SENATE BILL NO. 99

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INTRODUCED BY LYNCH

IN THE SENATE

| January 11, 1985 | Introduced and referred to Committee on Taxation. |
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| January 14, 1985 | Fiscal Note requested. |
| January 18, 1985 | Fiscal Note returned. |
| January 26, 1985 | Committee recommend bill do pass as amended. Report adopted. |
| January 28, 1985 | Bill printed and placed on members' desks. |
| January 29, 1985 | Second reading, do pass. |
| January 30, 1985 | Considered correctly engrossed. |
| January 31, 1985 | Third reading, passed. Ayes, 49; Noes, 0. |
| | Transmitted to House. |
| IN TH | E HOUSE |
| February 27, 1985 | Introduced and referred to Committee on Taxation. |
| March 15, 1985 | Committee recommend bill be concurred in. Report adopted. |
| March 18, 1985 | Motion pass consideration. |
| March 20, 1985 | Second reading, concurred in as amended. |
| March 22, 1985 | Third reading, concurred in. |
| | Returned to Senate with amendments. |

IN THE SENATE

March 22, 1985Received from House.March 27, 1985Second reading, amendments
concurred in.March 29, 1985Third reading, amendments
concurred in. Ayes, 46; Noes, 2.

Sent to enrolling.

Reported correctly enrolled.

Senate BILL NO. 99 1 INTRODUCED BY 2 3 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO LIMIT TO THE IMMEDIATELY PREVIOUS YEAR ANY BACK TAXES OR FEES OWED ON A 5 MOTOR VEHICLE NOT REGISTERED OR OPERATED, REGARDLESS OF THE 6 PERIOD ELAPSED SINCE THE PREVIOUS REGISTRATION; AMENDING 7 8 SECTION 61-3-303, MCA; AND PROVIDING AN APPLICABILITY DATE." 9 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 11 Section 1. Section 61-3-303, MCA, is amended to read: "61-3-303. Application for registration. (1) Every 12 owner of a motor vehicle operated or driven upon the public 13 highways of this state shall for each motor vehicle owned, 14 15 except as herein otherwise expressly provided, file or cause 16 to be filed in the office of the county treasurer where the 17 motor vehicle is owned or taxable an application for 18 registration or reregistration upon a blank form to be 19 prepared and furnished by the division. The application 20 shall contain: (a) name and address of owner, giving county, school 21 22 district, and town or city within whose corporate limits the motor vehicle is taxable, if taxable, or within whose 23

corporate limits the owner's residence is located if the

25 motor vehicle is not taxable;

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

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

7 (d) in case of reregistration, the license number for8 the preceding year; and

9 (e) such other information as the division may 10 require.

11 (2) A person who files an application for registration 12 or reregistration of a motor vehicle, except of a mobile 13 home as defined in 15-1-101(1), shall upon the filing of the 14 application pay to the county treasurer:

15 (a) the registration fee, as provided in 61-3-311 and 16 61-3-321; and

17 (b) unless it has been previously paid:

18 (i) the personal property taxes assessed <u>against the</u>
19 <u>vehicle for the current year of registration and the</u>
20 <u>immediately previous year;</u>
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 and the immediately previous year; or

(iii) in the case of a motor home, travel trailer, or INTRODUCED BILL -2- SB 99 camper, the fee in lieu of property tax for the current year
 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. <u>The county treasurer may not</u>
6 assess or collect taxes or fees for a period other than:

(a) the current year; and

7

8 (b) the immediately previous year, if the vehicle was
9 not registered or operated on the highways of the state,
10 regardless of the period of time since the vehicle was
11 previously registered or operated.

12 (4) The county treasurer may make full and complete 13 investigation of the tax status of the vehicle. Any 14 applicant for registration or reregistration must submit 15 proof from the tax or other appropriate records of the 16 proper county at the request of the county treasurer."

17 <u>NEW SECTION.</u> Section 2. Applicability. This act
10 applies to vehicles registered on or after January 1, 1986.

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STATE OF MONTANA

REQUEST NO. FNN 087-85

FISCAL NOTE

Form BD-15

In compliance with a written request received 01-15 19 85, there is hereby submitted a Fiscal Note for <u>Senate Bill 99</u> 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 99 limits the taxes or fee owed on a motor vehicle to the current and immediately previous year, regardless of the period elapsed since the previous registration.

ASSUMPTIONS:

No data on back-taxes on heavy trucks, buses, motorcycles, or light and heavy trailers is reported by county assessors.

Data submitted on light vehicles (subject to a fee in lieu of tax) is unreliable.

FISCAL IMPACT:

Minimal

It is not believed that limiting back taxes to one year would significantly decrease the respective portions of revenue allotted to the University System, the School Foundation Program, or local governments.

BUDGET DIRECTOR Office of Budget and Program Planning

VAN Date:

FN1:N/6

APPROVED BY COMMITTEE ON TAXATION

| 1 | SENATE BILL NO. 99 |
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| 2 | INTRODUCED BY LYNCH |
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| 4 | A BILL FOR AN ACT ENTITLED: "AN ACT TO LIMIT TO THE TWO |
| 5 | IMMEDIATELY PREVIOUS-YEAR PRECEDING YEARS ANY BACK TAXES OR |
| 6 | FEES OWED ON A MOTOR VEHICLE NOT REGISTERED OR OPERATED, |
| 7 | REGARDLESS OF THE PERIOD ELAPSED SINCE THE PREVIOUS |
| 8 | REGISTRATION; AMENDING SECTIONS 15-8-202 AND |
| 9 | 61-3-303, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND |
| 10 | AN APPLICABILITY DATE." |
| 11 | |
| 12 | BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: |

13 Section 1. Section 61-3-303, MCA, is amended to read: "61-3-303. Application for registration. (1) Every 14 15 owner of a motor vehicle operated or driven upon the public 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



1 corporate limits the owner's residence is located if the 2 motor vehicle is not taxable; 3 (b) name and address of the holder of any security interest in the motor vehicle: 4 5 (c) description of motor vehicle, including make, year model, engine or serial number, manufacturer's model or 6 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 or reregistration of a motor vehicle, except of a mobile 14 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) unless it has been previously paid: (i) the personal property taxes assessed against the 20 vehicle for the current year of registration and the TWO 21 22 immediately previous-year PRECEDING YEARS;

23 (ii) the new motor vehicle sales tax against the vehicle for the current year of registration and/or the 24 license fee imposed by 61-3-532 for the current year of 25

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SECOND READING

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| l | registration and the TWO immediately previous-year PRECEDING |
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| 2 | YEARS; or |
| 3 | (iii) in the case of a motor home, travel trailer, or |
| 4 | camper, the fee in lieu of property tax for the current year |
| 5 | of registration. |
| 6 | (3) The application may not be accepted by the county |
| 7 | treasurer unless the payments required by subsection (2) |
| 8 | accompany the application. The county treasurer may not |
| 9 | assess or collect taxes or fees for a period other than: |
| 10 | (a) the current year; and |
| 11 | (b) the TWO immediately previous-year PRECEDING YEARS, |
| 12 | if the vehicle was not registered or operated on the |
| 13 | highways of the state, regardless of the period of time |
| 14 | since the vehicle was previously registered or operated. |
| 15 | (4) The county treasurer may make full and complete |
| 16 | investigation of the tax status of the vehicle. Any |
| 17 | applicant for registration or reregistration must submit |
| 18 | proof from the tax or other appropriate records of the |
| 19 | proper county at the request of the county treasurer." |
| 20 | SECTION 2. SECTION 15-8-202, MCA, IS AMENDED TO READ: |
| 21 | "15-8-202. Motor vehicle assessment. (1) (a) The |
| 22 | department or its agent must, in each year, ascertain and |
| 23 | assess all motor vehicles other than automobiles, trucks |
| 24 | having a rated capacity of three-quarters of a ton or less, |
| 25 | motor homes, travel trailers, or mobile homes in each county |
| | |

1 subject to taxation as of January 1 or as of the anniversary 2 registration date of these vehicles subject to 61-3-313 3 through 61-3-316 and 61-3-501. The assessment for all motor 4 vehicles will be made using the market value as of January 1 of the year of assessment of the vehicle as contained in the 5 6 most recent volume of the Mountain States Edition of the 7 National Automobile Dealers Association Official Used Car 8 Guide. The motor vehicles shall be assessed in each year to 9 the persons by whom owned or claimed or in whose possession or control they were at midnight of January 1 or the 10 anniversary registration date thereof, whichever is 11 12 applicable.

13 (b)(2) No tax may be assessed against motor vehicles 14 subject to taxation that constitute inventory of motor 15 vehicle dealers as of January 1. These vehicles and all 16 other motor vehicles subject to taxation brought into the 17 state subsequent to January 1 as motor vehicle dealers' inventories shall be assessed to their respective purchasers 18 19 as of the dates the vehicles are registered by the 20 purchasers.

21 (e)(3) "Purchasers" includes dealers who apply for 22 registration or reregistration of motor vehicles, except as 23 otherwise provided by 61-3-502.

24 (d)(4) Goods, wares, and merchandise of motor vehicle
 25 dealers, other than new motor vehicles and new mobile homes,

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shall be assessed at market value as of January 1. 1 (2)--In-all-cases-where-taxes-or-a-fee-in-lieu--of--tax 2 were--required-to-be-paid,-the-applicant-for-registration-or 3 reregistration-of-a-motor-vehicle;-other-than-a-mobile-home; 4 5 is-not-relieved-of-the-duty-of-paying-taxes-or--the--fee--in 6 lieu-of--tax--if--the-taxes-or-fees-have-not-been-paid-by-a 7 prior-applicant-or-owner-" NEW SECTION. Section 3. Applicability EFFECTIVE DATE 8 -- APPLICABILITY. This act IS EFFECTIVE ON PASSAGE AND 9 APPROVAL AND applies RETROACTIVELY, WITHIN THE MEANING OF 10 11 1-2-109, to vehicles registered on or REREGISTERED after 12 January-17-1986 DECEMBER 31, 1984.

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| 1 | SENATE BILL NO. 99 | 1 | corporate limits the owner's residence is located if the |
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| 2 | INTRODUCED BY LYNCH | 2 | motor vehicle is not taxable; |
| 3 | | 3 | (b) name and address of the holder of any security |
| 4 | A BILL FOR AN ACT ENTITLED: "AN ACT TO LIMIT TO THE TWO | 4 | interest in the motor vehicle; |
| 5 | IMMEDIATELY PREVIOUS-YEAR PRECEDING YEARS ANY BACK TAXES OR | 5 | (c) description of motor vehicle, including make, year |
| 6 | FEES OWED ON A MOTOR VEHICLE NOT REGISTERED OR OPERATED, | 6 | model, engine or serial number, manufacturer's model or |
| 7 | REGARDLESS OF THE PERIOD ELAPSED SINCE THE PREVIOUS | · 7 | letter, gross weight, type of body, and if truck, the rated |
| 8 | REGISTRATION; AMENDING SECTION SECTIONS 15-8-202 AND | 8 | capacity; |
| 9 | 61-3-303, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND | 9 | (d) in case of reregistration, the license number for |
| 10 | AN APPLICABILITY DATE." | 10 | the preceding year; and |
| 11 | | 11 | (e) such other information as the division may |
| 12 | BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: | 12 | require. |
| 13 | Section 1. Section 61-3-303, MCA, is amended to read: | 13 | (2) A person who files an application for registration |
| 14 | "61-3-303. Application for registration. (1) Every | 14 | or reregistration of a motor vehicle, except of a mobile |
| 15 | owner of a motor vehicle operated or driven upon the public | 15 | home as defined in 15-1-101(1), shall upon the filing of the |
| 16 | highways of this state shall for each motor vehicle owned, | 16 | application pay to the county treasurer: |
| 17 | except as herein otherwise expressly provided, file or cause | 17 | (a) the registration fee, as provided in 61-3-311 and |
| 18 | to be filed in the office of the county treasurer where the | 18 | 61-3-321; and |
| 19 | motor vehicle is owned or taxable an application for | 19 | (b) unless it has been previously paid: |
| 20 | registration or reregistration upon a blank form to be | 20 | (i) the personal property taxes assessed against the |
| 21 | prepared and furnished by the division. The application | 21 | vehicle for the current year of registration and the TWO |
| 22 | shall contain: | 22 | immediately previous-year PRECEDING YEARS; |
| 23 | (a) name and address of owner, giving county, school | 23 | (ii) the new motor vehicle sales tax against the |
| 24 | district, and town or city within whose corporate limits the | 24 | vehicle for the current year of registration and/or the |
| 25 | motor vehicle is taxable, if taxable, or within whose | 25 | license fee imposed by 61-3-532 for the current year of |
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THIRD READING

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12 January-17-1986 DECEMBER 31, 1984.

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