

SENATE BILL NO. 147

INTRODUCED BY JACOBSON, SIMON

BY REQUEST OF THE LEGISLATIVE AUDIT COMMITTEE

IN THE SENATE

JANUARY 20, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

JANUARY 29, 1987 COMMITTEE RECOMMEND BILL
DO PASS AS AMENDED. REPORT ADOPTED.

JANUARY 30, 1987 PRINTING REPORT.

FEBRUARY 2, 1987 SECOND READING, DO PASS.

FEBRUARY 3, 1987 ENGROSSING REPORT.

FEBRUARY 4, 1987 THIRD READING, PASSED.
AYES, 50; NOES, 0.

TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 11, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

MARCH 25, 1987 COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

MARCH 27, 1987 SECOND READING, CONCURRED IN.

MARCH 28, 1987 THIRD READING, CONCURRED IN.
AYES, 92; NOES, 0.

RETURNED TO SENATE.

IN THE SENATE

MARCH 30, 1987 RECEIVED FROM HOUSE.
SENT TO ENROLLING.

1 ~~Senate~~ BILL NO. SB-147
 2 INTRODUCED BY Jaculson Smo
 3 BY REQUEST OF THE LEGISLATIVE AUDIT COMMITTEE

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT A
 6 COUNTY TREASURER REMIT THE \$2 FEE FOR APPLICATIONS FOR
 7 ORIGINAL CERTIFICATES OF MOTOR VEHICLE OWNERSHIP OR TRANSFER
 8 OF REGISTRATION AND INHERITANCE TAX COLLECTIONS AT THE SAME
 9 TIME AS OTHER MONEY BELONGING TO THE STATE IS REMITTED; AND
 10 AMENDING SECTIONS 61-3-203 AND 72-16-215, MCA."

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

13 Section 1. Section 61-3-203, MCA, is amended to read:
 14 "61-3-203. Fee for original certificate of ownership
 15 and transfer of title -- disposition. A charge of \$3 shall
 16 be made for issuance of an original certificate of ownership
 17 of title and for a transfer of registration which shall be
 18 collected by the county treasurer. The fees shall be
 19 distributed as follows:

20 (1) Two dollars of each fee shall be remitted to the
 21 department by the county treasurer, with as provided in
 22 15-1-504, for each application for original certificate of
 23 ownership or transfer of registration.

24 (2) Prior to March 1, 1966 and each March thereafter,
 25 the county commissioners of each county shall divide the

1 fees retained by the county to:
 2 (a) the city road fund of each city and town within
 3 the county based on the number of motor vehicles registered
 4 inside the corporate limits of each city or town; and
 5 (b) the county road fund based on the number of motor
 6 vehicles registered outside the corporate limits of cities
 7 and towns."

8 Section 2. Section 72-16-215, MCA, is amended to read:
 9 "72-16-215. County treasurer -- monthly report --
 10 payment of collections to department state treasurer --
 11 interest on unpaid amounts. ~~On--or--before--the--fifth--day~~
 12 Between the 1st and 20th days of each month, each county
 13 treasurer shall make a report under oath to the department
 14 of revenue listing all payments received by him under the
 15 inheritance tax laws during the preceding month and stating
 16 for what estate, by whom, and when paid. The form of such
 17 report shall be prescribed by the department. He shall at
 18 the same time pay the department state treasurer all the
 19 payments received by him under the inheritance tax laws and
 20 not previously paid to the department state treasurer, and
 21 for all such payments collected by him and not paid to the
 22 department state treasurer within 5 days from the time
 23 herein required, he shall pay interest at the rate of 10%
 24 per annum."

-End-



STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB147, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to require that a county treasurer remit the \$2 fee for applications for original certificates of motor vehicle ownership or transfer of registration and inheritance tax collections at the same time as other money belonging to the state is remitted.

ASSUMPTIONS:

1. Inheritance taxes received from county treasurers average around \$500,000 per month.
2. Payment of collections are made on the latest due date.

FISCAL IMPACT:

If payments of inheritance taxes are made on the 20th of the month instead of the 5th, the 15 day delay would cause a one time reduction in interest earned for 15 days on \$500,000 in state investments. The interest earned on investments at the county level would in turn increase for this same 15 day period.



DATE 1/24/87

DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

DATE

1/26/87

JUDY JACOBSEN, PRIMARY SPONSOR

Fiscal Note for SB147, as introduced.

SB 147

SPONSOR'S FISCAL NOTE

Form BD-15S

There is hereby submitted a Sponsor's Fiscal Note for: SB 147, Version: _____

DESCRIPTION OF PROPOSED LEGISLATION:

An act to require that a county treasurer remit the \$2 fee for applications for original certificates of motor vehicle ownership or transfer of registration and inheritance tax collections at the same time as other money belonging to the state is remitted.

ASSUMPTIONS:

1. Inheritance taxes received from county treasurers average around \$500,000 per month.
2. Payment of collections are made on the latest date due.
3. Treasury fund cash invested with the Board of Investments will earn interest at an annual rate of 6.42%.

FISCAL IMPACT:

If payments of inheritance taxes are made on the 20th of the month instead of the 5th, the 15 day delay would cause a one time reduction in interest. Based on the assumptions above, 15 days interest on \$500,000 in treasury fund investments at 6.42% per annum would result in a one time loss of approximately \$1319 in interest earnings.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

The interest earned on investments at the county level would increase for this same 15 day period.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

N/A

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:

N/A

 DATE 1/27/87
JUDY JACOBSON, PRIMARY SPONSOR

Fiscal Note for SB147, as introduced.

SB-147

APPROVED BY COMMITTEE
ON TAXATION

SENATE BILL NO. 147

INTRODUCED BY JACOBSON, SIMON

BY REQUEST OF THE LEGISLATIVE AUDIT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT A COUNTY TREASURER REMIT INHERITANCE TAX COLLECTIONS, THE \$3 FEE FOR FILING A SECURITY INTEREST AGAINST A MOTOR VEHICLE, THE \$3 FEE FOR ISSUANCE OF A CERTIFIED COPY OF A CERTIFICATE OF OWNERSHIP SUBJECT TO A SECURITY INTEREST, AND THE \$2 FEE FOR APPLICATIONS FOR ORIGINAL CERTIFICATES OF MOTOR VEHICLE OWNERSHIP OR TRANSFER OF REGISTRATION AND INHERITANCE-TAX COLLECTIONS AT THE SAME TIME AS OTHER MONEY BELONGING TO THE STATE IS REMITTED; AND AMENDING SECTIONS 61-3-103, 61-3-203, AND 72-16-215, MCA."

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

SECTION 1. SECTION 61-3-103, MCA, IS AMENDED TO READ:

"61-3-103. Filing of security interests, rights, procedure, fees. (1) No security interest in a motor vehicle shall be valid as against creditors, subsequent purchasers, or encumbrancers unless a lien notice, on a form approved by the department, that shows a security interest has been created, has been filed with the department as provided in this section. The department shall not file any security interest or other lien unless it is accompanied by or

specified in the application for a certificate of ownership of the vehicle encumbered. If the approved notice form is transmitted to the department, the security agreement or other lien instrument that creates the security interest must be retained by the secured party. A copy of the security agreement is sufficient as a lien notice if it contains the name and address of the debtor and the secured party, the complete vehicle description, amount of lien, and is signed by the debtor. The department shall file the security interest or lien by entering the name and address of the secured party upon the face of the certificate of ownership. The department shall mail a statement certifying to the filing of a security interest or lien to the secured party. The department shall mail the certificate of ownership to the owner at the address given on the certificate; however, if the transfer of ownership and filing of the security interest are paid for by a creditor or secured party, the department shall return the certificate of ownership to the county treasurer where the vehicle is to be registered. The owner of a motor vehicle is the person entitled to operate and possess such motor vehicle.

(2) A security interest in a motor vehicle held as inventory by a dealer licensed under the provisions of 61-4-101, must be perfected in accordance with Title 30,



1 chapter 9, and no endorsement on the certificate of title is
2 necessary for perfection.

3 (3) Whenever a security interest or lien is filed
4 against a motor vehicle that is subject to two security
5 interests previously perfected by filing under this section,
6 the department shall endorse on the face of the certificate
7 of ownership, "NOTICE. This motor vehicle is subject to
8 additional security interests on file with the Department of
9 Justice." No other information regarding such additional
10 security interests need be endorsed on the certificate.

11 (4) Satisfactions or statements of release filed with
12 the department under this chapter shall be retained by it
13 for a period of 8 years after receipt, after which they may
14 be destroyed.

15 (5) The filing of a security interest or other lien,
16 as herein provided, perfects a security interest which has
17 attached at the time the certificate of ownership noting
18 such interest is issued. Issuance of a certificate of
19 ownership constitutes constructive notice to subsequent
20 purchasers or encumbrancers, from the time of filing, of the
21 existence of the security interest.

22 (6) Upon default under a chattel mortgage or
23 conditional sales contract covering a motor vehicle, the
24 mortgagee or vendor has the same remedies as in the case of
25 other personal property. In case of attachment of motor

1 vehicles all the provisions of 27-18-413, 27-18-414, and
2 27-18-804 shall be applicable except that deposits must be
3 made with the department.

4 (7) A conditional sales vendor or chattel mortgagee or
5 assignee who fails to file a satisfaction of a chattel
6 mortgage, assignment, or conditional sales contract within
7 15 days after receiving final payment shall be required to
8 pay the department the sum of \$1 for each day thereafter
9 that he fails to file such satisfaction.

10 (8) Upon receipt of any liens, or notice of liens
11 dependent on possession, or attachments, etc., against the
12 record of any motor vehicle registered in this state, the
13 department shall within 24 hours mail to the owner,
14 conditional sale vendor, mortgagees, or assignees of any
15 thereof a notice showing the name and address of the lien
16 claimant, amount of the lien, date of execution of lien, and
17 in the case of attachment the full title of the court and
18 the action and the name of the attorneys for the plaintiff
19 and/or attaching creditor.

20 (9) It shall not be necessary to refile with the
21 department any instruments on file in the offices of the
22 county clerk and recorders at the time this law takes
23 effect.

24 (10) A fee of \$3 shall be paid to the department to
25 file any security interest or other lien against a motor

1 vehicle. The \$3 fee shall include and cover the cost of
 2 filing a satisfaction or release of the security interest
 3 and also the cost of entering such satisfaction or release
 4 on the records of the department and deleting the
 5 endorsement of the security interest from the face of the
 6 certificate of ownership. A fee of \$3 shall be paid the
 7 department for issuing a certified copy of a certificate of
 8 ownership subject to a security interest or other lien on
 9 file in the office of the department, or for filing an
 10 assignment of any security interest or other lien on file
 11 with the department. All fees provided for in this section
 12 shall be ~~deposited--by--the--department~~ paid to the county
 13 treasurer for deposit in the motor vehicle recording account
 14 of the state special revenue fund in accordance with
 15 15-1-504."

16 Section 2. Section 61-3-203, MCA, is amended to read:

17 "61-3-203. Fee for original certificate of ownership
 18 and transfer of title -- disposition. A charge of \$3 shall
 19 be made for issuance of an original certificate of ownership
 20 of title and for a transfer of registration which shall be
 21 collected by the county treasurer. The fees shall be
 22 distributed as follows:

23 (1) Two dollars of each fee shall be remitted to the
 24 department by the county treasurer, with as provided in
 25 15-1-504, for each application for original certificate of

1 ownership or transfer of registration.

2 (2) Prior to March 1, 1966 and each March thereafter,
 3 the county commissioners of each county shall divide the
 4 fees retained by the county to:

5 (a) the city road fund of each city and town within
 6 the county based on the number of motor vehicles registered
 7 inside the corporate limits of each city or town; and

8 (b) the county road fund based on the number of motor
 9 vehicles registered outside the corporate limits of cities
 10 and towns."

11 Section 3. Section 72-16-215, MCA, is amended to read:

12 "72-16-215. County treasurer -- monthly report --
 13 payment of collections to department state treasurer --
 14 interest on unpaid amounts. ~~On--or--before-the-fifth-day~~
 15 Between the 1st and 20th days of each month, each county
 16 treasurer shall make a report under oath to the department
 17 of revenue listing all payments received by him under the
 18 inheritance tax laws during the preceding month and stating
 19 for what estate, by whom, and when paid. The form of such
 20 report shall be prescribed by the department. He shall at
 21 the same time pay the department state treasurer all the
 22 payments received by him under the inheritance tax laws and
 23 not previously paid to the department state treasurer, and
 24 for all such payments collected by him and not paid to the
 25 department state treasurer within 5 days from the time

1 herein required, he shall pay interest at the rate of 10%
2 per annum."

-End-

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 7 FEE FOR FILING A SECURITY INTEREST AGAINST A MOTOR VEHICLE,
 8 THE \$3 FEE FOR ISSUANCE OF A CERTIFIED COPY OF A CERTIFICATE
 9 OF OWNERSHIP SUBJECT TO A SECURITY INTEREST, AND THE \$2 FEE
 10 FOR APPLICATIONS FOR ORIGINAL CERTIFICATES OF MOTOR VEHICLE
 11 OWNERSHIP OR TRANSFER OF REGISTRATION AND-INHERITANCE-TAX
 12 COLLECTIONS AT THE SAME TIME AS OTHER MONEY BELONGING TO THE
 13 STATE IS REMITTED; AND AMENDING SECTIONS 61-3-103, 61-3-203,
 14 AND 72-16-215, MCA."

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16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:17 SECTION 1. SECTION 61-3-103, MCA, IS AMENDED TO READ:

18 "61-3-103. Filing of security interests, rights,
 19 procedure, fees. (1) No security interest in a motor vehicle
 20 shall be valid as against creditors, subsequent purchasers,
 21 or encumbrancers unless a lien notice, on a form approved by
 22 the department, that shows a security interest has been
 23 created, has been filed with the department as provided in
 24 this section. The department shall not file any security
 25 interest or other lien unless it is accompanied by or

1 specified in the application for a certificate of ownership
 2 of the vehicle encumbered. If the approved notice form is
 3 transmitted to the department, the security agreement or
 4 other lien instrument that creates the security interest
 5 must be retained by the secured party. A copy of the
 6 security agreement is sufficient as a lien notice if it
 7 contains the name and address of the debtor and the secured
 8 party, the complete vehicle description, amount of lien, and
 9 is signed by the debtor. The department shall file the
 10 security interest or lien by entering the name and address
 11 of the secured party upon the face of the certificate of
 12 ownership. The department shall mail a statement certifying
 13 to the filing of a security interest or lien to the secured
 14 party. The department shall mail the certificate of
 15 ownership to the owner at the address given on the
 16 certificate; however, if the transfer of ownership and
 17 filing of the security interest are paid for by a creditor
 18 or secured party, the department shall return the
 19 certificate of ownership to the county treasurer where the
 20 vehicle is to be registered. The owner of a motor vehicle
 21 is the person entitled to operate and possess such motor
 22 vehicle.

23 (2) A security interest in a motor vehicle held as
 24 inventory by a dealer licensed under the provisions of
 25 61-4-101, must be perfected in accordance with Title 30,

1 chapter 9, and no endorsement on the certificate of title is
2 necessary for perfection.

3 (3) Whenever a security interest or lien is filed
4 against a motor vehicle that is subject to two security
5 interests previously perfected by filing under this section,
6 the department shall endorse on the face of the certificate
7 of ownership, "NOTICE. This motor vehicle is subject to
8 additional security interests on file with the Department of
9 Justice." No other information regarding such additional
10 security interests need be endorsed on the certificate.

11 (4) Satisfactions or statements of release filed with
12 the department under this chapter shall be retained by it
13 for a period of 8 years after receipt, after which they may
14 be destroyed.

15 (5) The filing of a security interest or other lien,
16 as herein provided, perfects a security interest which has
17 attached at the time the certificate of ownership noting
18 such interest is issued. Issuance of a certificate of
19 ownership constitutes constructive notice to subsequent
20 purchasers or encumbrancers, from the time of filing, of the
21 existence of the security interest.

22 (6) Upon default under a chattel mortgage or
23 conditional sales contract covering a motor vehicle, the
24 mortgagee or vendor has the same remedies as in the case of
25 other personal property. In case of attachment of motor

1 vehicles all the provisions of 27-18-413, 27-18-414, and
2 27-18-804 shall be applicable except that deposits must be
3 made with the department.

4 (7) A conditional sales vendor or chattel mortgagee or
5 assignee who fails to file a satisfaction of a chattel
6 mortgage, assignment, or conditional sales contract within
7 15 days after receiving final payment shall be required to
8 pay the department the sum of \$1 for each day thereafter
9 that he fails to file such satisfaction.

10 (8) Upon receipt of any liens, or notice of liens
11 dependent on possession, or attachments, etc., against the
12 record of any motor vehicle registered in this state, the
13 department shall within 24 hours mail to the owner,
14 conditional sale vendor, mortgagees, or assignees of any
15 thereof a notice showing the name and address of the lien
16 claimant, amount of the lien, date of execution of lien, and
17 in the case of attachment the full title of the court and
18 the action and the name of the attorneys for the plaintiff
19 and/or attaching creditor.

20 (9) It shall not be necessary to refile with the
21 department any instruments on file in the offices of the
22 county clerk and recorders at the time this law takes
23 effect.

24 (10) A fee of \$3 shall be paid to the department to
25 file any security interest or other lien against a motor

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 2 filing a satisfaction or release of the security interest
 3 and also the cost of entering such satisfaction or release
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 5 endorsement of the security interest from the face of the
 6 certificate of ownership. A fee of \$3 shall be paid the
 7 department for issuing a certified copy of a certificate of
 8 ownership subject to a security interest or other lien on
 9 file in the office of the department, or for filing an
 10 assignment of any security interest or other lien on file
 11 with the department. All fees provided for in this section
 12 shall be deposited--by--the--department paid to the county
 13 treasurer for deposit in the motor vehicle recording account
 14 of the state special revenue fund in accordance with
 15 15-1-504."

16 Section 2. Section 61-3-203, MCA, is amended to read:

17 "61-3-203. Fee for original certificate of ownership
 18 and transfer of title -- disposition. A charge of \$3 shall
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SB 0147/02

1 herein required, he shall pay interest at the rate of 10%
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 21 the same time pay the department state treasurer all the
 22 payments received by him under the inheritance tax laws and
 23 not previously paid to the department state treasurer, and
 24 for all such payments collected by him and not paid to the
 25 department state treasurer within 5 days from the time

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1 herein required, he shall pay interest at the rate of 10%
2 per annum."

-End-