

HB 2 M. Williams

By Request of the Revenue Oversight Committee

An act reinserting the inflation computation into the light motor vehicle fee system; providing that the inflation computation does not apply to the district court fee; amending section 2, Chapter 685, Laws of 1985; and providing an effective date and a termination date.

6/28/85 Introduced

6/28/85 Referred to Taxation

Died in Committee

HOUSE BILL NO. 2

INTRODUCED BY M. WILLIAMS

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT REINSERTING THE INFLATION COMPUTATION INTO THE LIGHT MOTOR VEHICLE FEE SYSTEM; PROVIDING THAT THE INFLATION COMPUTATION DOES NOT APPLY TO THE DISTRICT COURT FEE; AMENDING SECTION 2, CHAPTER 685, LAWS OF 1985; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

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

Section 1. Section 2, Chapter 685, Laws of 1985, is amended to read:

"Section 2. 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 (2) (3), the following schedule, based on vehicle age and weight, is used to determine the fee imposed by 61-3-532:

Vehicle Age	Weight	
	2,850	More Than
	Pounds	2,850
	<u>District</u>	<u>District</u>
	or less	Pounds
	<u>Court Fee</u>	<u>Court Fee</u>
Less than or		
equal to 4		
years	000 \$10	000 \$10
	\$7	\$7

More than 4

years and

less than

8 years

45 40

5

55 50

5

8 years old

and over

12.50 10

2.50

17.50 15

2.50

(2) (a) The fee for a light vehicle is determined by:

(i) multiplying the appropriate dollar amount from the

table in subsection (1), but not the district court fee, 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.

(2)(3) The light vehicle license fee for disabled

veterans qualifying under the provisions of 10-2-301 through

10-2-304 is \$8, with \$3 of the fee earmarked for district

courts."

~~NEW SECTION.~~ Section 2. Name change. Whenever the

term "additional light vehicle license fee" or "additional

fee" appears in 61-3-509, 61-3-533, or 61-3-536, the term is

1 changed to "block grant fee".

2 NEW SECTION. Section 3. Effective date -- contingent
3 retroactive effect -- termination. (1) This act is effective
4 on passage and approval and applies to light vehicles
5 registered on or after July 1, 1985. If this act is approved
6 after June 30, 1985, it applies retroactively within the
7 meaning of 1-2-109 to light vehicles registered on or after
8 July 1, 1985.

9 (2) This act terminates July 1, 1987. This termination
10 does not affect the reinsertion of 61-3-533(2) as it read on
11 January 1, 1985.

-End-

STATE OF MONTANA

FISCAL NOTE

REQUEST NO. FNN 001-85

Form BD-15

In compliance with a written request received June 27, 1985, there is hereby submitted a Fiscal Note for House Bill 2 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:

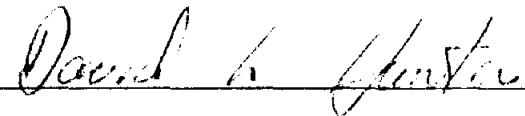
This bill reinstates the inflator clause that was repealed by SB 142 of the 1985 regular session to provide for automatic inflation of vehicle fees.

ASSUMPTIONS:

1. Number of registered vehicles remains constant at the 1984 level: 649,466.
2. The implicit deflator for personal consumption expenditures (PCE) is:

FY 86: 1.175921

FY 87: 1.226258



BUDGET DIRECTOR
Office of Budget and Program Planning

Date: June 27, 1985

INCREASED REVENUE DUE TO PROPOSED LEGISLATION:

	<u>FY1986</u>	<u>FY1987</u>	<u>BIENNIUM</u>	<u>PERCENTAGE</u>
Cities	\$ 331,974	\$ 399,774	\$ 731,748	0.0775
Counties	920,103	1,108,019	2,028,122	0.2148
Universities*	112,657	135,665	248,322	0.0263
Foundation*	850,710	1,024,453	1,875,163	0.1986
School Dist	1,817,932	2,189,214	4,007,146	0.4244
Other	250,158	301,249	551,407	0.0584
TOTAL	\$4,283,534	\$5,158,374	\$9,441,908	1.0000

*General fund impact for biennium is \$2,123,485

FISCAL IMPACT ON VEHICLE FEES:

The effect of this bill will be to raise light vehicle fees as is shown below:

	<u>Calendar 1986</u>		<u>Calendar 1987</u>	
	<u>Effective July 1, 1985</u>	<u>Proposed Bill</u>	<u>Effective July 1, 1985</u>	<u>Proposed Bill</u>
LIGHT FEES				
CLASS 1	\$ 83.00	\$ 95.00	\$ 83.00	\$ 99.00
CLASS 2	48.00	55.00	48.00	57.00
CLASS 3	14.00	16.00	14.00	16.00
HEAVY FEES				
CLASS 1	\$104.50	\$120.50	\$104.50	\$124.50
CLASS 2	59.00	68.00	59.00	70.00
CLASS 3	19.50	22.50	19.50	22.50

NOTE:

This bill will not affect revenues generated for the local government block grant, nor will the revenue generated for district courts. This is because SB 142 and HB 870 of the 1985 regular legislative session are left intact.