provisions  
12 of section 218(a) and (b) of the Internal Revenue Code that  
13 were in effect for the taxable year ended December 31,  
14 1978;

15 ~~(6) fees in lieu of taxes on motor vehicles."~~

16 Section 9. Section 15-31-114, MCA, is amended to read:

17 "15-31-114. Deductions allowed in computing income. In  
18 computing the net income, the following deductions shall be  
19 allowed from the gross income received by such corporation  
20 within the year from all sources:

21 (1) All the ordinary and necessary expenses paid or  
22 incurred during the taxable year in the maintenance and  
23 operation of its business and properties, including  
24 reasonable allowance for salaries for personal services  
25 actually rendered, subject to the limitation hereinafter

1 contained, rentals or other payments required to be made as  
 2 a condition to the continued use or possession of property  
 3 to which the corporation has not taken or is not taking  
 4 title or in which it has no equity. No deduction shall be  
 5 allowed for salaries paid upon which the recipient thereof  
 6 has not paid Montana state income tax; provided, however,  
 7 that where domestic corporations are taxed on income derived  
 8 from without the state, salaries of officers paid in  
 9 connection with securing such income shall be deductible.

10 (2) (a) All losses actually sustained and charged off  
 11 within the year and not compensated by insurance or  
 12 otherwise, including a reasonable allowance for the wear and  
 13 tear and obsolescence of property used in the trade or  
 14 business, such allowance to be determined according to the  
 15 provisions of section 167 of the Internal Revenue Code in  
 16 effect with respect to the taxable year. All elections for  
 17 depreciation shall be the same as the elections made for  
 18 federal income tax purposes. No deduction shall be allowed  
 19 for any amount paid out for any buildings, permanent  
 20 improvements, or betterments made to increase the value of  
 21 any property or estate, and no deduction shall be made for  
 22 any amount of expense of restoring property or making good  
 23 the exhaustion thereof for which an allowance is or has been  
 24 made.

25 (b) (i) There shall be allowed as a deduction for the

1 taxable period a net operating loss deduction determined  
 2 according to the provisions of this subsection. The net  
 3 operating loss deduction is the aggregate of net operating  
 4 loss carryovers to such taxable period plus the net  
 5 operating loss carrybacks to such taxable period. The term  
 6 "net operating loss" means the excess of the deductions  
 7 allowed by this section, 15-31-114, over the gross income,  
 8 with the modifications specified in (ii) of this subsection.  
 9 If for any taxable period beginning after December 31, 1970,  
 10 a net operating loss is sustained, such loss shall be a net  
 11 operating loss carryback to each of the three taxable  
 12 periods preceding the taxable period of such loss and shall  
 13 be a net operating loss carryover to each of the five  
 14 taxable periods following the taxable period of such loss. A  
 15 net operating loss for any taxable period ending after  
 16 December 31, 1975, in addition to being a net operating loss  
 17 carryback to each of the three preceding taxable periods,  
 18 shall be a net operating loss carryover to each of the seven  
 19 taxable periods following the taxable period of such loss.  
 20 The portion of such loss which shall be carried to each of  
 21 the other taxable years shall be the excess, if any, of the  
 22 amount of such loss over the sum of the net income for each  
 23 of the prior taxable periods to which such loss was carried.  
 24 For purposes of the preceding sentence, the net income for  
 25 such prior taxable period shall be computed with the



1 modifications specified in (ii)(B) of this subsection and by  
 2 determining the amount of the net operating loss deduction  
 3 without regard to the net operating loss for the loss period  
 4 or any taxable period thereafter, and the net income so  
 5 computed shall not be considered to be less than zero.

6 (ii) The modifications referred to in (i) of this  
 7 subsection shall be as follows:

8 (A) No net operating loss deduction shall be allowed.

9 (B) The deduction for depletion shall not exceed the  
 10 amount which would be allowable if computed under the cost  
 11 method.

12 (C) Any net operating loss carried over to any taxable  
 13 years beginning after December 31, 1978, must be calculated  
 14 under the provisions of this section effective for the  
 15 taxable year for which the return claiming the net operating  
 16 loss carryover is filed.

17 (iii) A net operating loss deduction shall be allowed  
 18 only with regard to losses attributable to the business  
 19 carried on within the state of Montana.

20 (iv) In the case of a merger of corporations, the  
 21 surviving corporation shall not be allowed a net operating  
 22 loss deduction for net operating losses sustained by the  
 23 merged corporations prior to the date of merger. In the case  
 24 of a consolidation of corporations, the new corporate entity  
 25 shall not be allowed a deduction for net operating losses

1 sustained by the consolidated corporations prior to the date  
 2 of consolidation.

3 (v) Notwithstanding the provisions of 15-31-531,  
 4 interest shall not be paid with respect to a refund of tax  
 5 resulting from a net operating loss carryback or carryover.

6 (vi) The net operating loss deduction shall not be  
 7 allowed with respect to taxable periods which ended on or  
 8 before December 31, 1970, but shall be allowed only with  
 9 respect to taxable periods beginning on or after January 1,  
 10 1971.

11 (3) In the case of mines, other natural deposits, oil  
 12 and gas wells, and timber, a reasonable allowance for  
 13 depletion and for depreciation of improvements; such  
 14 reasonable allowance to be determined according to the  
 15 provisions of the Internal Revenue Code in effect for the  
 16 taxable year. All elections made under the Internal Revenue  
 17 Code with respect to capitalizing or expensing exploration  
 18 and development costs and intangible drilling expenses for  
 19 corporation license tax purposes shall be the same as the  
 20 elections made for federal income tax purposes.

21 (4) The amount of interest paid within the year on its  
 22 indebtedness incurred in the operation of the business from  
 23 which its income is derived; but no interest shall be  
 24 allowed as a deduction if paid on an indebtedness created  
 25 for the purchase, maintenance, or improvement of property or

1 for the conduct of business unless the income from such  
2 property or business would be taxable under this part.

3 (5) (a) Taxes or fees in lieu of taxes paid within the  
4 year except the following:

5 (i) Taxes imposed by this part.

6 (ii) Taxes assessed against local benefits of a kind  
7 tending to increase the value of the property assessed.

8 (iii) Taxes on or according to or measured by net  
9 income or profits imposed by authority of the government of  
10 the United States.

11 (iv) Taxes imposed by any other state or country upon  
12 or measured by net income or profits.

13 (b) Taxes deductible under this part shall be  
14 construed to include taxes or fees in lieu of taxes imposed  
15 by any county, school district, or municipality of this  
16 state.

17 (6) That portion of an energy-related investment  
18 allowed as a deduction under 15-32-103."

19 Section 10. Section 15-50-207, MCA, is amended to  
20 read:

21 "15-50-207. Credit against other taxes -- credit for  
22 personal property taxes. (1) The additional license fees  
23 withheld or otherwise paid as provided herein may be used as  
24 a credit on the contractor's corporation license tax  
25 provided for in chapter 31 of this title or on the

1 contractor's income tax provided for in chapter 30,  
2 depending upon the type of tax the contractor is required to  
3 pay under the laws of the state.

4 (2) Personal property taxes or fees in lieu of taxes  
5 paid in Montana on any personal property of the contractor  
6 which is used in the business of the contractor and is  
7 located within this state may be credited against the  
8 license fees required under this chapter. However, in  
9 computing the tax credit allowed by this section against the  
10 contractor's corporation license tax or income tax, the  
11 personal property tax credit against the license fees herein  
12 required shall not be considered as license fees paid for  
13 the purpose of such income tax or corporation license tax  
14 credit."

15 Section 11. Section 61-3-303, MCA, is amended to read:

16 "61-3-303. Application for registration. (1) Every  
17 owner of a motor vehicle operated or driven upon the public  
18 highways of this state shall for each motor vehicle owned,  
19 except as herein otherwise expressly provided, file or cause  
20 to be filed in the office of the county treasurer where the  
21 motor vehicle is owned ~~or--taxable~~ an application for  
22 registration or reregistration upon a blank form to be  
23 prepared and furnished by the division. The application  
24 shall contain:

25 (a) name and address of owner, giving county, school

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1 district, and town or city within whose corporate limits the  
2 motor vehicle is taxable owned;

3 (b) name and address of the holder of any security  
4 interest in the motor vehicle;

5 (c) description of motor vehicle, including make, year  
6 model, engine or serial number, manufacturer's model or  
7 letter, gross weight, type of body, and if truck, the rated  
8 capacity;

9 (d) in case of reregistration, the license number for  
10 the preceding year; and

11 (e) such other information as the division may  
12 require.

13 (2) A person who files an application for registration  
14 or reregistration of a motor vehicle, except of a mobile  
15 home as defined in 15-1-101(1), shall upon the filing of the  
16 application pay to the county treasurer:

17 (a) the registration fee, as provided in 61-3-311 and  
18 61-3-321; and

19 (b) the personal property taxes assessed, the new  
20 motor vehicle sales tax against the vehicle for the current  
21 year of registration, or in the case of a motor home, travel  
22 trailer, or camper, ~~light trucks, or automobile~~, the fee in  
23 lieu of property tax for the current year of registration,  
24 unless the same shall have been theretofore paid for the  
25 year, before the application for registration or

1 reregistration may be accepted by the county treasurer.

2 (3) The county treasurer may make full and complete  
3 investigation of the tax status of the vehicle. Any  
4 applicant for registration or reregistration must submit  
5 proof from the tax records of the proper county at the  
6 request of the county treasurer.

7 ~~(4) The county treasurer of each county shall develop  
8 and implement a form and procedure for reregistration of  
9 automobiles and light trucks by mail. The form shall be  
10 mailed to the owner of the vehicle 30 days prior to his  
11 reregistration date."~~

12 Section 12. Section 61-3-321, MCA, is amended to read:

13 "61-3-321. Registration fees of vehicles --  
14 public-owned vehicles exempt from license or registration  
15 fees -- disposition of fees. (1) Registration or license  
16 fees shall be paid upon registration or reregistration of  
17 motor vehicles, trailers, housetrailer, and semitrailers,  
18 in accordance with this chapter, as follows:

19 (a) motor vehicles weighing 2,850 pounds or under  
20 (other than motortrucks), ~~\$5~~ \$12.50;

21 (b) motor vehicles weighing over 2,850 pounds (other  
22 than motortrucks), ~~\$10~~ \$12.50;

23 (c) electrically driven passenger vehicles, \$10;

24 (d) all motorcycles, \$2;

25 (e) tractors and/or trucks, ~~\$10~~ \$12.50;

1 (f) buses shall be classed as motortrucks and licensed  
2 accordingly;

3 (g) trailers and semitrailers less than 2,500 pounds  
4 maximum gross loaded weight and housetrailers of all  
5 weights, \$2;

6 (h) trailers and semitrailers over 2,500 up to 6,000  
7 pounds maximum gross loaded weight (except housetrailers),  
8 \$5;

9 (i) trailers and semitrailers over 6,000 pounds  
10 maximum gross loaded weight, \$10;

11 (j) trailers used exclusively in the transportation of  
12 logs in the forest or in the transportation of oil and gas  
13 well machinery, road machinery, or bridge materials, new and  
14 secondhand, shall pay a fee of \$15 annually, regardless of  
15 size or capacity.

16 (2) All rates shall be 25% higher for motor vehicles,  
17 trailers, and semitrailers not equipped with pneumatic  
18 tires.

19 (3) "Tractor", as specified in this section, means any  
20 motor vehicle except passenger cars used for towing a  
21 trailer or semitrailer.

22 (4) If any motor vehicle, housetrailer, trailer, or  
23 semitrailer is originally registered 6 months after the time  
24 of registration as set by law, the registration or license  
25 fee for the remainder of the year shall be one-half of the

1 regular fee.

2 (5) An additional fee of \$2 per year for each  
3 registration of a vehicle shall be collected as a  
4 registration fee. Revenue from this fee shall be forwarded  
5 by the respective county treasurers to the state treasurer  
6 for deposit in the motor vehicle recording account of the  
7 earmarked revenue fund.

8 (6) The provisions of this part with respect to the  
9 payment of registration fees shall not apply to or be  
10 binding upon motor vehicles, trailers or semitrailers, or  
11 tractors owned or controlled by the United States of America  
12 or any state, county, or city.

13 (7) The provisions of this section relating to the  
14 payment of registration fees do not apply when number plates  
15 are transferred to a replacement vehicle under 61-3-317(1),  
16 61-3-332(7), or 61-3-335."

17 Section 13. Section 61-3-322, MCA, is amended to read:

18 "61-3-322. Certificates of registration -- issuance.

19 (1) Upon completion of the application for registration on  
20 forms furnished by the division, the county treasurer shall  
21 file one copy in his office and issue to the applicant two  
22 copies of the application marked "Owner's Certificate of  
23 Registration and ~~Fee~~ Payment Receipt", one of which shall be  
24 marked "file copy".

25 (2) The certificate of registration shall contain upon

1 the face thereof the information described in 61-3-202(2).

2 (3) Every owner, upon receiving a registration  
3 receipt, shall write his signature thereon with pen and ink  
4 in the space provided. Every registration receipt or a  
5 notarized photostatic copy or a duplicate thereof furnished  
6 by the division shall at all times be carried in the vehicle  
7 to which it refers or shall be carried by the person driving  
8 or in control of such vehicle, who shall display it upon  
9 demand of a police officer or any officer or employee of the  
10 division or the highway department.

11 (4) The county treasurer shall daily forward to the  
12 division one copy of all applications for registration  
13 received that day.

14 (5) It shall not be necessary for the county treasurer  
15 to segregate the amount of taxes or fees in lieu of taxes  
16 for state, county, school district, and municipal purposes  
17 in the receipt."

18 Section 14. Section 61-3-332, MCA, is amended to read:

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

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

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

23 (3) In the case of motorcars and trucks, number plates  
24 shall be of metal 6 inches wide and 12 inches in length. For  
25 number plates issued after 1976, the outline of the state

1 of Montana shall be used as a distinctive border on such  
 2 license plates, and the word "Montana" with the year shall  
 3 be placed across the bottom of the plate. Such registration  
 4 plate shall be treated with a reflectorized background  
 5 material according to specifications prescribed by the  
 6 division.

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

21 (5) For the use of ~~tax-exempt~~ motor vehicles ~~exempt~~  
 22 from taxes and fees in lieu of taxes, in addition to the  
 23 markings herein provided, number plates shall have thereon  
 24 the following distinctive markings:

25 (a) For vehicles owned by the state the division may

1 designate the prefix number for the various state  
 2 departments, and all numbered plates issued to state  
 3 departments shall bear the words "State Owned" and no year  
 4 number will be indicated thereon as these numbered plates  
 5 will be of a permanent nature, and will be replaced by the  
 6 division at such time when the physical condition of  
 7 numbered plates requires same.

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

25 (6) On all number plates assigned to motor vehicles of

1 the truck and trailer type, other than tax-exempt trucks and  
 2 trailers, there shall appear the letter "T" or the word  
 3 "TRUCK" for plates assigned to trucks and the letters "TR"  
 4 or the word "TRAILER" for plates assigned to trailers and  
 5 housetrailer. The letters "MC" or the word "CYCLE" shall  
 6 appear for plates assigned to vehicles of the motorcycle  
 7 type.

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

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

1 Broadwater, 43; Wheatland, 44; Prairie, 45; Granite, 46;  
 2 Meagher, 47; Liberty, 48; Park, 49; Garfield, 50; Jefferson,  
 3 51; Wibaux, 52; Golden Valley, 53; Mineral, 54; Petroleum,  
 4 55; Lincoln, 56. Any new counties shall be assigned numbers  
 5 by the division as they may be formed, beginning with the  
 6 number 57."

7 Section 15. Section 61-3-335, MCA, is amended to read:  
 8 "61-3-335. Transfer of license plates to another motor  
 9 vehicle. (1) Should the transferor make application for the  
 10 registration of another motor vehicle at any time during the  
 11 remainder of the current registration year as shown on the  
 12 original certificate of registration, he may file an  
 13 application in the office of the county treasurer where the  
 14 motor vehicle is taxable ~~or where the fee in lieu of tax is~~  
 15 payable, upon a form to be prepared and furnished by the  
 16 division, accompanied by the original certificate of  
 17 registration, for the transfer of the license plates. The  
 18 application for transfer of the license plates from the  
 19 motor vehicle for which originally issued to a motor vehicle  
 20 acquired by the same person in whose name the original  
 21 license plates were issued shall be made within 20 days from  
 22 date of acquiring the vehicle. The use of the license plates  
 23 shall not be legalized until proper transfer of license  
 24 plates has been made.

25 (2) License plates may be transferred pursuant to this

1 section without transferring ownership of the first vehicle.

2 (3) Upon transfer of the license plates, the  
3 registration of the motor vehicle from which the license  
4 plates were transferred expires. The certificate of  
5 registration for such vehicle must be surrendered to the  
6 county treasurer with the application for transfer."

7 Section 16. Section 61-3-342, MCA, is amended to read:

8 "61-3-342. Temporary windshield sticker. Any purchaser  
9 of a motor vehicle who is unable to obtain license plates  
10 from the county treasurer at the time he makes application  
11 for registration or reregistration of said vehicle because  
12 the certificate of ownership is lost, in the possession of  
13 third parties, or in the process of reissuance in this state  
14 or elsewhere may, upon making affidavit to that effect upon  
15 a form prescribed by the division and upon the payment of a  
16 fee of \$2 to be collected by the county treasurer and  
17 remitted to the division, obtain from the county treasurer  
18 of the county in which said vehicle is subject to tax or a  
19 fee in lieu of tax a temporary windshield sticker of such  
20 size, color, and design as the division may prescribe, to be  
21 validated by the county treasurer for a period of 60 days  
22 from the date of issuance. Such purchaser, upon displaying  
23 such sticker on the lower right-hand corner of the  
24 windshield of such motor vehicle, shall be entitled to  
25 operate such vehicle during the period for which such

1 windshield sticker has been validated without displaying the  
2 registration certificate or number plates or plate for the  
3 current year. Provided, however, the county treasurer shall  
4 not sell, and no person shall purchase, more than one 60-day  
5 temporary windshield sticker for any vehicle, the ownership  
6 of which has not changed since the issuance of the previous  
7 60-day windshield sticker."

8 Section 17. Section 61-3-501, MCA, is amended to read:

9 "61-3-501. When vehicle property tax is due. (1)  
10 Property taxes, new car taxes, and fees in lieu of tax on a  
11 ~~motor--home--or--travel--trailer~~ vehicles listed in 61-3-521  
12 must be paid on the date of registration or reregistration  
13 of the 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 18. 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~~ vehicle ~~on~~  
 14 which a fee in lieu of tax is charged, or a mobile home as  
 15 defined in 15-1-101(1), shall before filing such application  
 16 with the county treasurer submit the application to the  
 17 county assessor. The county assessor shall enter on the  
 18 application in a space to be provided for that purpose the  
 19 market value and taxable value of the vehicle for the year  
 20 for which the application for registration is made.

21 (2) Except as provided in subsection (3), motor  
 22 vehicles, other than motor ~~homes, travel-trailers~~ vehicles  
 23 on which a fee in lieu of tax is charged, or mobile homes as  
 24 defined in 15-1-101(1), are assessed for taxes on January 1  
 25 in each year irrespective of the time fixed by law for the

1 assessment of other classes of personal property and  
 2 irrespective of whether the levy and tax may be a lien upon  
 3 real property within the state. In no event may any motor  
 4 vehicle be subject to assessment, levy, and taxation more  
 5 than once in each year.

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

12 Section 19. Section 61-3-504, MCA, is amended to read:

13 "61-3-504. Computation of tax. The amount of taxes on  
 14 a motor vehicle, other than a motor ~~home--travel--trailer~~  
 15 vehicle subject to a fee in lieu of tax or a mobile home as  
 16 defined in 15-1-101(1), is computed and determined by the  
 17 county treasurer on the basis of the levy of the year  
 18 preceding the current year of application for registration  
 19 or reregistration. The determination is entered on the  
 20 application form in a space provided therefor."

21 Section 20. Section 61-3-509, MCA, is amended to read:

22 "61-3-509. Disposition of taxes and fees in lieu of  
 23 tax. The county treasurer shall credit all taxes on motor  
 24 vehicles and fees in lieu of tax on motor vehicles, motor  
 25 homes, and travel trailers collected to a motor vehicle

1   suspense fund, and at some time between March 1 and March 10  
 2   of each year and every 60 days thereafter, the county  
 3   treasurer shall distribute the money in the motor vehicle  
 4   suspense fund in the relative proportions required by the  
 5   levies for state, county, school district, and municipal  
 6   purposes in the same manner as other personal property taxes  
 7   are distributed."

8       Section 21. Section 61-3-521, MCA, is amended to read:

9       "61-3-521. Fee in lieu of tax for certain vehicles.

10   (1) There is a fee in lieu of property tax imposed on motor  
 11   homes, travel trailers, and campers, automobiles, and light  
 12   trucks. The fee is in addition to annual registration fees.

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

16       Section 22. Section 61-3-701, MCA, is amended to read:

17       "61-3-701. Foreign vehicles used in gainful occupation

18   to be registered -- reciprocity. (1) Before any foreign  
 19   licensed motor vehicle may be operated on the highways of  
 20   this state for hire, compensation, or profit or before the  
 21   owner and/or user thereof uses the vehicle if such owner  
 22   and/or user is engaged in gainful occupation or business  
 23   enterprise in the state, including highway work, the owner  
 24   of the vehicle shall make application to a county treasurer  
 25   for registration upon an application form furnished by the

1   division. Upon satisfactory evidence of ownership submitted  
 2   to the county treasurer and the payment of property taxes as  
 3   required by 15-8-201, through---15-8-203 15-8-202, or  
 4   15-24-301 or fees in lieu of taxes, the treasurer shall  
 5   accept the application for registration and shall collect  
 6   the regular license fee required for the vehicle.

7       (2) The treasurer shall thereupon issue to the  
 8   applicant a copy of the application entitled "Owner's  
 9   Certificate of Registration and Fee Payment Receipt" and  
 10   forward a duplicate copy of the certificate to the division.  
 11   The treasurer shall at the same time issue to the applicant  
 12   the proper license plates or other identification markers,  
 13   which shall at all times be displayed upon the vehicle when  
 14   operated or driven upon roads and highways of this state  
 15   during the period of the life of the license.

16       (3) The registration receipt shall not constitute  
 17   evidence of ownership but shall be used only for  
 18   registration purposes. No Montana certificate of ownership  
 19   shall be issued for this type of registration.

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

24       Section 23. Section 61-10-233, MCA, is amended to  
 25   read:

HB 234

1       \*61-10-233. Excess weight -- penalties. (1) The  
2 operator is subject to the penalties stated in 61-10-232  
3 whenever the gross loaded weight of any trucks, truck  
4 tractor, trailer, or semitrailer operated upon any highway  
5 in this state exceeds the gross vehicle weight shown on:

6       (a) the owner's certificate of registration and tax  
7 ~~payment~~ receipt issued under 61-3-322; or

8       (b) the gross vehicle weight receipt issued under  
9 61-10-227.

10       (2) In addition, the operator shall immediately pay to  
11 the nearest county treasurer or to the department the  
12 difference between the fee already paid and that applicable  
13 to the gross weight of his vehicle before unloading the  
14 excess, provided that it does not exceed the legal axle  
15 weight."

16       NEW SECTION. Section 24. Registration decals. A  
17 single color-coded decal issued by the registrar of motor  
18 vehicles through the county treasurers for purposes of  
19 identification of anniversary date registration shall be  
20 affixed to the lower right-hand corner of the rear plate of  
21 an automobile or light truck, subject to anniversary date  
22 registration.

23       NEW SECTION. Section 25. Light truck. "Light truck"  
24 means a truck with a GVW-rated capacity of three-quarters of  
25 a ton or less.

1       NEW SECTION. Section 26. Schedule of fees for  
2 automobiles and light trucks. (1) The owner of an automobile  
3 or light truck with an engine of four cylinders or less  
4 shall pay a fee based on the age of the vehicle according to  
5 the following schedule:

6	less than 2 years old	\$125
7	2 years old and less than 3 years old	105
8	3 years old and less than 4 years old	90
9	4 years old and less than 5 years old	75
10	5 years old and less than 6 years old	60
11	6 years old and less than 7 years old	45
12	7 years old and less than 8 years old	30
13	8 years old and less than 9 years old	15
14	9 years old and older	5

15       (2) The owner of an automobile or light truck with an  
16 engine of more than four cylinders and equal to or less than  
17 six cylinders shall pay a fee based on the age of the  
18 vehicle according to the following schedule:

19	less than 2 years old	\$150
20	2 years old and less than 3 years old	135
21	3 years old and less than 4 years old	110
22	4 years old and less than 5 years old	95
23	5 years old and less than 6 years old	80
24	6 years old and less than 7 years old	65
25	7 years old and less than 8 years old	50

1	8 years old and less than 9 years old	35
2	9 years old and less than 10 years old	20
3	10 years old and older	10
4	(3) The owner of an automobile or light truck with an	
5	engine of more than six cylinders shall pay a fee based on	
6	the age of the vehicle according to the following schedule:	
7	less than 2 years old	\$200
8	2 years old and less than 3 years old	175
9	3 years old and less than 4 years old	150
10	4 years old and less than 5 years old	125
11	5 years old and less than 6 years old	100
12	6 years old and less than 7 years old	85
13	7 years old and less than 8 years old	60
14	8 years old and less than 9 years old	45
15	9 years old and older	20

16 (4) The age of a vehicle is determined by subtracting  
 17 the manufacturer's designated model year from the current  
 18 calendar year.

19 Section 27. Codification instruction. (1) Section 24  
 20 is intended to be codified as an integral part of Title 61,  
 21 chapter 3, part 3, and the provisions of Title 61, chapter  
 22 3, part 3, apply to section 24.

23 (2) Section 25 is intended to be codified as an  
 24 integral part of Title 61, chapter 1, part 1, and section 25  
 25 applies to Title 61, and Title 61 applies to section 25.

1 (3) Section 26 is intended to be codified as an  
 2 integral part of Title 61, chapter 3, part 5, and the  
 3 provisions of Title 61 apply to section 26.  
 4 Section 28. Applicability. This act is applicable to  
 5 automobiles and light trucks registered during and after  
 6 1982.

-End-

HB 234

STATE OF MONTANA

REQUEST NO. 127-84

FISCAL NOTE

Form BD-15

In compliance with a written request received January 19, 19 81, there is hereby submitted a Fiscal Note for House Bill 234 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.

IMPACT ON REVENUE (continued)

Thus, the net loss to the six mill fund would be:

FY 82 \$54,860  
FY 83 \$130,460

There is a potential saving in cost because of a reduced workload in some County Assessor's Offices.

EFFECT ON LOCAL GOVERNMENTS

Section 12 increases the registration fee for all automobiles and light trucks to \$12.50. This will produce approximately \$1,593,000 in additional revenue statewide. This money is divided among the counties on the basis of the number of vehicles registered. A county-by-county list of the effect of this proposal is attached.

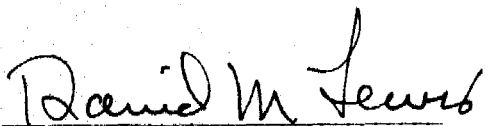
LONG-RANGE EFFECTS

The measure would produce a decrease in local government and state revenues of about the same order in FY 84 and FY 85.

TECHNICAL NOTE

Section 11(4) directs the County Treasurer to develop a system of mail registration. The task could probably be done more economically and efficiently if it were given to the Motor Vehicle Division of the Department of Justice.

PREPARED BY THE DEPARTMENT OF REVENUE



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-24-81

## STATE OF MONTANA

REQUEST NO. 127-84

## FISCAL NOTE

Form BD-15

In compliance with a written request received January 19, 19 81, there is hereby submitted a Fiscal Note for HB 234 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 proposal would replace the present ad valorem tax on automobiles and light trucks with a system of fees based on the age and number of cylinders in the engine of the vehicle. It also raises the registration fee for all automobiles and light trucks to \$12.50.

TECHNIQUE OF ESTIMATION

The data from the 1980 plate year Motor Vehicle Division computer tapes are used in deriving the estimates. About 12.7% of the records in the data file are flawed in a way that renders them unusable for computation purposes. Consequently, the estimates are made, based on the 87.3% of the data which is usable and the results expanded to the whole file under the assumption that the 87.3% portion constitutes a representative sample.

This proposal uses the number of cylinders in a vehicle's engine as one criterion for setting the license fee. The data available does not make a distinction on engine size so weight of the vehicle was used as a proxy. Vehicles weighing less than 3000 pounds were assumed to have less than a six cylinder engine while those weighing 3000 pounds or more were assumed to have at least a six cylinder engine. The use of this assumption will tend to understate the amount of revenue the proposal will generate. Thus, the following results give an upper bound on the impact of the proposal:

Tax Paid (1980)	Proposed Fee in lieu of tax	Increase (Decrease)
\$29,817,729	\$27,565,053	(\$2,252,676)

IMPACT ON REVENUE

In 1980 motor vehicles constituted about 7% of the state's tax base. Assuming that this proportion would remain constant and that the total taxable value of the state, in the absence of this bill, would be \$2.083 B for 1981 and \$2.263 B for 1982, the potential impact on the revenue from the six mill university levy would be a decrease of:

FY 82	$\$2.083 \text{ B} \times .07 \times .006 = \$874,860$
FY 83	$\$2.263 \text{ B} \times .07 \times .006 = \$950,460$

This would be partially offset by the state's share of the fee in lieu of tax which is distributed in proportion to the mill levies imposed by the various jurisdictions involved. (section 20). Assuming the average levy statewide on vehicles is 250 mills, it appears that the six mill fund would be credited with at least \$82,000 in each year of the biennium.

(Continued page 2)

BUDGET DIRECTOR

Office of Budget and Program Planning

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

IMPACT OF FEE SYSTEM  
APPLIED TO 1980 PLATE YEAR DATA

COUNTY	# OF VEHICLES	\$ COUNTY TAX	\$ UNIFORM FEE	INCREASE (DECREASE) IN COUNTY REVENUE
Silver Bow	21,484	1,803,175	1,273,255	(529,920)
Cascade	49,101	3,698,285	2,830,346	(867,939)
Yellowstone	64,361	4,679,057	4,183,717	(495,340)
Missoula	43,746	3,030,741	2,600,035	(430,706)
Lewis & Clark	26,204	1,976,865	1,585,629	(391,236)
Gallatin	24,752	1,778,438	1,466,433	(312,005)
Flathead	32,635	2,039,345	1,982,556	( 56,789)
Fergus	7,818	490,220	437,749	( 52,471)
Powder River	1,586	81,825	131,498	49,673
Carbon	3,970	230,972	240,683	9,711
Phillips	2,868	152,094	200,697	48,603
Hill	6,586	472,681	475,347	2,666
Ravalli	13,659	656,037	763,644	107,607
Custer	7,804	584,256	463,354	(120,902)
Lake	11,280	589,713	663,977	74,264
Dawson	7,048	509,827	465,342	( 44,485)
Roosevelt	4,158	306,305	327,510	21,205
Beaverhead	3,700	225,160	256,404	( 31,244)
Chouteau	3,115	178,175	230,317	52,142
Valley	4,800	327,289	333,569	6,280
Toole	3,692	232,092	236,897	4,805
Big Horn	5,363	257,518	415,763	158,245
Musselshell	2,376	121,629	148,891	27,262
Blaine	2,715	171,020	209,522	38,502
Madison	3,032	171,604	204,253	32,649
Pondera	2,554	150,343	175,361	25,018
Richland	6,429	360,738	503,587	142,849
Powell	3,768	223,502	229,618	6,116
Rosebud	4,270	203,810	315,042	111,232
Deer Lodge	5,879	569,473	338,569	(230,904)
Teton	3,776	217,897	220,701	2,804
Stillwater	2,956	165,404	188,676	23,272
Treasure	537	28,272	39,465	11,193
Sheridan	3,329	182,736	234,996	52,260
Sanders	3,934	198,926	253,471	54,545
Judith Basin	1,758	94,151	107,920	13,769
Daniels	1,089	71,925	79,594	7,669
Glacier	5,557	327,780	409,738	81,958
Fallon	2,121	116,480	159,921	43,441
Sweetgrass	1,931	103,374	110,858	7,484
McCone	999	60,946	70,963	10,017
Carter	635	43,169	46,652	3,483
Broadwater	1,732	99,823	119,969	20,146
Wheatland	939	54,988	55,603	615
Prairie	944	54,104	59,148	5,039
Granite	1,704	100,489	103,630	3,141
Meagher	1,326	76,797	82,440	5,643
Liberty	1,449	83,154	111,447	28,293
Park	8,646	539,305	501,216	( 38,089)
Garfield	700	36,133	44,344	8,211
Jefferson	3,516	236,793	215,072	( 21,721)
Wibaux	683	36,338	46,601	10,263
Golden Valley	480	25,479	31,579	6,100
Mineral	1,624	119,556	94,713	( 24,843)
Petroleum	234	10,879	16,528	5,649
Lincoln	7,563	388,137	470,244	82,107

The numbers and amounts appearing in this table were obtained by expanding a sample from the motor vehicle data file. The reader is cautioned that they will not coincide precisely with actual numbers of vehicles and tax collections data obtained from local sources. This information is presented for the purpose of allowing comparison between the present system and the proposed system and is valid for this purpose only.