

HOUSE BILL NO. 553

1/29 Introduced
1/29 Referred to Taxation
1/30 Fiscal Note Requested
2/08 Hearing
2/08 Fiscal Note Received
Died in Committee

1 HOUSE BILL NO. 553
2 INTRODUCED BY Joe Brun

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT THE
5 DISPOSITION OF TAXES AND FEES IN LIEU OF TAX ON MOTOR
6 VEHICLES BE DISTRIBUTED IN THE MANNER PERSONAL PROPERTY
7 TAXES WERE DISTRIBUTED IN FISCAL YEAR 1981; AMENDING SECTION
8 61-3-509, MCA; AND PROVIDING AN APPLICABILITY DATE AND AN
9 EFFECTIVE DATE."

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

12 Section 1. Section 61-3-509, MCA, is amended to read:
13 "61-3-509. Disposition of taxes and fees in lieu of
14 tax. The county treasurer shall credit all taxes on motor
15 vehicles, light vehicle license fees provided for in
16 61-3-532, and fees in lieu of tax on motor homes and travel
17 trailers collected to a motor vehicle suspense fund, and at
18 some time between March 1 and March 10 of each year and
19 every 60 days thereafter, the county treasurer shall
20 distribute the money in the motor vehicle suspense fund in
21 the relative proportions ~~required~~ required of the levies for
22 state, county, school district, and municipal purposes in
23 the same manner as personal property taxes ~~are were~~
24 distributed in fiscal year 1981."

25 NEW SECTION. Section 2. Applicability -- effective

1 date. (1) This act applies to distributions made on or after
2 July 1, 1985.
3 (2) This act is effective July 1, 1985.

-End-



STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNN281-85

Form BD-15

In compliance with a written request received January 30, 19 85, there is hereby submitted a Fiscal Note for H.B. 553 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

An act to provide that the disposition of taxes and fees in lieu of tax on motor vehicles be distributed in the manner personal property taxes were distributed in fiscal year 1981; amending Section 61-3-509, MCA; and providing an applicability date and an effective date.

ASSUMPTIONS

1. The School Foundation Levy is 45 mills; the University Levy is 6 mills; the average mill levy for the state is 237.72 mills.
2. In FY 1981, the School Foundation Levy was 40 mills; the University Levy was 6 mills; and the average levy for the state was 228.70 mills (total taxes levied ÷ taxable valuation of the state).
3. The taxable value of motor vehicles not subject to the fee in lieu of tax is \$28,187,296 as reported by county assessors in 1984 - it will remain constant over FY 1986 and FY 1987.
4. Fees in lieu of tax collections are \$31,545,390 for 1984 (48.90 average 1984 fee x 645,100 light vehicles) and will remain constant over FY 1986 and FY 1987.

	<u>Under</u>	<u>FY86</u> <u>Under</u>	<u>Difference</u>	<u>Under</u>	<u>FY87</u> <u>Under</u>	<u>Difference</u>
	<u>Current Law</u>	<u>Proposed Law</u>		<u>Current Law</u>	<u>Proposed Law</u>	
Effect on Revenue by Source:						
School Foundation Levy	\$7,239,918	\$6,689,300	(\$550,618)	\$7,239,918	\$6,689,300	(\$550,618)
University Levy	<u>965,323</u>	<u>1,003,395</u>	<u>38,072</u>	<u>965,323</u>	<u>1,003,395</u>	<u>38,072</u>
TOTAL REVENUE	<u>\$8,205,241</u>	<u>\$7,692,695</u>	<u>(\$512,546)</u>	<u>\$8,205,241</u>	<u>\$7,692,695</u>	<u>(\$512,546)</u>

David L. Hunter

BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Feb 8, 1985 **HB 55**

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EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES

	<u>FY1986</u>	<u>FY1987</u>
Estimated Property Tax and Motor Vehicle Fee Allocations Under Current Law	\$30,040,833	\$30,040,833
Estimated Property Tax and Motor Vehicle Fee Allocations Under Proposed Law	<u>30,553,379</u>	<u>30,553,379</u>
Estimated Increase (Decrease)	\$ 512,546	\$ 512,546

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION

Future revenue will depend on the taxable value of motor vehicles, not subject to the fee in lieu of tax, and the amount of fees collected on light vehicles subject to a fee in lieu of tax.