

HOUSE BILL 30

Introduced by Kadas, et al.

12/29	Fiscal Note Requested
1/02	Introduced
1/02	Referred to Taxation
1/04	Hearing
1/06	Fiscal Note Received
1/06	Fiscal Note Printed
2/15	Tabled in Committee

1                    HOUSE    BILL NO.    30  
2    INTRODUCED BY KADAS, HALLIGAN  
3  
4    A BILL FOR AN ACT ENTITLED: "AN ACT DELETING THE USE OF THE  
5    VALUE GUIDE TO CARS OF PARTICULAR INTEREST IN DETERMINING  
6    THE PROPERTY TAX ON CERTAIN OLDER MOTOR VEHICLES; CLARIFYING  
7    THE MINIMUM TAXABLE VALUE ON MOTOR VEHICLES; PROVIDING A  
8    REFUND PROCEDURE FOR TAX PAID ON CERTAIN VEHICLES; AMENDING  
9    SECTION 61-3-503, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE  
10   DATE AND A RETROACTIVE APPLICABILITY DATE."

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

13        **Section 1.** Section 61-3-503, MCA, is amended to read:

14        "61-3-503. **Assessment.** (1) Except as provided in  
15    subsection (2), the following apply to the taxation of motor  
16    vehicles:

17        (a) Except as provided in subsections (1)(c) through  
18    (1)(e), a person who files an application for registration  
19    or reregistration of a motor vehicle shall before filing  
20    such application with the county treasurer submit the  
21    application to the county assessor. The county assessor  
22    shall enter on the application in a space to be provided for  
23    that purpose the market value and taxable value of the  
24    vehicle as of January 1 of the year for which the  
25    application for registration is made.

1            (b) Except as provided in subsection (1)(c), motor  
2    vehicles are assessed for taxes on January 1 in each year  
3    irrespective of the time fixed by law for the assessment of  
4    other classes of personal property and irrespective of  
5    whether the levy and tax may be a lien upon real property  
6    within the state. In no event may any motor vehicle be  
7    subject to assessment, levy, and taxation more than once in  
8    each year.

9            (c) Vehicles subject to the provisions of 61-3-313  
10   through 61-3-316 shall be assessed as of the first day of  
11   the registration period, using the average trade-in or  
12   wholesale value as of January 1 of the year of assessment of  
13   the vehicle as contained in the most recent volume of the  
14   Mountain States Edition of the National Automobile Dealers  
15   Association (N.A.D.A.) Official Used Car Guide, or the  
16   National Edition of N.A.D.A. Appraisal Guides Official Older  
17   Used Car Guide, ~~or, for vehicles not listed in the preceding~~  
18   ~~guides, the low value listed in The Value Guide to Cars of~~  
19   ~~Particular Interest,~~ not including additions or deductions  
20   for options and mileage; and a lien for taxes and fees due  
21   thereon shall occur on the anniversary date of the  
22   registration and shall continue until such fees and taxes  
23   have been paid. If the value shown in any of the appraisal  
24   guides listed in this section is less than \$1,000 \$500, the  
25   department shall value the vehicle at \$1,000 \$500.

(d) Motorcycles and quadricycles shall be assessed, using the greater of the following:

(i) \$250; or

(ii) the average trade-in or wholesale value as of January 1 of the year of assessment of the vehicle as contained in the most recent volume of the applicable National Edition of the N.A.D.A. Motorcycle/Moped/ATV Appraisal Guide or N.A.D.A. Recreational Vehicle Appraisal Guide, not including additions or deductions for options and mileage.

(e) If a vehicle assessed under subsection (1)(c) or (1)(d) is not originally listed in the applicable N.A.D.A. guide, the department of revenue or its agent shall depreciate the original f.o.b. factory list price, f.o.b. port-of-entry list price, or the manufacturer's suggested list price, using the following methods:

(i) if the new car sales tax has been previously paid and the vehicle is less than 1 year in age, the depreciation percentage shall be 20%; or

(ii) if the vehicle is 1 year or older in age and it is not listed in any of the appraisal guides listed in this section, the department of revenue shall determine the depreciation percentage to approximate the average wholesale or trade-in values in the current N.A.D.A. guides referred to in this subsection. For purposes of this subsection (1),

the age of the vehicle is determined by subtracting the manufacturer's model year of the vehicle from the calendar year of assessment.

(f) When a minimum value of \$500 is reached, the value shall remain at that minimum so long as the vehicle is registered.

(g) If a previously registered vehicle is no longer listed in the applicable N.A.D.A. guide, the department or its agent shall depreciate the value of the vehicle at the rate of 10% a year until a minimum amount of \$500 is attained, and the value shall remain at that amount so long as the vehicle is registered.

(2) The provisions of subsections (1)(a) through (1)(g) do not apply to motor homes, travel trailers, campers, or mobile homes as defined in 15-1-101(1)."

**Section 2. Refund procedure for tax paid on certain vehicles.** A taxpayer registering a motor vehicle on or after January 1, 1989, but before [the effective date of this act] is entitled to a refund of the difference between the vehicle property tax paid on an old vehicle assessed from The Value Guide to Cars of Particular Interest and the amount of property tax computed under [this act]. The taxpayer may claim a refund by presenting a tax-paid receipt to the county assessor for calculation of the refund and presenting the calculation of refund document to the county

1 treasurer for payment.

2       **Section 3.** Extension of authority. Any existing  
3 authority to make rules on the subject of the provisions of  
4 [this act] is extended to the provisions of [this act].

5       **Section 4.** Effective date -- retroactive  
6 applicability. This act is effective on passage and approval  
7 and applies retroactively, within the meaning of 1-2-109, to  
8 motor vehicles registered on or after January 1, 1989.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB030, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act deleting the use of the Value Guide to Cars of Particular Interest in determining the property tax on certain older motor vehicles; clarifying the minimum taxable value on motor vehicles; providing a refund procedure for tax paid on certain vehicles; and providing an immediate effective date and a retroactive applicability date.

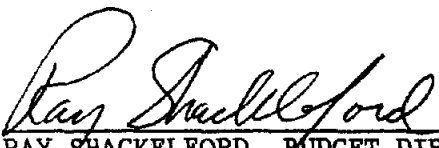
FISCAL IMPACT:

This bill would reduce property taxes on motor vehicles in those cases where a vehicle's market valuation as defined in the Value Guide to Cars of Particular Interest is higher than the market value calculated using alternative depreciation methods defined in MCA 61-3-503.

There is currently no data source that details the number and value of cars currently being valued using the Value Guide to Cars of Particular Interest. Consequently, there is no means of accurately assessing the revenue loss stemming from this proposal.

FUND INFORMATION:

Seven percent of the revenue from motor vehicles taxes is distributed to district courts. The remaining 93% is distributed in the relative proportions required by the levies for state, county, school district, and municipal purposes in the same manner as personal property taxes are distributed.

  
RAY SHACKELFORD, BUDGET DIRECTOR  
Office of Budget and Program Planning  
DATE 1/5/89

  
MIKE KADAS, PRIMARY SPONSER  
DATE 1-6-89

Fiscal Note for HB030, as introduced

HB 30