

HOUSE BILL 634

Introduced by Wallin, et al.

2/10	Introduced
2/10	Referred to Taxation
2/13	Fiscal Note Requested
2/18	Fiscal Note Received
2/20	Fiscal Note Printed
3/02	Hearing
3/07	Tabled in Committee

1 *House* BILL NO. *634*
 2 INTRODUCED BY *Senators Ole Jafeth Oubre*
 3 *O'Connor Simpkins HARP Kellin Speth Re*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REPLACE THE 2
 5 PERCENT TAX ON LIGHT VEHICLES WITH A FEE IN LIEU OF TAX;
 6 REPEALING THE LOCAL OPTION VEHICLE TAX; AMENDING SECTIONS
 7 15-6-138, 15-6-201, 15-8-201, 15-8-202, 15-24-101,
 8 15-24-105, 15-24-301, 15-30-121, 15-31-114, 15-50-207,
 9 20-9-141, 20-9-331, 20-9-333, 20-9-352, 20-9-501, 20-10-144,
 10 61-3-303, 61-3-332, 61-3-501, 61-3-503, 61-3-504, 61-3-506,
 11 61-3-509, 61-3-524, 61-3-535, AND 61-3-701, MCA; REPEALING
 12 SECTION 61-3-537, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
 13 DATE AND AN APPLICABILITY DATE."

14
 15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16 NEW SECTION. Section 1. Light vehicle fee --
 17 definitions. As used in [sections 1 through 4] and 61-3-535,
 18 the following definitions apply:

19 (1) "Light vehicle" means an automobile or a truck
 20 having a rated capacity of three-quarters of a ton or less.

21 (2) "Vehicle age" means the difference between the
 22 calendar year of the first day of the registration period
 23 and the manufacturer's designated model year.

24 NEW SECTION. Section 2. Light vehicle license fee. (1)
 25 Except as provided in subsection (2), light vehicles are

1 subject to a license fee.

2 (2) (a) Light vehicles that meet the description of
 3 property exempt from taxation under the provisions of
 4 subsections (a), (c), (d), or (e) of 15-6-201(1) or
 5 15-6-203(2) are exempt from the fee imposed in subsection
 6 (1) of this section.

7 (b) A dealer for light vehicles is not required to pay
 8 the license fee for light vehicles held for sale or used in
 9 the dealer's business in selling or demonstrating the
 10 vehicles. Vehicles exempt under this subsection may not be
 11 used for the personal use of the dealer, his family, or
 12 employees or for any use not necessary in the pursuit of
 13 business.

14 NEW SECTION. Section 3. Schedule of fees for light
 15 vehicles. (1) Except as provided in subsection (3), the
 16 following schedule, based on vehicle age and weight, is used
 17 to determine the fee imposed by [section 2]:

Vehicle Age	Weight	
	2,850 Pounds Or Less	More Than 2,850 Pounds
Less than or equal to 4 years	\$90	\$115
More than 4 years and less than 8 years	55	65
8 years old and over	20	25

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

(i) multiplying the appropriate dollar amount from the table in subsection (1) 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.

(3) The light vehicle license fee for disabled veterans qualifying under the provisions of 61-3-451 through 61-3-455 is \$5.

NEW SECTION. Section 4. Payment of fee required for operation. (1) A light vehicle subject to the fee imposed by [section 2] may not be operated unless the fee has been paid and the vehicle is licensed.

(2) A properly licensed and registered light vehicle may be operated within Montana, subject to all applicable federal, state, and local laws.

Section 5. Section 15-6-138, MCA, is amended to read:

"15-6-138. Class eight property -- description -- taxable percentage. (1) Class eight property includes:

- (a) all agricultural implements and equipment;
- (b) all mining machinery, fixtures, equipment, tools,

and supplies except:

(i) those included in class five; and

(ii) coal and ore haulers;

(c) all manufacturing machinery, fixtures, equipment, tools, and supplies except those included in class five;

(d) all trailers, including those prorated under 15-24-102, ~~except those subject to taxation under 61-3-504(2);~~

(e) all goods and equipment intended for rent or lease, except goods and equipment specifically included and taxed in another class;

(f) trucks having a rated capacity of more than 1 1/2 tons, including those prorated under 15-24-102; and

(g) all other machinery except that specifically included in another class.

(2) Class eight property is taxed at 11% of its market value."

Section 6. Section 15-6-201, MCA, is amended to read:

"15-6-201. Exempt categories. (1) The following categories of property are exempt from taxation:

(a) the property of:

- (i) the United States, the state, counties, cities, towns, school districts, except, if congress passes legislation that allows the state to tax property owned by an agency created by congress to transmit or distribute

1 electrical energy, the property constructed, owned, or
 2 operated by a public agency created by the congress to
 3 transmit or distribute electric energy produced at privately
 4 owned generating facilities (not including rural electric
 5 cooperatives);

6 (ii) irrigation districts organized under the laws of
 7 Montana and not operating for profit;

8 (iii) municipal corporations; and

9 (iv) public libraries;

10 (b) buildings, with land they occupy and furnishings
 11 therein, owned by a church and used for actual religious
 12 worship or for residences of the clergy, together with
 13 adjacent land reasonably necessary for convenient use of
 14 such buildings;

15 (c) property used exclusively for agricultural and
 16 horticultural societies, for educational purposes, and for
 17 nonprofit health care facilities, as defined in 50-5-101,
 18 licensed by the department of health and environmental
 19 sciences and organized under Title 35, chapter 2 or 3. A
 20 health care facility that is not licensed by the department
 21 of health and environmental sciences and organized under
 22 Title 35, chapter 2 or 3, is not exempt.

23 (d) property that meets the following conditions:

24 (i) is owned and held by any association or corporation
 25 organized under Title 35, chapter 2, 3, 20, or 21;

1 (ii) is devoted exclusively to use in connection with a
 2 cemetery or cemeteries for which a permanent care and
 3 improvement fund has been established as provided for in
 4 Title 35, chapter 20, part 3; and

5 (iii) is not maintained and operated for private or
 6 corporate profit;

7 (e) institutions of purely public charity;

8 (f) evidence of debt secured by mortgages of record
 9 upon real or personal property in the state of Montana;

10 (g) public art galleries and public observatories not
 11 used or held for private or corporate profit;

12 (h) all household goods and furniture, including but
 13 not limited to clocks, musical instruments, sewing machines,
 14 and wearing apparel of members of the family, used by the
 15 owner for personal and domestic purposes or for furnishing
 16 or equipping the family residence;

17 (i) a truck canopy cover or topper weighing less than
 18 300 pounds and having no accommodations attached. ~~Such~~
 19 ~~property is also exempt from taxation under 61-3-584(2) and~~
 20 ~~61-3-537.~~

21 (j) a bicycle, as defined in 61-1-123, used by the
 22 owner for personal transportation purposes;

23 (k) motor homes, travel trailers, and campers;

24 (l) automobiles and trucks having a rated capacity of
 25 three-quarters of a ton or less;

1 ~~(i)~~(m) all watercraft;

2 ~~(m)~~(n) land, fixtures, buildings, and improvements

3 owned by a cooperative association or nonprofit corporation

4 organized to furnish potable water to its members or

5 customers for uses other than the irrigation of agricultural

6 land;

7 ~~(n)~~(o) the right of entry that is a property right

8 reserved in land or received by mesne conveyance (exclusive

9 of leasehold interests), devise, or succession to enter land

10 whose surface title is held by another to explore, prospect,

11 or dig for oil, gas, coal, or minerals;

12 ~~(o)~~(p) property owned and used by a corporation or

13 association organized and operated exclusively for the care

14 of the developmentally disabled, mentally ill, or

15 vocationally handicapped as defined in 18-5-101, which is

16 not operated for gain or profit;

17 ~~(p)~~(q) all farm buildings with a market value of less

18 than \$500 and all agricultural implements and machinery with

19 a market value of less than \$100; and

20 ~~(q)~~(r) property owned by a nonprofit corporation

21 organized to provide facilities primarily for training and

22 practice for or competition in international sports and

23 athletic events and not held or used for private or

24 corporate gain or profit. For purposes of this subsection

25 (1)(q), "nonprofit corporation" means an organization exempt

1 from taxation under section 501(c) of the Internal Revenue

2 Code and incorporated and admitted under the Montana

3 Nonprofit Corporation Act.

4 (2) (a) The term "institutions of purely public

5 charity" includes organizations owning and operating

6 facilities for the care of the retired or aged or

7 chronically ill, which are not operated for gain or profit.

8 (b) The terms "public art galleries" and "public

9 observatories" include only those art galleries and

10 observatories, whether of public or private ownership, that

11 are open to the public without charge at all reasonable

12 hours and are used for the purpose of education only.

13 (3) The following portions of the appraised value of a

14 capital investment made after January 1, 1979, in a

15 recognized nonfossil form of energy generation, as defined

16 in 15-32-102, are exempt from taxation for a period of 10

17 years following installation of the property:

18 (a) \$20,000 in the case of a single-family residential

19 dwelling;

20 (b) \$100,000 in the case of a multifamily residential

21 dwelling or a nonresidential structure. (Subsection (1)(c)

22 applicable to taxable years beginning after December 31,

23 1987--sec. 4, Ch. 455, L. 1987.)"

24 **Section 7.** Section 15-8-201, MCA, is amended to read:

25 "15-8-201. General assessment day. (1) The department

1 of revenue or its agent must, between January 1 and the
 2 second Monday of July in each year, ascertain the names of
 3 all taxable inhabitants and assess all property subject to
 4 taxation in each county. The department or its agent must
 5 assess property to the person by whom it was owned or
 6 claimed or in whose possession or control it was at midnight
 7 of January 1 next preceding. It must also ascertain and
 8 assess all mobile homes arriving in the county after
 9 midnight of January 1 next preceding. No mistake in the name
 10 of the owner or supposed owner of real property, however,
 11 renders the assessment invalid.

12 (2) The procedure provided by this section may not
 13 apply to:

14 (a) motor vehicles that are required by 15-8-202 to be
 15 assessed on January 1 or upon their anniversary registration
 16 date;

17 (b) automobiles and trucks having a rated capacity of
 18 three-quarters of a ton or less;

19 (b)(c) motor homes, travel trailers, and campers;

20 (c)(d) watercraft;

21 (d)(e) livestock;

22 (e)(f) property defined in 61-1-104 as "special mobile
 23 equipment" that is subject to assessment for personal
 24 property taxes on the date that application is made for a
 25 special mobile equipment plate; and

1 (f)(g) mobile homes held by a distributor or dealer of
 2 mobile homes as a part of his stock in trade.

3 (3) Credits must be assessed as provided in
 4 15-1-101(1)(f)."

5 **Section 8.** Section 15-8-202, MCA, is amended to read:

6 "15-8-202. Motor vehicle assessment. (1) The department
 7 or its agent must, in each year, ascertain and assess all
 8 motor vehicles, other than automobiles and trucks having a
 9 rated capacity of three-quarters of a ton or less, motor
 10 homes, travel trailers, and campers or mobile homes, in each
 11 county subject to taxation as of January 1 or as of the
 12 anniversary registration date of those vehicles as provided
 13 by law, subject to 61-3-313 through 61-3-316 and 61-3-501.
 14 The assessment for all motor vehicles must be made in
 15 accordance with 61-3-503. The motor vehicles shall be
 16 assessed in each year to the persons by whom owned or
 17 claimed or in whose possession or control they were at
 18 midnight of January 1 or the anniversary registration date
 19 thereof, whichever is applicable.

20 (2) No tax may be assessed against motor vehicles
 21 subject to taxation that constitute inventory of motor
 22 vehicle dealers as of January 1. These vehicles and all
 23 other motor vehicles subject to taxation brought into the
 24 state subsequent to January 1 as motor vehicle dealers'
 25 inventories shall be assessed to their respective purchasers

1 as of the dates the vehicles are registered by the
2 purchasers.

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

6 (4) Goods, wares, and merchandise of motor vehicle
7 dealers, other than new motor vehicles and new mobile homes,
8 shall be assessed at market value as of January 1."

9 **Section 9.** Section 15-24-101, MCA, is amended to read:

10 "15-24-101. Assessment of proportionally registered
11 interstate motor vehicle fleets -- tax payment required for
12 registration. (1) The department of revenue shall assess,
13 for the purpose of personal property taxes, the taxable
14 vehicles in interstate motor vehicle fleets proportionally
15 registered under the provisions of 61-3-711 through
16 61-3-733, and the assessment shall be apportioned on the
17 ratio of total miles traveled to in-state miles traveled
18 formula as prescribed by 61-3-721. Interstate motor vehicle
19 fleets are assessable for taxation purposes upon application
20 for proportional registration and are assessed to the
21 persons who own or claim or in whose possession or control
22 the fleet is at the time of the application.

23 (2) With respect to any fleet contained in an original
24 application which has a situs for purpose of property
25 taxation in Montana by the terms of this part or any other

1 provision of the laws of Montana between January 1 and April
2 1, the taxable vehicles are taxed for a full year. With
3 respect to any fleet contained in an original application
4 which acquires a situs for the purpose of property taxation
5 in Montana under the provisions of this part or any other
6 law of the state of Montana after April 1, the taxes on
7 taxable vehicles are apportioned as provided in 15-24-303.
8 (3) With respect to any fleet contained in a renewal
9 application, the taxable vehicles are assessed and taxed for
10 a full year.

11 (4) Automobiles and trucks having a rated capacity of
12 three-quarters of a ton or less that are part of an
13 interstate motor vehicle fleet are subject to property-tax
14 the light vehicle license fee imposed by [section 2]. If the
15 fleet is proportionally registered, the tax fee is
16 apportioned in the same fashion as the registration fee
17 under 61-3-721.

18 (5) Vehicles contained in a fleet for which current
19 taxes, fees, or both have been assessed and paid shall not
20 be assessed or charged fees under this section upon
21 presentation to the department of proof of payment of taxes,
22 or fees, or both for the current registration year. The
23 payment of personal property taxes, fees, or both, is a
24 condition precedent to proportional registration or
25 reregistration of an interstate motor vehicle fleet."

Section 10. Section 15-24-105, MCA, is amended to read:

"15-24-105. Deposit and distribution of taxes and fees on proportionally registered fleets. The personal property taxes and license fees collected under this part shall be deposited with the state treasurer for distribution to the general fund of each county on the following basis:

(1) for personal property taxes, according to the ratio of the taxable valuation of each county to the total state taxable valuation; and

(2) for light vehicle license fees, according to the ratio of light vehicle license fees, other than fees derived from interstate motor vehicle fleets, collected in each county to the sum of all such fees collected in all the counties."

Section 11. Section 15-24-301, MCA, is amended to read:

"15-24-301. Personal property brought into the state -- assessment -- exceptions -- custom combine equipment. (1) Except as provided in subsections (2) through (5), property in the following cases is subject to taxation and assessment for all taxes levied that year in the county in which it is located:

(a) any personal property (including livestock) brought, driven, or coming into this state at any time during the year that is used in the state for hire, compensation, or profit;

(b) property whose owner or user is engaged in gainful occupation or business enterprise in the state; or

(c) property which comes to rest and becomes a part of the general property of the state.

(2) The taxes on this property are levied in the same manner and to the same extent, except as otherwise provided, as though the property had been in the county on the regular assessment date, provided that the property has not been regularly assessed for the year in some other county of the state.

(3) Nothing in this section shall be construed to levy a tax against a merchant or dealer within this state on goods, wares, or merchandise brought into the county to replenish the stock of the merchant or dealer.

(4) Any motor vehicle not subject to a fee in lieu of tax brought, driven, or coming into this state by any nonresident person temporarily employed in Montana and used exclusively for transportation of such person is subject to taxation and assessment for taxes as follows:

(a) The motor vehicle is taxed by the county in which it is located.

(b) One-fourth of the annual tax liability of the motor vehicle must be paid for each quarter or portion of a quarter of the year that the motor vehicle is located in Montana.

1 (c) The quarterly taxes are due the first day of the
2 quarter.

3 (5) Agricultural harvesting machinery classified under
4 class eight, licensed in other states, and operated on the
5 lands of persons other than the owner of the machinery under
6 contracts for hire shall be subject to a fee in lieu of
7 taxation of \$35 per machine for the calendar year in which
8 the fee is collected. The machines shall be subject to
9 taxation under class eight only if they are sold in Montana.

10 (6) The provisions of this part do not apply to
11 automobiles and trucks having a rated capacity of
12 three-quarters of a ton or less. These vehicles are subject
13 to the fee imposed under [section 2]."

14 **Section 12.** Section 15-30-121, MCA, is amended to read:

15 "15-30-121. Deductions allowed in computing net income.
16 In computing net income, there are allowed as deductions:

17 (1) the items referred to in sections 161 and 211 of
18 the Internal Revenue Code of 1954, or as sections 161 and
19 211 shall be labeled or amended, subject to the following
20 exceptions which are not deductible:

- 21 (a) items provided for in 15-30-123;
22 (b) state income tax paid;
23 (2) federal income tax paid within the taxable year;
24 (3) expenses of household and dependent care services
25 as outlined in subsections (3)(a) through (3)(c) and subject

1 to the limitations and rules as set out in subsections
2 (3)(d) through (3)(f) as follows:

3 (a) expenses for household and dependent care services
4 necessary for gainful employment incurred for:

5 (i) a dependent under 15 years of age for whom an
6 exemption can be claimed;

7 (ii) a dependent as allowable under 15-30-112(5), except
8 that the limitations for age and gross income do not apply,
9 who is unable to care for himself because of physical or
10 mental illness; and

11 (iii) a spouse who is unable to care for himself because
12 of physical or mental illness;

13 (b) employment-related expenses incurred for the
14 following services, but only if such expenses are incurred
15 to enable the taxpayer to be gainfully employed:

16 (i) household services which are attributable to the
17 care of the qualifying individual; and

18 (ii) care of an individual who qualifies under
19 subsection (3)(a);

20 (c) expenses incurred in maintaining a household if
21 over half of the cost of maintaining the household is
22 furnished by an individual or, if the individual is married
23 during the applicable period, is furnished by the individual
24 and his spouse;

25 (d) the amounts deductible in subsection (3)(a) through

1 (3)(c) are subject to the following limitations:

2 (i) a deduction is allowed under subsection (3)(a) for
3 employment-related expenses incurred during the year only to
4 the extent such expenses do not exceed \$4,800;

5 (ii) expenses for services in the household are
6 deductible under subsection (3)(a) for employment-related
7 expenses only if they are incurred for services in the
8 taxpayer's household, except that employment-related
9 expenses incurred for services outside the taxpayer's
10 household are deductible, but only if incurred for the care
11 of a qualifying individual described in subsection (3)(a)(i)
12 and only to the extent such expenses incurred during the
13 year do not exceed:

14 (A) \$2,400 in the case of one qualifying individual;

15 (B) \$3,600 in the case of two qualifying individuals;
16 and

17 (C) \$4,800 in the case of three or more qualifying
18 individuals;

19 (e) if the combined adjusted gross income of the
20 taxpayers exceeds \$18,000 for the taxable year during which
21 the expenses are incurred, the amount of the
22 employment-related expenses incurred must be reduced by
23 one-half of the excess of the combined adjusted gross income
24 over \$18,000;

25 (f) for purposes of this subsection (3):

1 (i) married couples shall file a joint return or file
2 separately on the same form;

3 (ii) if the taxpayer is married during any period of the
4 taxable year, employment-related expenses incurred are
5 deductible only if:

6 (A) both spouses are gainfully employed, in which case
7 the expenses are deductible only to the extent that they are
8 a direct result of the employment; or

9 (B) the spouse is a qualifying individual described in
10 subsection (3)(a)(iii);

11 (iii) an individual legally separated from his spouse
12 under a decree of divorce or of separate maintenance may not
13 be considered as married;

14 (iv) the deduction for employment-related expenses must
15 be divided equally between the spouses when filing
16 separately on the same form;

17 (v) payment made to a child of the taxpayer who is
18 under 19 years of age at the close of the taxable year and
19 payments made to an individual with respect to whom a
20 deduction is allowable under 15-30-112(5) are not deductible
21 as employment-related expenses;

22 (4) in the case of an individual, political
23 contributions determined in accordance with the provisions
24 of section 218(a) and (b) of the Internal Revenue Code that
25 were in effect for the taxable year ended December 31, 1978;

(5) that portion of expenses for organic fertilizer allowed as a deduction under 15-32-303 which was not otherwise deducted in computing taxable income; and

(6) contributions to the child abuse and neglect prevention program provided for in 41-3-701, subject to the conditions set forth in 15-30-156; and

(7) light vehicle license fees imposed under [section 2]."

Section 13. Section 15-31-114, MCA, is amended to read:

"15-31-114. Deductions allowed in computing income. In computing the net income, the following deductions shall be allowed from the gross income received by such corporation within the year from all sources:

(1) All the ordinary and necessary expenses paid or incurred during the taxable year in the maintenance and operation of its business and properties, including reasonable allowance for salaries for personal services actually rendered, subject to the limitation hereinafter contained, rentals or other payments required to be made as a condition to the continued use or possession of property to which the corporation has not taken or is not taking title or in which it has no equity. No deduction shall be allowed for salaries paid upon which the recipient thereof has not paid Montana state income tax; provided, however, that where domestic corporations are taxed on income derived

from without the state, salaries of officers paid in connection with securing such income shall be deductible.

(2) (a) All losses actually sustained and charged off within the year and not compensated by insurance or otherwise, including a reasonable allowance for the wear and tear and obsolescence of property used in the trade or business, such allowance to be determined according to the provisions of section 167 of the Internal Revenue Code in effect with respect to the taxable year. All elections for depreciation shall be the same as the elections made for federal income tax purposes. No deduction shall be allowed for any amount paid out for any buildings, permanent improvements, or betterments made to increase the value of any property or estate, and no deduction shall be made for any amount of expense of restoring property or making good the exhaustion thereof for which an allowance is or has been made.

(b) (i) There shall be allowed as a deduction for the taxable period a net operating loss deduction determined according to the provisions of this subsection. The net operating loss deduction is the aggregate of net operating loss carryovers to such taxable period plus the net operating loss carrybacks to such taxable period. The term "net operating loss" means the excess of the deductions allowed by this section, 15-31-114, over the gross income,

1 with the modifications specified in (ii) of this subsection.
 2 If for any taxable period beginning after December 31, 1970,
 3 a net operating loss is sustained, such loss shall be a net
 4 operating loss carryback to each of the three taxable
 5 periods preceding the taxable period of such loss and shall
 6 be a net operating loss carryover to each of the five
 7 taxable periods following the taxable period of such loss. A
 8 net operating loss for any taxable period ending after
 9 December 31, 1975, in addition to being a net operating loss
 10 carryback to each of the three preceding taxable periods,
 11 shall be a net operating loss carryover to each of the seven
 12 taxable periods following the taxable period of such loss.
 13 The portion of such loss which shall be carried to each of
 14 the other taxable years shall be the excess, if any, of the
 15 amount of such loss over the sum of the net income for each
 16 of the prior taxable periods to which such loss was carried.
 17 For purposes of the preceding sentence, the net income for
 18 such prior taxable period shall be computed with the
 19 modifications specified in (ii)(B) of this subsection and by
 20 determining the amount of the net operating loss deduction
 21 without regard to the net operating loss for the loss period
 22 or any taxable period thereafter, and the net income so
 23 computed shall not be considered to be less than zero.
 24 (ii) The modifications referred to in (i) of this
 25 subsection shall be as follows:

1 (A) No net operating loss deduction shall be allowed.
 2 (B) The deduction for depletion shall not exceed the
 3 amount which would be allowable if computed under the cost
 4 method.
 5 (C) Any net operating loss carried over to any taxable
 6 years beginning after December 31, 1978, must be calculated
 7 under the provisions of this section effective for the
 8 taxable year for which the return claiming the net operating
 9 loss carryover is filed.
 10 (iii) A net operating loss deduction shall be allowed
 11 only with regard to losses attributable to the business
 12 carried on within the state of Montana.
 13 (iv) In the case of a merger of corporations, the
 14 surviving corporation shall not be allowed a net operating
 15 loss deduction for net operating losses sustained by the
 16 merged corporations prior to the date of merger. In the case
 17 of a consolidation of corporations, the new corporate entity
 18 shall not be allowed a deduction for net operating losses
 19 sustained by the consolidated corporations prior to the date
 20 of consolidation.
 21 (v) Notwithstanding the provisions of 15-31-531,
 22 interest shall may not be paid with respect to a refund of
 23 tax resulting from a net operating loss carryback or
 24 carryover.
 25 (vi) The net operating loss deduction shall may not be

1 allowed with respect to taxable periods which ended on or
2 before December 31, 1970, but shall be allowed only with
3 respect to taxable periods beginning on or after January 1,
4 1971.

5 (3) In the case of mines, other natural deposits, oil
6 and gas wells, and timber, a reasonable allowance for
7 depletion and for depreciation of improvements; such
8 reasonable allowance to be determined according to the
9 provisions of the Internal Revenue Code in effect for the
10 taxable year. All elections made under the Internal Revenue
11 Code with respect to capitalizing or expensing exploration
12 and development costs and intangible drilling expenses for
13 corporation license tax purposes shall be the same as the
14 elections made for federal income tax purposes.

15 (4) The amount of interest paid within the year on its
16 indebtedness incurred in the operation of the business from
17 which its income is derived; but no interest shall be
18 allowed as a deduction if paid on an indebtedness created
19 for the purchase, maintenance, or improvement of property or
20 for the conduct of business unless the income from such
21 property or business would be taxable under this part.

22 (5) (a) Taxes paid within the year, except the
23 following:

- 24 (i) Taxes imposed by this part.
- 25 (ii) Taxes assessed against local benefits of a kind

1 tending to increase the value of the property assessed.

2 (iii) Taxes on or according to or measured by net income
3 or profits imposed by authority of the government of the
4 United States.

5 (iv) Taxes imposed by any other state or country upon or
6 measured by net income or profits.

7 (b) Taxes deductible under this part shall be construed
8 to include taxes imposed by any county, school district, or
9 municipality of this state.

10 (6) That portion of an energy-related investment
11 allowed as a deduction under 15-32-103.

12 (7) (a) Except as provided in subsection (b),
13 charitable contributions and gifts that qualify for
14 deduction under section 170 of the Internal Revenue Code, as
15 amended.

16 (b) The public service commission shall not allow in
17 the rate base of a regulated corporation the inclusion of
18 contributions made under this subsection.

19 (8) In lieu of the deduction allowed under subsection
20 (7), the taxpayer may deduct the fair market value, not to
21 exceed 30% of the taxpayer's net income, of a computer or
22 other sophisticated technological equipment or apparatus
23 intended for use with the computer donated to an elementary,
24 secondary, or accredited postsecondary school located in
25 Montana if:

(a) the contribution is made no later than 5 years after the manufacture of the donated property is substantially completed;

(b) the property is not transferred by the donee in exchange for money, other property, or services; and

(c) the taxpayer receives a written statement from the donee in which the donee agrees to accept the property and representing that the use and disposition of the property will be in accordance with the provisions of (b) of this subsection (8).

(9) Light vehicle license fees imposed under [section 2] and paid within the year."

Section 14. Section 15-50-207, MCA, is amended to read:

"15-50-207. Credit against other taxes -- credit for personal property taxes and certain fees. (1) The additional license fees withheld or otherwise paid as provided herein may be used as a credit on the contractor's corporation license tax provided for in chapter 31 of this title or on the contractor's income tax provided for in chapter 30, depending upon the type of tax the contractor is required to pay under the laws of the state.

(2) Personal property taxes and light vehicle license fees imposed under [section 2] paid in Montana on any personal property of the contractor which is used in the business of the contractor and is located within this state

may be credited against the license fees required under this chapter. However, in computing the tax credit allowed by this section against the contractor's corporation license tax or income tax, the personal property tax or light vehicle license fee credit against the license fees herein required shall not be considered as license fees paid for the purpose of such income tax or corporation license tax credit."

Section 15. Section 20-9-141, MCA, is amended to read:

"20-9-141. Computation of general fund net levy requirement by county superintendent. (1) The county superintendent shall compute the levy requirement for each district's general fund on the basis of the following procedure:

(a) Determine the total of the funding required for the district's final general fund budget less the amount established by the schedules in 20-9-316 through 20-9-321 by totaling:

(i) the district's nonisolated school foundation program requirement to be met by a district levy as provided in 20-9-303;

(ii) the district's permissive levy amount as provided in 20-9-352; and

(iii) any general fund budget amount adopted by the trustees of the district under the provisions of 20-9-353,

1 including any additional levies authorized by the electors
2 of the district.

3 (b) Determine the total of the moneys available for the
4 reduction of the property tax on the district for the
5 general fund by totaling:

6 (i) anticipated federal moneys received under the
7 provisions of Title I of Public Law 81-874 or other
8 anticipated federal moneys received in lieu of such federal
9 act;

10 (ii) anticipated tuition payments for out-of-district
11 pupils under the provisions of 20-5-303, 20-5-307, 20-5-312,
12 and 20-5-313;

13 (iii) general fund cash reappropriated, as established
14 under the provisions of 20-9-104;

15 (iv) anticipated or reappropriated state impact aid
16 received under the provisions of 20-9-304;

17 (v) anticipated revenue from vehicle property taxes
18 imposed under 61-3-504(2) ~~and--61-3-537~~ and light vehicle
19 license fees imposed under [section 2];

20 (vi) anticipated net proceeds taxes for interim
21 production and new production, as defined in 15-23-601;

22 (vii) anticipated interest to be earned or
23 reappropriated interest earned by the investment of general
24 fund cash in accordance with the provisions of 20-9-213(4);
25 and

1 (viii) any other revenue anticipated by the trustees to
2 be received during the ensuing school fiscal year which may
3 be used to finance the general fund.

4 (c) Subtract the total of the moneys available to
5 reduce the property tax required to finance the general fund
6 that has been determined in subsection (1)(b) from the total
7 requirement determined in subsection (1)(a).

8 (2) The net general fund levy requirement determined in
9 subsection (1)(c) shall be reported to the county
10 commissioners on the second Monday of August by the county
11 superintendent as the general fund levy requirement for the
12 district, and a levy shall be made by the county
13 commissioners in accordance with 20-9-142."

14 **Section 16.** Section 20-9-331, MCA, is amended to read:

15 "20-9-331. Basic county tax and other revenues for
16 county equalization of the elementary district foundation
17 program. (1) It shall be the duty of the county
18 commissioners of each county to levy an annual basic tax of
19 28 mills on the dollars of the taxable value of all taxable
20 property within the county, except for vehicles subject to
21 taxation under 61-3-504(2), for the purposes of local and
22 state foundation program support. The revenue to be
23 collected from this levy shall be apportioned to the support
24 of the foundation programs of the elementary school
25 districts in the county and to the state special revenue

1 fund, state equalization aid account, in the following
2 manner:

3 (a) In order to determine the amount of revenue raised
4 by this levy which is retained by the county, the sum of the
5 estimated revenues identified in subsection (2) below shall
6 be subtracted from the sum of the county elementary
7 transportation obligation and the total of the foundation
8 programs of all elementary districts of the county.

9 (b) If the basic levy prescribed by this section
10 produces more revenue than is required to finance the
11 difference determined above, the county treasurer shall
12 remit the surplus funds to the state treasurer for deposit
13 to the state special revenue fund, state equalization aid
14 account, immediately upon occurrence of a surplus balance
15 and each subsequent month thereafter, with any final
16 remittance due no later than June 20 of the fiscal year for
17 which the levy has been set.

18 (2) The proceeds realized from the county's portion of
19 the levy prescribed by this section and the revenues from
20 the following sources shall be used for the equalization of
21 the elementary district foundation programs of the county as
22 prescribed in 20-9-334, and a separate accounting shall be
23 kept of such proceeds and revenues by the county treasurer
24 in accordance with 20-9-212(1):

25 (a) the portion of the federal Taylor Grazing Act funds

1 distributed to a county and designated for the common school
2 fund under the provisions of 17-3-222;

3 (b) the portion of the federal flood control act funds
4 distributed to a county and designated for expenditure for
5 the benefit of the county common schools under the
6 provisions of 17-3-232;

7 (c) all money paid into the county treasury as a result
8 of fines for violations of law, except money paid to a
9 justice's court, and the use of which is not otherwise
10 specified by law;

11 (d) any money remaining at the end of the immediately
12 preceding school fiscal year in the county treasurer's
13 account for the various sources of revenue established or
14 referred to in this section;

15 (e) any federal or state money distributed to the
16 county as payment in lieu of the property taxation
17 established by the county levy required by this section;

18 (f) net proceeds taxes for interim production and new
19 production, as defined in 15-23-601; and

20 (g) anticipated revenue from vehicle property taxes
21 imposed under 61-3-504(2) ~~and--61-3-537~~ and from light
22 vehicle license fees imposed under [section 2]."

23 **Section 17.** Section 20-9-333, MCA, is amended to read:

24 "20-9-333. Basic special levy and other revenues for
25 county equalization of high school district foundation

1 program. (1) It shall be the duty of the county
 2 commissioners of each county to levy an annual basic special
 3 tax for high schools of 17 mills on the dollar of the
 4 taxable value of all taxable property within the county,
 5 except for vehicles subject to taxation under 61-3-504(2),
 6 for the purposes of local and state foundation program
 7 support. The revenue to be collected from this levy shall
 8 be apportioned to the support of the foundation programs of
 9 high school districts in the county and to the state special
 10 revenue fund, state equalization aid account, in the
 11 following manner:

12 (a) In order to determine the amount of revenue raised
 13 by this levy which is retained by the county, the estimated
 14 revenues identified in subsections (2)(a) and (2)(b) below
 15 shall be subtracted from the sum of the county's high school
 16 tuition obligation and the total of the foundation programs
 17 of all high school districts of the county.

18 (b) If the basic levy prescribed by this section
 19 produces more revenue than is required to finance the
 20 difference determined above, the county treasurer shall
 21 remit the surplus to the state treasurer for deposit to the
 22 state special revenue fund, state equalization aid account,
 23 immediately upon occurrence of a surplus balance and each
 24 subsequent month thereafter, with any final remittance due
 25 no later than June 20 of the fiscal year for which the levy

1 has been set.

2 (2) The proceeds realized from the county's portion of
 3 the levy prescribed in this section and the revenues from
 4 the following sources shall be used for the equalization of
 5 the high school district foundation programs of the county
 6 as prescribed in 20-9-334, and a separate accounting shall
 7 be kept of these proceeds by the county treasurer in
 8 accordance with 20-9-212(1):

9 (a) any money remaining at the end of the immediately
 10 preceding school fiscal year in the county treasurer's
 11 accounts for the various sources of revenue established in
 12 this section;

13 (b) any federal or state moneys distributed to the
 14 county as a payment in lieu of the property taxation
 15 established by the county levy required by this section;

16 (c) net proceeds taxes for interim production and new
 17 production, as defined in 15-23-601; and

18 (d) anticipated revenue from vehicle property taxes
 19 imposed under 61-3-504(2) and ~~61-3-537~~ and from light
 20 vehicle license fees imposed under [section 2]."

21 **Section 18.** Section 20-9-352, MCA, is amended to read:

22 **"20-9-352. Permissive amount and permissive levy. (1)**
 23 Whenever the trustees of any district shall deem it
 24 necessary to adopt a general fund budget in excess of the
 25 foundation program amount but not in excess of the maximum

1 general fund budget amount for such district as established
 2 by the schedules in 20-9-316 through 20-9-321, the trustees
 3 shall adopt a resolution stating the reasons and purposes
 4 for exceeding the foundation program amount. Such excess
 5 above the foundation program amount shall be known as the
 6 "permissive amount", and it shall be financed by a levy, as
 7 prescribed in 20-9-141, on the taxable value of all taxable
 8 property within the district, except for vehicles subject to
 9 taxation under 61-3-504(2), supplemented with any biennial
 10 appropriation by the legislature for this purpose. The
 11 proceeds of such an appropriation shall be deposited to the
 12 state special revenue fund, permissive account.

13 (2) The district levies to be set for the purpose of
 14 funding the permissive amount are determined as follows:

15 (a) For each elementary school district, the county
 16 commissioners shall annually set a levy not exceeding 6
 17 mills on all the taxable property in the district, except
 18 for vehicles subject to taxation under 61-3-504(2), for the
 19 purpose of funding the permissive amount of the district.
 20 The permissive levy in mills shall be obtained by
 21 multiplying the ratio of the permissive amount to the
 22 maximum permissive amount by 6 or by using the number of
 23 mills which would fund the permissive amount, whichever is
 24 less. If the amount of revenue raised by this levy, plus
 25 anticipated revenue from vehicle property taxes imposed

1 under 61-3-504(2) ~~and--61-3-537~~ and from light vehicle
 2 license fees imposed under [section 2], is not sufficient to
 3 fund the permissive amount in full, the amount of the
 4 deficiency shall be paid to the district from the state
 5 special revenue fund according to the provisions of
 6 subsections (3) and (4) of this section.

7 (b) For each high school district, the county
 8 commissioners shall annually set a levy not exceeding 4
 9 mills on all taxable property in the district, except for
 10 vehicles subject to taxation under 61-3-504(2), for the
 11 purpose of funding the permissive amount of the district.
 12 The permissive levy in mills shall be obtained by
 13 multiplying the ratio of the permissive levy to the maximum
 14 permissive amount by 4 or by using the number of mills which
 15 would fund the permissive amount, whichever is less. If the
 16 amount of revenue raised by this levy, plus anticipated
 17 revenue from vehicle property taxes imposed under
 18 61-3-504(2) ~~and--61-3-537~~ and from light vehicle license fees
 19 imposed under [section 2], and plus net proceeds taxes for
 20 interim production and new production, as defined in
 21 15-23-601, is not sufficient to fund the permissive amount
 22 in full, the amount of the deficiency shall be paid to the
 23 district from the state special revenue fund according to
 24 the provisions of subsections (3) and (4) of this section.

25 (3) The superintendent of public instruction shall, if

1 the appropriation by the legislature for the permissive
 2 account for the biennium is insufficient, request the budget
 3 director to submit a request for a supplemental
 4 appropriation in the second year of the biennium. The
 5 supplemental appropriation shall provide enough revenue to
 6 fund the permissive deficiency of the elementary and high
 7 school districts of the state. The proceeds of this
 8 appropriation shall be deposited to the state special
 9 revenue fund, permissive account, and shall be distributed
 10 to the elementary and high school districts in accordance
 11 with their entitlements as determined by the superintendent
 12 of public instruction according to the provisions of
 13 subsections (1) and (2) of this section.

14 (4) Distribution under this section from the state
 15 special revenue fund shall be made in two payments. The
 16 first payment shall be made at the same time as the first
 17 distribution of state equalization aid is made after January
 18 1 of the fiscal year. The second payment shall be made at
 19 the same time as the last payment of state equalization aid
 20 is made for the fiscal year. If the appropriation is not
 21 sufficient to finance the deficiencies of the districts as
 22 determined according to subsection (2), each district will
 23 receive the same percentage of its deficiency. Surplus
 24 revenue in the second year of the biennium may be used to
 25 reduce the appropriation required for the next succeeding

1 biennium or may be transferred to the state equalization aid
 2 state special revenue fund if revenues in that fund are
 3 insufficient to meet foundation program requirements."

4 **Section 19.** Section 20-9-501, MCA, is amended to read:

5 "20-9-501. Retirement fund. (1) The trustees of any
 6 district employing personnel who are members of the
 7 teachers' retirement system or the public employees'
 8 retirement system or who are covered by unemployment
 9 insurance or who are covered by any federal social security
 10 system requiring employer contributions shall establish a
 11 retirement fund for the purposes of budgeting and paying the
 12 employer's contributions to such systems. The district's
 13 contribution for each employee who is a member of the
 14 teachers' retirement system shall be calculated in
 15 accordance with Title 19, chapter 4, part 6. The district's
 16 contribution for each employee who is a member of the public
 17 employees' retirement system shall be calculated in
 18 accordance with 19-3-801. The district may levy a special
 19 tax to pay its contribution to the public employees'
 20 retirement system under the conditions prescribed in
 21 19-3-204. The district's contributions for each employee
 22 covered by any federal social security system shall be paid
 23 in accordance with federal law and regulation. The
 24 district's contribution for each employee who is covered by
 25 unemployment insurance shall be paid in accordance with

1 Title 39, chapter 51, part 11.

2 (2) The trustees of any district required to make a
3 contribution to any such system shall include in the
4 retirement fund of the preliminary budget the estimated
5 amount of the employer's contribution and such additional
6 moneys, within legal limitations, as they may wish to
7 provide for the retirement fund cash reserve. After the
8 final retirement fund budget has been adopted, the trustees
9 shall pay the employer contributions to such systems in
10 accordance with the financial administration provisions of
11 this title.

12 (3) When the final retirement fund budget has been
13 adopted, the county superintendent shall establish the levy
14 requirement by:

15 (a) determining the sum of the moneys available to
16 reduce the retirement fund levy requirement by adding:

17 (i) any anticipated moneys that may be realized in the
18 retirement fund during the ensuing school fiscal year,
19 including anticipated revenue from vehicle property taxes
20 imposed under 61-3-504(2) ~~and--61-3-537~~ and from light
21 vehicle license fees imposed under [section 2];

22 (ii) net proceeds taxes for interim production and new
23 production, as defined in 15-23-601; and

24 (iii) any cash available for reappropriation as
25 determined by subtracting the amount of the end-of-the-year

1 cash balance earmarked as the retirement fund cash reserve
2 for the ensuing school fiscal year by the trustees from the
3 end-of-the-year cash balance in the retirement fund. The
4 retirement fund cash reserve shall not be more than 35% of
5 the final retirement fund budget for the ensuing school
6 fiscal year and shall be used for the purpose of paying
7 retirement fund warrants issued by the district under the
8 final retirement fund budget.

9 (b) subtracting the total of the moneys available for
10 reduction of the levy requirement as determined in
11 subsection (3)(a) from the budgeted amount for expenditures
12 in the final retirement fund budget.

13 (4) The county superintendent shall:

14 (a) total the net retirement fund levy requirements
15 separately for all elementary school districts, all high
16 school districts, and all community college districts of the
17 county, including any prorated joint district or special
18 education cooperative agreement levy requirements;

19 (b) reduce the total retirement fund levy requirements
20 of elementary school districts and high school districts by
21 the amount available in state retirement equalization aid as
22 calculated and distributed under the provisions of 20-9-532;
23 and

24 (c) report each such levy requirement to the county
25 commissioners on the second Monday of August as the

1 respective county levy requirements for elementary district,
2 high school district, and community college district
3 retirement funds.

4 (5) The county commissioners shall fix and set such
5 county levy in accordance with 20-9-142.

6 (6) The net retirement fund levy requirement for a
7 joint elementary district or a joint high school district
8 shall be prorated to each county in which a part of such
9 district is located in the same proportion as the district
10 ANB of the joint district is distributed by pupil residence
11 in each such county. The county superintendents of the
12 counties affected shall jointly determine the net retirement
13 fund levy requirement for each county as provided in
14 20-9-151.

15 (7) The net retirement fund levy requirement for
16 districts that are members of special education cooperative
17 agreements shall be prorated to each county in which such
18 district is located in the same proportion as the budget for
19 the special education cooperative agreement of the district
20 bears to the total budget of the cooperative. The county
21 superintendents of the counties affected shall jointly
22 determine the net retirement fund levy requirement for each
23 county in the same manner as provided in 20-9-151 and fix
24 and levy the net retirement fund levy for each county in the
25 same manner as provided in 20-9-152. (Subsection (4)(b)

1 effective July 1, 1988--sec. 8, Ch. 635, L. 1987.)"

2 **Section 20.** Section 20-10-144, MCA, is amended to read:

3 "20-10-144. Computation of revenues and net tax levy
4 requirements for the transportation fund budget. Before the
5 fourth Monday of July and in accordance with 20-9-123, the
6 county superintendent shall compute the revenue available to
7 finance the transportation fund budget of each district. The
8 county superintendent shall compute the revenue for each
9 district on the following basis:

10 (1) The "schedule amount" of the preliminary budget
11 expenditures that is derived from the rate schedules in
12 20-10-141 and 20-10-142 shall be determined by adding the
13 following amounts:

14 (a) the sum of the maximum reimbursable expenditures
15 for all approved school bus routes maintained by the
16 district (to determine the maximum reimbursable expenditure,
17 multiply the applicable rate per bus mile by the total
18 number of miles to be traveled during the ensuing school
19 fiscal year on each bus route approved by the county
20 transportation committee and maintained by such district);
21 plus

22 (b) the total of all individual transportation per diem
23 reimbursement rates for such district as determined from the
24 contracts submitted by the district multiplied by the number
25 of pupil-instruction days scheduled for the ensuing school

1 attendance year; plus

2 (c) any estimated costs for supervised home study or
3 supervised correspondence study for the ensuing school
4 fiscal year; plus

5 (d) the amount budgeted on the preliminary budget for
6 the contingency amount permitted in 20-10-143, except if
7 such amount exceeds 10% of the total of subsections (1)(a),
8 (1)(b), and (1)(c) or \$100, whichever is larger, the
9 contingency amount on the preliminary budget shall be
10 reduced to such limitation amount and used in this
11 determination of the schedule amount.

12 (2) The schedule amount determined in subsection (1) or
13 the total preliminary transportation fund budget, whichever
14 is smaller, shall be divided by 3 and the resulting
15 one-third amount shall be used to determine the available
16 state and county revenue to be budgeted on the following
17 basis:

18 (a) the resulting one-third amount shall be the
19 budgeted state transportation reimbursement, except that the
20 state transportation reimbursement for the transportation of
21 special education pupils under the provisions of 20-7-442
22 shall be two-thirds of the schedule amount attributed to the
23 transportation of special education pupils;

24 (b) the resulting one-third amount, except as provided
25 for joint elementary districts in subsection (2)(e), shall

1 be the budgeted county transportation reimbursement for
2 elementary districts and shall be financed by the basic
3 county tax under the provisions of 20-9-334;

4 (c) the resulting one-third amount multiplied by 2
5 shall be the budgeted county transportation reimbursement
6 amount for high school districts financed under the
7 provisions of subsection (5) of this section, except as
8 provided for joint high school districts in subsection
9 (2)(e), and except that the county transportation
10 reimbursement for the transportation of special education
11 pupils under the provisions of 20-7-442 shall be one-third
12 of the schedule amount attributed to the transportation of
13 special education pupils;

14 (d) when the district has a sufficient amount of cash
15 for reappropriation and other sources of district revenue,
16 as determined in subsection (3), to reduce the total
17 district obligation for financing to zero, any remaining
18 amount of such district revenue and cash reappropriated
19 shall be used to reduce the county financing obligation in
20 subsections (2)(b) or (2)(c) and, if such county financing
21 obligations are reduced to zero, to reduce the state
22 financial obligation in subsection (2)(a); and

23 (e) the county revenue requirement for a joint
24 district, after the application of any district moneys under
25 subsection (2)(d) above, shall be prorated to each county

1 incorporated by the joint district in the same proportion as
2 the ANB of the joint district is distributed by pupil
3 residence in each such county.

4 (3) The total of the moneys available for the reduction
5 of property tax on the district for the transportation fund
6 shall be determined by totaling:

7 (a) anticipated federal moneys received under the
8 provisions of Title I of Public Law 81-874 or other
9 anticipated federal moneys received in lieu of such federal
10 act; plus

11 (b) anticipated payments from other districts for
12 providing school bus transportation services for such
13 district; plus

14 (c) anticipated payments from a parent or guardian for
15 providing school bus transportation services for his child;
16 plus

17 (d) anticipated interest to be earned by the investment
18 of transportation fund cash in accordance with the
19 provisions of 20-9-213(4); plus

20 (e) anticipated revenue from vehicle property taxes
21 imposed under 61-3-504(2) ~~and--61-3-537~~ and from light
22 vehicle license fees imposed under [section 2]; plus

23 (f) net proceeds taxes for interim production and new
24 production, as defined in 15-23-601; plus

25 (g) any other revenue anticipated by the trustees to be

1 earned during the ensuing school fiscal year which may be
2 used to finance the transportation fund; plus

3 (h) any cash available for reappropriation as
4 determined by subtracting the amount of the end-of-the-year
5 cash balance earmarked as the transportation fund cash
6 reserve for the ensuing school fiscal year by the trustees
7 from the end-of-the-year cash balance in the transportation
8 fund. Such cash reserve shall not be more than 20% of the
9 final transportation fund budget for the ensuing school
10 fiscal year and shall be for the purpose of paying
11 transportation fund warrants issued by the district under
12 the final transportation fund budget.

13 (4) The district levy requirement for each district's
14 transportation fund shall be computed by:

15 (a) subtracting the schedule amount calculated in
16 subsection (1) from the total preliminary transportation
17 budget amount and, for an elementary district, adding such
18 difference to the district obligation to finance one-third
19 of the schedule amount as determined in subsection (2); and

20 (b) subtracting the amount of moneys available to
21 reduce the property tax on the district, as determined in
22 subsection (3), from the amount determined in subsection
23 (4)(a) above.

24 (5) The county levy requirement for the financing of
25 the county transportation reimbursement to high school

districts shall be computed by adding all such requirements for all the high school districts of the county, including the county's obligation for reimbursements in joint high school districts.

(6) The transportation fund levy requirements determined in subsection (4) for each district and in subsection (5) for the county shall be reported to the county commissioners on the second Monday of August by the county superintendent as the transportation fund levy requirements for the district and for the county, and such levies shall be made by the county commissioners in accordance with 20-9-142."

Section 21. Section 61-3-303, MCA, is amended to read:

"61-3-303. Application for registration. (1) Every owner of a motor vehicle operated or driven upon the public highways of this state shall for each motor vehicle owned, except as herein otherwise expressly provided, file or cause to be filed in the office of the county treasurer where the owner makes his permanent residence at the time of making the application or, if the vehicle is owned by a corporation or used primarily for commercial purposes, in the taxing jurisdiction of the county where the vehicle is permanently assigned, an application for registration or reregistration upon a blank form to be prepared and furnished by the department. The application shall contain:

(a) name and address of owner, giving county, school district, and town or city within whose corporate limits the motor vehicle is taxable, if taxable, or within whose corporate limits the owner's residence is located if the motor vehicle is not taxable;

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

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

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

(e) such other information as the department may require.

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

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

(b) unless it has been previously paid:

(i) the personal property taxes assessed against the vehicle, or the light vehicle license fee, for the current year of registration and the immediately previous year; or

(ii) the new motor vehicle sales tax against the vehicle for the current year of registration.

(3) The application may not be accepted by the county treasurer unless the payments required by subsection (2) accompany the application. The department or its agent may not assess and the county treasurer may not collect taxes or fees for a period other than:

(a) the current year; and

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

(4) The department or its agent may make full and complete investigation of the tax status of the vehicle. Any applicant for registration or reregistration must submit proof from the tax or other appropriate records of the proper county at the request of the department or its agent."

Section 22. Section 61-3-332, MCA, is amended to read:

"61-3-332. Number plates. (1) Every motor vehicle which shall be driven upon the streets or highways of this state shall display both front and rear a number plate, bearing the distinctive number assigned such vehicle. Such number plate shall be in eight series: one series for owners of motorcars, one for owners of motor vehicles of the

motorcycle or quadricycle type, one for trailers, one for trucks, one for dealers in vehicles of the motorcycle or quadricycle type which shall bear the distinctive letters "MCD" or the letters "MC" and the word "DEALER", one for franchised dealers in new motorcars (including trucks and trailers) or new and used motorcars (including trucks and trailers) which shall bear the distinctive letter "D" or the word "DEALER", one for dealers in used motorcars only (including used trucks and trailers) which shall bear the distinctive letters "UD" or the letter "U" and the word "DEALER", and one for dealers in trailers and/or semitrailers (new or used) which shall bear the distinctive letters "DTR" or the letters "TR" and the word "DEALER". All such markings for the aforementioned kinds of dealers' plates shall be placed on the number plates assigned thereto in such position thereon as the department may designate.

(2) All number plates for motor vehicles shall be issued for a minimum period of 4 years, shall bear a distinctive marking, and shall be furnished by the state. In years when number plates are not issued, the department shall provide nonremovable stickers bearing appropriate registration numbers, which shall be affixed to the license plates in use.

(3) In the case of motorcars and trucks, plates shall be of metal 6 inches wide and 12 inches in length. The

1 outline of the state of Montana shall be used as a
 2 distinctive border on such license plates, and the word
 3 "Montana" with the year shall be placed across the plates.
 4 Such registration plates shall be treated with a
 5 reflectorized background material according to
 6 specifications prescribed by the department.

7 (4) The distinctive registration numbers shall begin
 8 with a number one or with a letter-number combination such
 9 as "A 1" or "AA 1", or any other similar combination of
 10 letters and numbers. The distinctive registration number or
 11 letter-number combination assigned to the vehicle shall
 12 appear on the plate preceded by the number of the county and
 13 appearing in horizontal order on the same horizontal
 14 baseline, and the county number shall be separated from the
 15 distinctive registration number by a separation mark unless
 16 a letter-number combination is used. The dimensions of such
 17 numerals and letters shall be determined by the department,
 18 provided that all county and registration numbers shall be
 19 of equal height.

20 (5) For the use of tax-exempt motor vehicles that are
 21 also exempt from the light vehicle license fee as provided
 22 in [section 2], in addition to the markings herein provided,
 23 number plates shall have thereon the following distinctive
 24 markings:

25 (a) For vehicles owned by the state the department may

1 designate the prefix number for the various state
 2 departments, and all numbered plates issued to state
 3 departments shall bear the words "State Owned" and no year
 4 number will be indicated thereon as these numbered plates
 5 will be of a permanent nature and will be replaced by the
 6 department at such time when the physical condition of
 7 numbered plates requires same.

8 (b) For vehicles owned by the counties, municipalities,
 9 irrigation districts organized under the laws of Montana and
 10 not operating for profit, and school districts and used and
 11 operated by officials and employees thereof in line of duty
 12 as such, and for vehicles on loan from the United States
 13 government or the state of Montana, to, or owned by, the
 14 civil air patrol and used and operated by officials and
 15 employees thereof in the line of duty as such, there shall
 16 be placed on the number plates assigned thereto, in such
 17 position thereon as the department may designate, the letter
 18 "X" or the word "EXEMPT". Distinctive registration numbers
 19 for plates assigned to motor vehicles of each of the
 20 counties in the state and those of the municipalities and
 21 school districts situated within each of said counties and
 22 those of the irrigation districts which obtain plates within
 23 each county shall begin with number one and be numbered
 24 consecutively.

25 (6) On all number plates assigned to motor vehicles of

the truck and trailer type, other than tax-exempt trucks that are also exempt from the light vehicle license fee as provided in [section 2] and tax-exempt trailers, there shall appear the letter "T" or the word "TRUCK" for plates assigned to trucks and the letters "TR" or the word "TRAILER" for plates assigned to trailers and housetrailer. The letters "MC" or the word "CYCLE" shall appear for plates assigned to vehicles of the motorcycle or quadricycle type.

(7) Number plates issued to a passenger car, truck, trailer, or vehicle of the motorcycle or quadricycle type may be transferred only to a replacement passenger car, truck, trailer, or motorcycle- or quadricycle-type vehicle. No registration or license fee may be assessed upon a transfer of a number plate under 61-3-317 and 61-3-335.

(8) For the purpose of this chapter, the several counties of the state shall be assigned numbers as follows: Silver Bow, 1; Cascade, 2; Yellowstone, 3; Missoula, 4; Lewis and Clark, 5; Gallatin, 6; Flathead, 7; Fergus, 8; Powder River, 9; Carbon, 10; Phillips, 11; Hill, 12; Ravalli, 13; Custer, 14; Lake, 15; Dawson, 16; Roosevelt, 17; Beaverhead, 18; Chouteau, 19; Valley, 20; Toole, 21; Big Horn, 22; Musselshell, 23; Blaine, 24; Madison, 25; Pondera, 26; Richland, 27; Powell, 28; Rosebud, 29; Deer Lodge, 30; Teton, 31; Stillwater, 32; Treasure, 33; Sheridan, 34; Sanders, 35; Judith Basin, 36; Daniels, 37; Glacier, 38;

Fallon, 39; Sweet Grass, 40; McCone, 41; Carter, 42; Broadwater, 43; Wheatland, 44; Prairie, 45; Granite, 46; Meagher, 47; Liberty, 48; Park, 49; Garfield, 50; Jefferson, 51; Wibaux, 52; Golden Valley, 53; Mineral, 54; Petroleum, 55; Lincoln, 56. Any new counties shall be assigned numbers by the department as they may be formed, beginning with the number 57."

Section 23. Section 61-3-501, MCA, is amended to read:

"61-3-501. When vehicle taxes and fees are due. (1) Property taxes, new car taxes, light vehicle license fees, and any other fees must be paid on the date of registration or reregistration of the vehicle.

(2) If the anniversary date for reregistration of a vehicle passes while the vehicle is owned and held for sale by a licensed new or used car dealer, property taxes or light vehicle license fees abate on such vehicle properly reported with the department of revenue until the vehicle is sold and thereafter the purchaser shall pay the pro rata balance of the taxes or light vehicle license fees due and owing on the vehicle.

(3) In the event a vehicle's registration period is changed under 61-3-315, all taxes and other fees due thereon shall be prorated and paid from the last day of the old period until the first day of the new period in which the vehicle shall be registered. Thereafter taxes and other fees

1 must be paid from the first day of the new period for a
2 minimum period of 1 year. When the change is to a later
3 registration period, taxes and fees shall be prorated and
4 paid based on the same tax year as the original registration
5 period. Thereafter, during the appropriate anniversary
6 registration period, each vehicle shall again register or
7 reregister and shall pay all taxes and fees due thereon for
8 a 12-month period."

9 **Section 24.** Section 61-3-503, MCA, is amended to read:

10 "61-3-503. **Assessment.** (1) Except as provided in
11 subsection (2), the following apply to the taxation of motor
12 vehicles:

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

22 (b) Except as provided in subsection (1)(c), motor
23 vehicles are assessed for taxes on January 1 in each year
24 irrespective of the time fixed by law for the assessment of
25 other classes of personal property and irrespective of

1 whether the levy and tax may be a lien upon real property
2 within the state. In no event may any motor vehicle be
3 subject to assessment, levy, and taxation more than once in
4 each year.

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

24 (d) Motorcycles and quadricycles shall be assessed,
25 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.~~ national appraisal 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.~~ appraisal 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.~~ appraisal 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 light vehicles as defined in [section 1], motor homes, travel trailers, campers, or mobile homes as defined in 15-1-101(1)."

Section 25. Section 61-3-504, MCA, is amended to read:

"61-3-504. Computation of tax. (1) The amount of taxes on a motor vehicle, other than an automobile, truck having a rated capacity of three-quarters of a ton or less, motorcycle, quadricycle, motor home, travel trailer, camper, or mobile home, is computed and determined by the county treasurer on the basis of the levy of the year preceding the current year of application for registration or reregistration.

(2) The amount of tax on ~~an automobile or truck having~~

~~a-rated-capacity-of-three-quarters-of-a-ton-or-less;--except
for--vehicles--owned--by--disabled--veterans--qualifying-for
special-license-plates-under-61-3-451;--and-on~~ a motorcycle
or quadricycle is 2% of the value determined under 61-3-503.

(3) For all taxable motor vehicles, the amount of tax
is entered on the application form in a space provided
therefor."

Section 26. Section 61-3-506, MCA, is amended to read:

"61-3-506. Rules. The department of revenue shall adopt
rules for the payment of property taxes and light vehicle
license fees and the department of highways shall adopt
rules for the payment of new car taxes under the provisions
of 61-3-313 through 61-3-316 and 61-3-501. The department
of revenue may adopt rules for the proration of taxes and
light vehicle license fees for the implementation and
administration of 61-3-313 through 61-3-316 and 61-3-501,
but shall specifically provide that new car taxes shall be
for a 12-month period."

Section 27. Section 61-3-509, MCA, is amended to read:

"61-3-509. Disposition of taxes -- and fees in lieu of
tax. (1) Except as provided in subsection (2), the county
treasurer shall, after deducting the district court fee,
credit all taxes on motor vehicles and fees in lieu of tax
on light vehicles as defined in [section 1], motor homes,
travel trailers, and campers collected under 61-3-504,

61-3-521, and 61-3-537 [section 2] to a motor vehicle
suspense fund, and at some time between March 1 and March 10
of each year and every 60 days thereafter, the county
treasurer shall distribute the money in the motor vehicle
suspense fund 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.

(2) The county treasurer shall deduct as a district
court fee 7% of the amount of the 2%--tax light vehicle
license fee collected on an automobile or truck having a
rated capacity of three-quarters of a ton or less. The
county treasurer shall credit the fee for district courts to
a separate suspense account and shall forward the amount in
the account to the state treasurer at the time the county
treasurer distributes the motor vehicle suspense fund. The
state treasurer shall credit amounts received under this
subsection to the general fund to be used for purposes of
state funding of the district court expenses as provided in
3-5-901. Any amount forwarded to the state treasurer under
this subsection that is not used for district court expenses
must be refunded to the counties in the proportion that the
amount collected from each county bears to the total amount
collected."

Section 28. Section 61-3-524, MCA, is amended to read:

1 *61-3-524. ~~Tax-paid~~ Fee-paid decal required on camper
 2 -- application for decal -- application fee -- issuance. (1)
 3 No camper, subject to taxation in Montana, may be operated
 4 by any person on the public highways or streets in this
 5 state unless there is displayed in a conspicuous place
 6 thereon a decal as visual proof that the ~~tax~~ fee has been
 7 paid thereon for the current year.

8 (2) Application for the issuance of the decal shall be
 9 made to the department of revenue or the county treasurer
 10 upon forms to be furnished for this purpose, which may be
 11 obtained from the department or at the county treasurer's
 12 office in the county wherein the owner resides, and is to
 13 provide for substantially the following information:

- 14 (a) name of owner;
- 15 (b) address;
- 16 (c) name of manufacturer;
- 17 (d) model number;
- 18 (e) make;
- 19 (f) year of manufacture;
- 20 (g) statement evidencing payment of the property fee in
 21 lieu of tax; and
- 22 (h) such other information as the department may
 23 require.
- 24 (3) The application must be signed by the county
 25 treasurer and transmitted by him to the department

1 accompanied by an application fee of \$1. Upon receipt of the
 2 application in approved form the department or county
 3 treasurer shall issue to the applicant a decal in the style
 4 and design prescribed by the department and of a different
 5 color than the preceding year, numbered numerically."

6 **Section 29.** Section 61-3-535, MCA, is amended to read:

7 *61-3-535. Vehicle reregistration by mail --
 8 reregistration notice by mail. (1) The department shall
 9 permit the reregistration of light vehicles subject to a fee
 10 imposed under [section 2] and other vehicles subject to tax
 11 under 61-3-504(2) with the county treasurer by mail at the
 12 option of the owner of the vehicle. The option to reregister
 13 by mail need only be made available for vehicles registered
 14 at the close of the expiring registration period in the name
 15 of the applicant for reregistration.

16 (2) The form to be returned to the county treasurer by
 17 the applicant, with the appropriate tax and fees, is to
 18 contain a statement, to be subscribed to by the applicant,
 19 stating compliance with the financial liability requirements
 20 of 61-6-301.

21 (3) The procedure implemented by the department to
 22 permit reregistration by mail shall provide for a written
 23 reminder notice by mail to a light vehicle owner of the
 24 requirement to reregister his vehicle with the county
 25 treasurer.

(4) The department shall adopt rules to implement the mail reregistration procedure."

Section 30. Section 61-3-701, MCA, is amended to read:

"61-3-701. Foreign vehicles used in gainful occupation to be registered -- reciprocity. (1) Before any foreign licensed motor vehicle may be operated on the highways of this state for hire, compensation, or profit or before the owner and/or user thereof uses the vehicle if such owner and/or user is engaged in gainful occupation or business enterprise in the state, including highway work, the owner of the vehicle shall make application to a county treasurer for registration upon an application form furnished by the department. Upon satisfactory evidence of ownership submitted to the county treasurer and the payment of property taxes, if appropriate, as required by 15-8-201, 15-8-202, 15-24-301, 61-3-504, or 61-3-537 light vehicle license fee required by [section 2], the treasurer shall accept the application for registration and shall collect the regular license fee required for the vehicle.

(2) The treasurer shall thereupon issue to the applicant a copy of the certificate entitled "Owner's Certificate of Registration and Payment Receipt" and forward a duplicate copy of the certificate to the department. The treasurer shall at the same time issue to the applicant the proper license plates or other identification markers, which

shall at all times be displayed upon the vehicle when operated or driven upon roads and highways of this state during the period of the life of the license.

(3) The registration receipt shall not constitute evidence of ownership but shall be used only for registration purposes. No Montana certificate of ownership shall be issued for this type of registration.

(4) This section is not applicable to any vehicle covered by a valid and existing reciprocal agreement or declaration entered into under the provisions of the laws of Montana."

NEW SECTION. **Section 31.** Codification instruction. [Sections 1 through 4] are intended to be codified as an integral part of Title 61, chapter 3, part 5, and the provisions of Title 61, chapter 3, part 5, apply to [sections 1 through 4].

NEW SECTION. **Section 32.** Repealer. Section 61-3-537, MCA, is repealed.

NEW SECTION. **Section 33.** Extension of authority. Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

NEW SECTION. **Section 34.** Effective date -- applicability. [This act] is effective on passage and approval and applies to motor vehicles registered on or

LC 0466/01

1 after July 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 HB634, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to replace the 2 percent tax on light vehicles with a fee in lieu of tax; and providing an immediate effective date and an applicability date.

ASSUMPTIONS:

1. Motor vehicle fee collections are estimated to be \$37,138,000 in FY90 and \$40,376,000 in FY91. (REAC)
2. District court collections are estimated to be \$2,600,000 in FY90 and \$2,826,000 in FY91. (REAC)
3. The following age/weight/taxable value distributions apply to registered motor vehicles in FY89 which were assessed using the N.A.D.A. guide. This distribution is assumed constant through the biennium: (RMV)

ASSUMPTIONS:

Age	Vehicle	2,850 lbs. and Under	Taxable Value	Over 2,850	Taxable Value
1986-1989	Cars	41,671	\$ 165,008,296	35,213	\$ 172,922,142
	Trucks	5,911	\$ 19,997,984	26,004	\$ 98,700,258
1982-1985	Cars	55,292	\$ 162,039,283	49,054	\$ 210,311,129
	Trucks	7,695	\$ 19,416,106	34,911	\$ 125,079,616
1981 & Older	Cars	100,900	\$ 63,886,764	184,029	\$ 140,467,307
	Trucks	16,695	\$ 9,818,246	146,579	\$ 114,373,405

4. There were 148,479 vehicles dating prior to 1979 which were assessed using the CPI guide as of FY89. It is assumed those vehicles dating prior to 1979 represent the vast majority of vehicles assessed not using the N.A.D.A. guide. (RMV)
5. The weight distribution of vehicles assessed using the CPI guide is the same as those 1981 and older vehicles assessed using the NADA book. Distribution-26.24% weighing 2,850 lbs or less and 73.76% over 2,850 lbs.
6. Under the proposal, the fee for disabled veterans would be \$5. As of 12/88, there were 345 vehicles registered as disabled veteran which is assumed constant over the next biennium.
7. The price deflator for personal consumption (PCE) for second quarter 1981 (base year 1982) is 93.8. Projected PCE for second quarter 1989 and 1990 is 129.9 and 136.2, respectively. (Forecast-Wharton)
8. PCE ratios of 1.38 in FY90 and 1.45 in FY91 would be applied to the fee schedule in Section 3(1) of the bill.
9. Distribution of tax/fee: Universities-2.1804%, School Foundation Program-16.3527%, local government-81.4669%.
10. The proposed law expenditure impact for the Department of Revenue is for appraising motorcycles and all-terrain vehicles.

Ray Shackleford

DATE 2/17/89

RAY SHACKLEFORD, BUDGET DIRECTOR
OFFICE OF BUDGET AND PROGRAM PLANNING

Norm Wallin

DATE 2/17/89

NORM WALLIN, PRIMARY SPONSOR

Fiscal Note for HB634, as introduced

HB 634

FISCAL IMPACT:

	Current	FY90		Current	FY91	
	Law	Proposed		Law	Proposed	
Revenue Impact:	Law	Law	Difference	Law	Law	Difference
Light Motor Vehicle (tax/fee)						
	\$ 37,138,000	\$ 47,813,093	\$ 10,675,093	\$ 40,376,000	\$ 49,772,811	\$ 9,396,811
Fund Information:						
District Court	\$ 2,600,000	\$ 3,346,916	\$ 746,916	\$ 2,826,000	\$ 3,484,097	\$ 658,097
University Levy	753,067	969,541	216,474	818,740	1,009,279	190,539
Foundation Program	5,647,895	7,271,420	1,623,525	6,140,439	7,569,455	1,429,016
Expenditure Impact:						
Department of Revenue vehicle assessment						
FTE	34.0	1.0	(33.0)	34.0	1.0	(33.0)
Personal Services	\$ 581,645	\$ 17,690	(\$563,955)	\$ 581,645	\$ 17,690	(\$563,645)
Operating Expenses	10,000	2,000	(8,000)	10,000	2,000	(8,000)
Total	\$ 591,645	\$ 19,690	(\$571,995)	\$ 591,645	\$ 19,690	(\$571,995)
Funding: General Fund						
Expenditure Impact:						
Department of Justice Registrar's Bureau						
Operating Expenses	\$ 38,830	\$ -0-	(\$38,830)	\$ 42,713	\$ -0-	(\$42,713)
Funding: Motor Vehicle Account						

EFFECT ON COUNTY OR OTHER LOCAL GOVERNMENT REVENUE OR EXPENDITURES:

It is estimated that county and local taxing jurisdictions would receive \$8,088,178 in additional revenue in FY90 and \$7,119,159 in FY91.