

HOUSE BILL NO. 261

Introduced: 01/15/83

Referred to Committee on Taxation: 01/15/83

Hearing: 1/21/83

Report: 01/26/83, Do Not Pass

Rereferred to Committee on Taxation: 01/27/83

Report: 02/03/83, Do Not Pass, As Amended

Bill Killed: 02/05/83

1 House BILL NO. 261
 2 INTRODUCED BY Don Brown
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT LICENSE
 5 FEES OR PROPERTY TAXES MAY NOT BE ASSESSED AGAINST MOTOR
 6 VEHICLES FOR YEARS IN WHICH THEY ARE NOT OPERATED ON THE
 7 HIGHWAYS OF THE STATE; PROVIDING A PENALTY; AMENDING
 8 SECTIONS 61-3-303 AND 61-3-304, MCA; AND PROVIDING AN
 9 IMMEDIATE EFFECTIVE DATE."

10
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Section 61-3-303, MCA, is amended to read:

13 "61-3-303. Application for registration. (1) Every
 14 owner of a motor vehicle operated or driven upon the public
 15 highways of this state shall for each motor vehicle owned,
 16 except as herein otherwise expressly provided, file or cause
 17 to be filed in the office of the county treasurer where the
 18 motor vehicle is owned or taxable an application for
 19 registration or reregistration upon a blank form to be
 20 prepared and furnished by the division. The application
 21 shall contain:

22 (a) name and address of owner, giving county, school
 23 district, and town or city within whose corporate limits the
 24 motor vehicle is taxable, if taxable, or within whose
 25 corporate limits the owner's residence is located if the

1 motor vehicle is not taxable;
 2 (b) name and address of the holder of any security
 3 interest in the motor vehicle;
 4 (c) description of motor vehicle, including make, year
 5 model, engine or serial number, manufacturer's model or
 6 letter, gross weight, type of body, and if truck, the rated
 7 capacity;
 8 (d) in case of reregistration, the license number for
 9 the preceding year; and
 10 (e) such other information as the division may
 11 require.
 12 (2) A person who files an application for registration
 13 or reregistration of a motor vehicle, except of a mobile
 14 home as defined in 15-1-101(1), shall upon the filing of the
 15 application pay to the county treasurer:
 16 (a) the registration fee, as provided in 61-3-311 and
 17 61-3-321; and
 18 (b) unless it has been previously paid:
 19 (i) the personal property taxes assessed against the
 20 vehicle for the current year of registration;
 21 (ii) the new motor vehicle sales tax against the
 22 vehicle for the current year of registration and/or the
 23 license fee imposed by 61-3-532 for the current year of
 24 registration; or
 25 (iii) in the case of a motor home, travel trailer, or

INTRODUCED BILL

1 camper, the fee in lieu of property tax for the current year
2 of registration.

3 (3) The application may not be accepted by the county
4 treasurer unless the payments required by subsection (2)
5 accompany the application. The county treasurer may not
6 assess or collect taxes or fees, other than the new motor
7 vehicle sales tax, for a period when the vehicle was not
8 registered or operated on the highways of the state.

9 (4) The county treasurer may make full and complete
10 investigation of the tax status of the vehicle. Any
11 applicant for registration or reregistration must submit
12 proof from the tax or other appropriate records of the
13 proper county at the request of the county treasurer."

14 Section 2. Section 61-3-304, MCA, is amended to read:

15 "61-3-304. Previous registration receipt to accompany
16 application for registration. (1) The treasurer of any
17 county shall not accept any application for registration or
18 reregistration of any motor vehicle unless such application
19 be accompanied by the immediately previous registration
20 receipt issued by the division or an affidavit upon a form
21 prescribed by the division stating under oath that the
22 vehicle had not been operated on the highways of the state
23 during the immediately previous year, except in cases of
24 automobiles not previously licensed in Montana. No
25 application for registration or reregistration of any motor

1 vehicle hereafter need be verified.

2 (2) The penalty for false swearing in the affidavit
3 referred to in subsection (1) is a fine in an amount equal
4 to three times the amount of taxes or fee in lieu of tax
5 that would have been assessed and collected under the
6 provisions of 61-3-303(2)."

7 NEW SECTION. Section 3. Effective date. This act is
8 effective on passage and approval.

-End-

STATE OF MONTANA

REQUEST NO. 150-83

FISCAL NOTE

Form BD-15

In compliance with a written request received January 18, , 19 83 , there is hereby submitted a Fiscal Note for House Bill 261 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:

House Bill 261 provides that license fees or property taxes may not be assessed against motor vehicles for years in which they are not operated on the highways of the state; provides a penalty; and provides an immediate effective date.

ASSUMPTIONS:

- 1) An accurate fiscal impact cannot be determined since there is no acceptable method for predicting the number of motor license vehicle operators who may claim they have not operated their motor vehicles on state highways in order to avoid taxes. In spite of this, however, some facts have been researched to provide estimates
- 2) Total motor vehicle taxes collected statewide by counties equals \$27,119,835.
- 3) The average rate of all cars avoiding payment of license fees equals 7.42%.
- 4) Even though fees are rising, the above assumptions will remain constant through FY 85, to account for aging of the current automobile population.

FISCAL IMPACT:

	<u>FY 1984</u>	<u>FY 1985</u>
Six Mill University Levy		
Under Current Law	\$ 813,595	\$ 813,595
Under Proposed Law	753,226	753,226
Estimated Decrease	<u>\$ (60,369)</u>	<u>\$ (60,369)</u>
School Equalization		
Under Current Law	\$ 4,881,570	\$ 4,881,570
Under Proposed Law	4,519,357	4,519,357
Estimated Decrease	<u>\$ (362,213)</u>	<u>\$ (362,213)</u>
Total Revenue		
Under Current Law	\$ 5,695,165	\$ 5,695,165
Under Proposed Law	5,272,583	5,272,583
Estimated Decrease	<u>\$ (422,582)</u>	<u>\$ (422,582)</u>

Continued
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-21-83

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES

	<u>FY 1984</u>	<u>FY 1985</u>
Foregone County Revenue		
Under Current Law	\$21,424,670	\$21,424,670
Under Proposed Law	<u>19,834,960</u>	<u>19,834,960</u>
Estimated Decrease	<u>\$(1,589,710)</u>	<u>\$(1,589,710)</u>