

SENATE BILL NO. 189
INTRODUCED BY BLAYLOCK

IN THE SENATE

January 18, 1983	Introduced and referred to Committee on Taxation.
January 19, 1983	Fiscal note requested.
January 24, 1983	Fiscal note returned.
January 31, 1983	Committee recommend bill do pass. Report adopted.
February 1, 1983	Bill printed and placed on members' desks.
February 2, 1983	Second reading, do pass.
February 3, 1983	Correctly engrossed.
February 4, 1983	Third reading, passed. Ayes, 49; Noes, 0. Transmitted to House.

IN THE HOUSE

February 5, 1983	Introduced and referred to Committee on Taxation.
March 5, 1983	Committee recommend bill be concurred in. Report adopted.
March 7, 1983	Second reading, concurred in.
March 8, 1983	Third reading, concurred in.

IN THE SENATE

March 9, 1983	Returned to Senate. Sent to enrolling.
	Reported correctly enrolled.

1 *Sen. Blaylock* BILL NO. 189
 2 INTRODUCED BY Blaylock
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND
 5 CLARIFY THE LIGHT VEHICLE FEE STATUTES; TO PROVIDE THAT THE
 6 AMOUNT OF THE FEE FOR LIGHT VEHICLES BE A WHOLE DOLLAR
 7 AMOUNT; TO CLARIFY THE FEE CATEGORY THAT APPLIES TO
 8 8-YEAR-OLD VEHICLES; AND TO PROVIDE CLARIFICATION OF LIGHT
 9 VEHICLES ELIGIBLE FOR REIMBURSEMENT; AMENDING SECTIONS
 10 61-3-533 AND 61-3-536, MCA."
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12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 13 Section 1. Section 61-3-533, MCA, is amended to read:
 14 "61-3-533. Schedule of fees for automobiles and light
 15 trucks. (1) Except as provided in subsection (3), the
 16 following schedule, based on vehicle age and weight, is used
 17 to determine the fee imposed by 61-3-532:

Vehicle Age	Weight	
	2,850 pounds or less	More than 2,850 pounds
Less than or equal to 4 years	\$70	\$90
More than 4 years and less than 8 years	40	50
More than 8 years <u>old and over</u>	10	15

1 (2) (a) The fee for a light vehicle is ~~determined by~~
 2 ~~(i) multiplying~~ the appropriate dollar amount from the
 3 table in subsection (1) ~~multiplied~~ by the ratio of the PCE
 4 for the second quarter of the year prior to the year of
 5 licensing to the PCE for the second quarter of 1981; and
 6 ~~(ii) rounding the product thus obtained to the nearest~~
 7 ~~whole dollar amount.~~

8 (b) "PCE" means the implicit price deflator for
 9 personal consumption expenditures as published quarterly in
 10 the Survey of Current Business by the bureau of economic
 11 analysis of the United States department of commerce.

12 (3) The light vehicle license fee for disabled
 13 veterans qualifying under the provisions of 10-2-301 through
 14 10-2-304 is \$5."

15 Section 2. Section 61-3-536, MCA, is amended to read:
 16 "61-3-536. State aid for local government. (1) Each
 17 county treasurer shall compute:

18 (a) the total amount received during the period from
 19 January 1, 1981, to December 31, 1981, for property taxes on
 20 automobiles and trucks having a rated capacity of
 21 three-quarters of a ton or less, denoted CT;

22 (b) the total amount that would have been received
 23 during the same period if the license fee system had been in
 24 effect, denoted CF; and

25 (c) the number of light vehicles registered in the

INTRODUCED BILL

1 county on December 31, 1981, denoted NC.

2 (2) The three quantities, CT, CF, and NC, shall be
3 certified to the department of revenue by February 1, 1982.
4 The department shall compute for each county a quantity
5 called county revenue loss, denoted CRL, and county loss per
6 vehicle, denoted CLV, and defined as follows:

7 (a) CRL = larger of:

8 (i) 0; or

9 (ii) CT - CF;

10 (b) CLV = CRL/NC.

11 ~~(3) In order to be eligible for reimbursement payment,~~
12 ~~a light vehicle must be such that it would have been subject~~
13 ~~to ad valorem tax if it had been registered prior to January~~
14 ~~1, 1982.~~

15 ~~(3)(4)~~ Prior to February 1 of year denoted Y, the
16 county treasurer shall determine and certify to the
17 department the number of ~~eligible~~ light vehicles registered
18 in the county on December 31 of the prior year, denoted
19 NC(Y).

20 ~~(4)(5)~~ On March 1 of year Y, the department shall
21 transmit to each county treasurer a warrant in the amount of
22 CLV x NC(Y).

23 ~~(5)(6)~~ Upon receipt of the payment provided for in
24 subsection (4), the county treasurer shall credit the
25 payment to a motor vehicle suspense fund and, at some time

1 between March 15 and March 30, shall distribute the payment
2 in the same manner as funds are distributed to the taxing
3 jurisdictions as provided in 61-3-509."

-End-

FISCAL NOTE

Form BD-15

In compliance with a written request received January 19, 19 83, there is hereby submitted a Fiscal Note for Senate Bill 189 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:

Senate Bill 189 generally revises and clarifies the light vehicle fee statutes; provides that the amount of the fee for light vehicles be a whole dollar amount; clarifies the fee category that applies to 8-year-old vehicles; and provides clarification of light vehicles eligible for reimbursement.

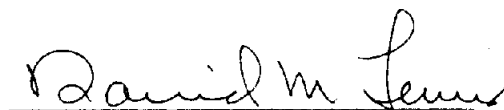
FISCAL IMPACT:

No fiscal impact.

TECHNICAL NOTES:

- 1) It is assumed that the probability that a randomly selected value of a fee will be rounded upward is the same as the probability that it will be rounded downward, so the effect of Section 1 of this proposal upon tax revenues ought to be negligible.
- 2) Section 2 of the proposed law attempts to justify the current administrative practice, which is based on the assumption that it was the intent of the state to reimburse local governments only for revenue lost on those vehicles upon which property tax would have been paid under the old system. Therefore, this measure should have no fiscal impact, unless it is determined that previously-untaxed vehicles properly should have resulted in "reimbursement" payments.

FISCAL NOTE 6:C/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-24-83

Approved by committee
on Taxation

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

Section 1. Section 61-3-533, MCA, is amended to read:

"61-3-533. Schedule of fees for automobiles and light trucks. (1) Except as provided in subsection (3), the following schedule, based on vehicle age and weight, is used to determine the fee imposed by 61-3-532:

<u>Vehicle Age</u>	<u>Weight</u>	
	<u>2,850 pounds or less</u>	<u>More than 2,850 pounds</u>
Less than or equal to 4 years	\$70	\$90
More than 4 years and less than 8 years	40	50
More than 8 years <u>old and over</u>	10	15

(2) (a) The fee for a light vehicle is ~~determined by:~~
~~(i) multiplying the appropriate dollar amount from the table in subsection (1) multiplied by the ratio of the PCE for the second quarter of the year prior to the year of licensing to the PCE for the second quarter of 1981; and~~
~~(ii) rounding the product thus obtained to the nearest whole dollar amount.~~

(b) "PCE" means the implicit price deflator for personal consumption expenditures as published quarterly in the Survey of Current Business by the bureau of economic analysis of the United States department of commerce.

(3) The light vehicle license fee for disabled veterans qualifying under the provisions of 10-2-301 through 10-2-304 is \$5."

Section 2. Section 61-3-536, MCA, is amended to read:

"61-3-536. State aid for local government. (1) Each county treasurer shall compute:

(a) the total amount received during the period from January 1, 1981, to December 31, 1981, for property taxes on automobiles and trucks having a rated capacity of three-quarters of a ton or less, denoted CT;

(b) the total amount that would have been received during the same period if the license fee system had been in effect, denoted CF; and

(c) the number of light vehicles registered in the

1 county on December 31, 1981, denoted NC.

2 (2) The three quantities, CT, CF, and NC, shall be
3 certified to the department of revenue by February 1, 1982.
4 The department shall compute for each county a quantity
5 called county revenue loss, denoted CRL, and county loss per
6 vehicle, denoted CLV, and defined as follows:

7 (a) CRL = larger of:

8 (i) 0; or

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15 ~~(3)(4)~~ Prior to February 1 of year denoted Y, the
16 county treasurer shall determine and certify to the
17 department the number of eligible light vehicles registered
18 in the county on December 31 of the prior year, denoted
19 NC(Y).

20 ~~(4)(2)~~ On March 1 of year Y, the department shall
21 transmit to each county treasurer a warrant in the amount of
22 CLV x NC(Y).

23 ~~(5)(a)~~ Upon receipt of the payment provided for in
24 subsection (4), the county treasurer shall credit the
25 payment to a motor vehicle suspense fund and, at some time

1 between March 15 and March 30, shall distribute the payment
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