

HOUSE BILL NO. 736

INTRODUCED BY GOULD, HARP, REHBERG

IN THE HOUSE

FEBRUARY 16, 1989

INTRODUCED AND REFERRED TO COMMITTEE
ON BUSINESS & ECONOMIC DEVELOPMENT.

FIRST READING.

MARCH 14, 1989

COMMITTEE RECOMMEND BILL
DO PASS AS AMENDED. REPORT ADOPTED.

MARCH 15, 1989

PRINTING REPORT.

MARCH 17, 1989

SECOND READING, DO PASS.

MARCH 18, 1989

ENGROSSING REPORT.

MARCH 20, 1989

THIRD READING, PASSED.
AYES, 93; NOES, 5.

TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 21, 1989

INTRODUCED AND REFERRED TO COMMITTEE
ON BUSINESS & INDUSTRY.

FIRST READING.

MARCH 28, 1989

COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

MARCH 29, 1989

SECOND READING, CONCURRED IN.

MARCH 31, 1989

THIRD READING, CONCURRED IN.
AYES, 50; NOES, 0.

RETURNED TO HOUSE.

IN THE HOUSE

APRIL 1, 1989

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 HOUSE BILL NO. 736
 2 INTRODUCED BY SEN. HARRY RALPH
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PERMIT A PERSON TO
 5 REGISTER FLEET VEHICLES FOR A 6-MONTH PERIOD; AMENDING
 6 SECTIONS 61-3-313 AND 61-3-504, MCA; AND PROVIDING AN
 7 APPLICABILITY DATE AND AN EFFECTIVE DATE."
 8
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 10 NEW SECTION. Section 1. Fleet registration period.
 11 (1) (a) Notwithstanding any other provisions of this title
 12 regarding the registration of motor vehicles, a person
 13 owning or leasing a fleet may register its fleet of motor
 14 vehicles for a 6-month period, commencing from the date of
 15 original registration of the fleet.
 16 (b) A vehicle remaining in the fleet at the end of a
 17 6-month period must be reregistered for a minimum of 12
 18 months.
 19 (2) As used in this section, "fleet" means more than
 20 25 motor vehicles owned or leased by a person and operated
 21 in this state.
 22 Section 2. Section 61-3-313, MCA, is amended to read:
 23 "61-3-313. Vehicles subject to staggered registration.
 24 For purposes of 61-3-313 through 61-3-316 "vehicle" means
 25 any motor vehicle as defined in 61-1-102 subject to annual

1 registration in this state except:
 2 (1) vehicles owned or leased and operated by the
 3 government of the United States, of the state of Montana, or
 4 its political subdivisions;
 5 (2) mobile homes and motor homes;
 6 (3) vehicles that are registered in accordance with or
 7 subject to 61-3-411, 61-3-421, or 61-3-451;
 8 (4) trucks exceeding a licensed gross vehicle weight
 9 of 10,000 pounds;
 10 (5) trailers, semitrailers, tractors, buses,
 11 motorcycles, quadricycles, and motor-driven cycles;
 12 (6) special mobile equipment as defined in 61-1-104-;
 13 (7) motor vehicles registered as part of a fleet under
 14 [section 1]."
 15 Section 3. Section 61-3-504, MCA, is amended to read:
 16 "61-3-504. Computation of tax. (1) The amount of taxes
 17 on a motor vehicle, other than an automobile, truck having a
 18 rated capacity of three-quarters of a ton or less,
 19 motorcycle, quadricycle, motor home, travel trailer, camper,
 20 or mobile home, is computed and determined by the county
 21 treasurer on the basis of the levy of the year preceding the
 22 current year of application for registration or
 23 reregistration.
 24 (2) The amount of tax on an automobile or truck having
 25 a rated capacity of three-quarters of a ton or less, except

LC 0769/01

1 for vehicles owned by disabled veterans qualifying for
2 special license plates under 61-3-451, and on a motorcycle
3 or quadricycle is 2% of the value determined under 61-3-503.

4 (3) The amount of tax on fleet vehicles subject to the
5 provisions of [section 1] is 1% of the value determined
6 under 61-3-503.

7 ~~†3†~~(4) For all taxable motor vehicles, the amount of
8 tax is entered on the application form in a space provided
9 therefor."

10 NEW SECTION. Section 4. Extension of authority. Any
11 existing authority to make rules on the subject of the
12 provisions of [this act] is extended to the provisions of
13 [this act].

14 NEW SECTION. Section 5. Codification instruction.
15 [Section 1] is intended to be codified as an integral part
16 of Title 61, chapter 3, part 3, and the provisions of Title
17 61, chapter 3, part 3, apply to [section 1].

18 NEW SECTION. Section 6. Applicability. [This act]
19 applies to fleet vehicles registered after the effective
20 date of [this act].

21 NEW SECTION. Section 7. Effective date. [This act] is
22 effective 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 HB736, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

A bill for an act entitled: "An act to permit a person to register fleet vehicles for a 6-month period; amending Sections 61-3-313 and 61-3-504, MCA; and providing an applicability date and an effective date."

ASSUMPTIONS:

1. All current registration fees (license, registration, title, lien, weed control, junk vehicle, etc.) would still be paid in full at the time of registration for a 6 month period under this act.
2. Taxes collected are split as follows: 7% to the state general fund for district court fees and 93% to a motor vehicle suspense fund distributed in the proportions required by the levies for state, county, school district and municipal purposes in the same manner as personal property taxes are distributed.
3. Distribution of the local government revenues in the counties' motor vehicle suspense fund are as follows: University System - 2.1804%, School Foundation Program - 16.3527%, and other local jurisdictions - 81.4669%. (REAC)
4. Under this act a fleet would include all trucks, passenger cars, semitrailers and housetrailer. (Section 61-1-102)
5. Under the proposed act, any fleet as defined by the act could register its vehicles for a 6 month period.
 - a. Tax revenue would be reduced by 50% on vehicles which did not remain in the state for 6 months.
 - b. 50% of tax revenue would be deferred for 6 months on vehicles which still remain in the state after 6 months.
6. No database exists to allow an estimate of the number of "fleets" as defined in this act or to estimate the number of "fleets" with vehicles remaining in this state for less than 6 months. Therefore, no attempt has been made to quantify the fiscal impact of the act.

Ray Shackleford

DATE 2/23/89

RAY SHACKLEFORD, BUDGET DIRECTOR
OFFICE OF BUDGET AND PROGRAM PLANNING

Budd R. Gould

DATE 2/27/89

BUDD R. GOULD, PRIMARY SPONSOR

Fiscal Note for HB736, as introduced

HB 736

APPROVED BY COMM. ON BUSINESS
AND ECONOMIC DEVELOPMENT

HOUSE BILL NO. 736

INTRODUCED BY GOULD, HARP, REHBERG

A BILL FOR AN ACT ENTITLED: "AN ACT TO PERMIT A PERSON TO REGISTER FLEET VEHICLES FOR A 6-MONTH PERIOD; AMENDING SECTIONS 61-3-313, AND 61-3-502, 61-3-504, AND 61-4-112, MCA; AND PROVIDING AN APPLICABILITY DATE AND AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Fleet registration period.

(1) (a) Notwithstanding any other provisions of this title regarding the registration of motor vehicles, a person owning or leasing a fleet may register its ~~fleet-of~~ motor vehicles for a 6-month period, commencing from the date of original registration ~~of-the-fleet~~.

(b) A vehicle remaining in the fleet at the end of a 6-month period must be reregistered for a minimum of 12 months.

(2) As used in this section, "fleet" means more than ~~25 motor-vehicles-owned-or-leased-by-a-person--and--operated in--this-state~~ AUTOMOBILES OR TRUCKS HAVING A RATED CAPACITY OF THREE-QUARTERS OF A TON OR LESS THAT ARE RENTED OR OFFERED FOR RENTAL WITHOUT DRIVERS AND THAT ARE DESIGNATED BY A RENTAL OWNER AS A RENTAL FLEET.

Section 2. Section 61-3-313, MCA, is amended to read:**"61-3-313. Vehicles subject to staggered registration.**

For purposes of 61-3-313 through 61-3-316 "vehicle" means any motor vehicle as defined in 61-1-102 subject to annual registration in this state except:

(1) vehicles owned or leased and operated by the government of the United States, of the state of Montana, or its political subdivisions;

(2) mobile homes and motor homes;

(3) vehicles that are registered in accordance with or subject to 61-3-411, 61-3-421, or 61-3-451;

(4) trucks exceeding a licensed gross vehicle weight of 10,000 pounds;

(5) trailers, semitrailers, tractors, buses, motorcycles, quadricycles, and motor-driven cycles;

(6) special mobile equipment as defined in 61-1-104-;

(7) motor vehicles registered as part of a fleet under [section 1]."

SECTION 3. SECTION 61-3-502, MCA, IS AMENDED TO READ:

"61-3-502. Sales tax on new motor vehicles -- exemptions. (1) In consideration of the right to use the highways of the state, there is imposed a tax upon all sales of new motor vehicles, excluding trailers, semitrailers, and housetrailer, for which a license is sought and an original application for title is made. The tax ~~shall~~ must be paid by

1 the purchaser when he applies for his original Montana
2 license through the county treasurer.

3 (2) Except as provided in subsection subsections (4)
4 and (5), the sales tax shall be is:

5 (a) 1 1/2% of the f.o.b. factory list price or f.o.b.
6 port-of-entry list price, during the first quarter of the
7 year or for a registration period other than a calendar year
8 or calendar quarter;

9 (b) 1 1/8% of the list price during the second quarter
10 of the year;

11 (c) 3/4 of 1% during the third quarter of the year;

12 (d) 3/8 of 1% during the fourth quarter of the year.

13 (3) If the manufacturer or importer fails to furnish
14 the f.o.b. factory list price or f.o.b. port-of-entry list
15 price, the department may use published price lists.

16 (4) The new car sales tax on vehicles subject to the
17 provisions of 61-3-313 through 61-3-316 is 1 1/2% of the
18 f.o.b. factory list price or f.o.b. port-of-entry list price
19 regardless of the month in which the new vehicle is
20 purchased.

21 (5) The sales tax on new motor vehicles registered as
22 part of a fleet under [section 1] is 3/4 of 1% of the f.o.b.
23 factory list price or f.o.b. port-of-entry list price.

24 ~~(5)(6)~~ The proceeds from this tax shall must be
25 remitted to the state treasurer every 30 days for credit to

1 the state highway account of the state special revenue fund.

2 ~~(6)(7)~~ The new vehicle is not subject to any other
3 assessment, fee in lieu of tax, or tax during the calendar
4 year in which the original application for title is made.

5 ~~(7)(8)~~ (a) The applicant for original registration of
6 any new and unused motor vehicle, or a new motor vehicle
7 furnished without charge by a dealer to a school district
8 for use as a traffic education motor vehicle by a school
9 district operating a state-approved traffic education
10 program within the state, whether or not previously licensed
11 or titled to the school district (except a mobile home as
12 defined in 15-1-101(1)), acquired by original contract after
13 January 1 of any year, is required, whenever the vehicle has
14 not been otherwise assessed, to pay the motor vehicle sales
15 tax provided by this section irrespective of whether the
16 vehicle was in the state of Montana on January 1 of the
17 year.

18 (b) No motor vehicle may be registered or licensed
19 under the provisions of this subsection unless the
20 application for registration is accompanied by a statement
21 of origin to be furnished by the dealer selling the vehicle,
22 showing that the vehicle has not previously been registered
23 or owned, except as otherwise provided herein, by any
24 person, firm, corporation, or association that is not a new
25 motor vehicle dealer holding a franchise or distribution

1 agreement from a new car manufacturer, distributor, or
2 importer.

3 ~~†8†~~(9) (a) Motor vehicles operating exclusively for
4 transportation of persons for hire within the limits of
5 incorporated cities or towns and within 15 miles from such
6 limits are exempt from subsection (1).

7 (b) Motor vehicles brought or driven into Montana by a
8 nonresident, migratory, bona fide agricultural worker
9 temporarily employed in agricultural work in this state
10 where those motor vehicles are used exclusively for
11 transportation of agricultural workers are also exempt from
12 subsection (1).

13 (c) Vehicles lawfully displaying a licensed dealer's
14 plate as provided in 61-4-103 are exempt from subsection (1)
15 when moving to or from a dealer's place of business when
16 unloaded or loaded with dealer's property only, and in the
17 case of vehicles having a gross loaded weight of less than
18 24,000 pounds, while being demonstrated in the course of the
19 dealer's business."

20 **Section 4.** Section 61-3-504, MCA, is amended to read:

21 "61-3-504. Computation of tax. (1) The amount of taxes
22 on a motor vehicle, other than an automobile, truck having a
23 rated capacity of three-quarters of a ton or less,
24 motorcycle, quadricycle, motor home, travel trailer, camper,
25 or mobile home, is computed and determined by the county

1 treasurer on the basis of the levy of the year preceding the
2 current year of application for registration or
3 reregistration.

4 (2) The amount of tax on an automobile or truck having
5 a rated capacity of three-quarters of a ton or less, except
6 for vehicles owned by disabled veterans qualifying for
7 special license plates under 61-3-451, and on a motorcycle
8 or quadricycle is 2% of the value determined under 61-3-503.

9 (3) The amount of tax on fleet vehicles subject to the
10 provisions of [section 1] is 1% of the value determined
11 under 61-3-503.

12 ~~†3†~~(4) For all taxable motor vehicles, the amount of
13 tax is entered on the application form in a space provided
14 therefor."

15 **SECTION 5.** SECTION 61-4-112, MCA, IS AMENDED TO READ:

16 "61-4-112. New motor vehicles -- transfers by dealers.

17 (1) When a motor vehicle dealer transfers a new motor
18 vehicle to a purchaser or other recipient, the dealer shall:

19 (a) issue and affix a sticker as prescribed in
20 61-4-111(1)(a) for transfers of used motor vehicles and
21 retain a copy of the sticker;

22 (b) within 4 working days following the date of
23 delivery of the new motor vehicle, forward to the county
24 treasurer of the county where the purchaser or recipient
25 resides:

1 (i) one copy of the sticker issued under subsection
2 (1)(a);
3 (ii) an application for certificate of title with a
4 notice of security interest, if any, executed by the
5 purchaser or recipient; and
6 (iii) a statement of origin as prescribed in
7 61-3-502~~(7)~~~~(b)~~(8)(b).

8 (2) Upon receipt from the county treasurer of the
9 documents required under subsection (1), the department
10 shall issue a certificate of ownership and certificate of
11 registration together with a statement of lien as provided
12 in 61-3-202."

13 NEW SECTION. Section 6. Extension of authority. Any
14 existing authority to make rules on the subject of the
15 provisions of [this act] is extended to the provisions of
16 [this act].

17 NEW SECTION. Section 7. Codification instruction.
18 [Section 1] is intended to be codified as an integral part
19 of Title 61, chapter 3, part 3, and the provisions of Title
20 61, chapter 3, part 3, apply to [section 1].

21 NEW SECTION. Section 8. Applicability. [This act]
22 applies to fleet vehicles registered after the effective
23 date of [this act].

24 NEW SECTION. Section 9. Effective date. [This act] is
25 effective July 1, 1989.

-End-

HOUSE BILL NO. 736

INTRODUCED BY GOULD, HARP, REHBERG

A BILL FOR AN ACT ENTITLED: "AN ACT TO PERMIT A PERSON TO REGISTER FLEET VEHICLES FOR A 6-MONTH PERIOD; AMENDING SECTIONS 61-3-313, AND 61-3-502, 61-3-504, AND 61-4-112, MCA; AND PROVIDING AN APPLICABILITY DATE AND AN EFFECTIVE DATE."

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

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(1) (a) Notwithstanding any other provisions of this title regarding the registration of motor vehicles, a person owning or leasing a fleet may register its fleet of motor vehicles for a 6-month period, commencing from the date of original registration of the fleet.

(b) A vehicle remaining in the fleet at the end of a 6-month period must be reregistered for a minimum of 12 months.

(2) As used in this section, "fleet" means more than 25 motor vehicles owned or leased by a person and operated in this state AUTOMOBILES OR TRUCKS HAVING A RATED CAPACITY OF THREE-QUARTERS OF A TON OR LESS THAT ARE RENTED OR OFFERED FOR RENTAL WITHOUT DRIVERS AND THAT ARE DESIGNATED BY A RENTAL OWNER AS A RENTAL FLEET.

Section 2. Section 61-3-313, MCA, is amended to read:**"61-3-313. Vehicles subject to staggered registration.**

For purposes of 61-3-313 through 61-3-316 "vehicle" means any motor vehicle as defined in 61-1-102 subject to annual registration in this state except:

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(2) mobile homes and motor homes;

(3) vehicles that are registered in accordance with or subject to 61-3-411, 61-3-421, or 61-3-451;

(4) trucks exceeding a licensed gross vehicle weight of 10,000 pounds;

(5) trailers, semitrailers, tractors, buses, motorcycles, quadricycles, and motor-driven cycles;

(6) special mobile equipment as defined in 61-1-104;

(7) motor vehicles registered as part of a fleet under [section 1]."

SECTION 3. SECTION 61-3-502, MCA, IS AMENDED TO READ:

"61-3-502. Sales tax on new motor vehicles -- exemptions. (1) In consideration of the right to use the highways of the state, there is imposed a tax upon all sales of new motor vehicles, excluding trailers, semitrailers, and house trailers, for which a license is sought and an original application for title is made. The tax shall must be paid by

1 the purchaser when he applies for his original Montana
2 license through the county treasurer.

3 (2) Except as provided in subsection subsections (4)
4 and (5), the sales tax ~~shall be~~ is:

5 (a) 1 1/2% of the f.o.b. factory list price or f.o.b.
6 port-of-entry list price, during the first quarter of the
7 year or for a registration period other than a calendar year
8 or calendar quarter;

9 (b) 1 1/8% of the list price during the second quarter
10 of the year;

11 (c) 3/4 of 1% during the third quarter of the year;

12 (d) 3/8 of 1% during the fourth quarter of the year.

13 (3) If the manufacturer or importer fails to furnish
14 the f.o.b. factory list price or f.o.b. port-of-entry list
15 price, the department may use published price lists.

16 (4) The new car sales tax on vehicles subject to the
17 provisions of 61-3-313 through 61-3-316 is 1 1/2% of the
18 f.o.b. factory list price or f.o.b. port-of-entry list price
19 regardless of the month in which the new vehicle is
20 purchased.

21 (5) The sales tax on new motor vehicles registered as
22 part of a fleet under [section 1] is 3/4 of 1% of the f.o.b.
23 factory list price or f.o.b. port-of-entry list price.

24 ~~(5)(6)~~ The proceeds from this tax ~~shall~~ must be
25 remitted to the state treasurer every 30 days for credit to

1 the state highway account of the state special revenue fund.

2 ~~(6)(7)~~ The new vehicle is not subject to any other
3 assessment, fee in lieu of tax, or tax during the calendar
4 year in which the original application for title is made.

5 ~~(7)(8)~~ (a) The applicant for original registration of
6 any new and unused motor vehicle, or a new motor vehicle
7 furnished without charge by a dealer to a school district
8 for use as a traffic education motor vehicle by a school
9 district operating a state-approved traffic education
10 program within the state, whether or not previously licensed
11 or titled to the school district (except a mobile home as
12 defined in 15-1-101(1)), acquired by original contract after
13 January 1 of any year, is required, whenever the vehicle has
14 not been otherwise assessed, to pay the motor vehicle sales
15 tax provided by this section irrespective of whether the
16 vehicle was in the state of Montana on January 1 of the
17 year.

18 (b) No motor vehicle may be registered or licensed
19 under the provisions of this subsection unless the
20 application for registration is accompanied by a statement
21 of origin to be furnished by the dealer selling the vehicle,
22 showing that the vehicle has not previously been registered
23 or owned, except as otherwise provided herein, by any
24 person, firm, corporation, or association that is not a new
25 motor vehicle dealer holding a franchise or distributor

1 agreement from a new car manufacturer, distributor, or
2 importer.

3 ~~{B}~~(9) (a) Motor vehicles operating exclusively for
4 transportation of persons for hire within the limits of
5 incorporated cities or towns and within 15 miles from such
6 limits are exempt from subsection (1).

7 (b) Motor vehicles brought or driven into Montana by a
8 nonresident, migratory, bona fide agricultural worker
9 temporarily employed in agricultural work in this state
10 where those motor vehicles are used exclusively for
11 transportation of agricultural workers are also exempt from
12 subsection (1).

13 (c) Vehicles lawfully displaying a licensed dealer's
14 plate as provided in 61-4-103 are exempt from subsection (1)
15 when moving to or from a dealer's place of business when
16 unloaded or loaded with dealer's property only, and in the
17 case of vehicles having a gross loaded weight of less than
18 24,000 pounds, while being demonstrated in the course of the
19 dealer's business."

20 **Section 4.** Section 61-3-504, MCA, is amended to read:

21 "61-3-504. Computation of tax. (1) The amount of taxes
22 on a motor vehicle, other than an automobile, truck having a
23 rated capacity of three-quarters of a ton or less,
24 motorcycle, quadricycle, motor home, travel trailer, camper,
25 or mobile home, is computed and determined by the county

1 treasurer on the basis of the levy of the year preceding the
2 current year of application for registration or
3 reregistration.

4 (2) The amount of tax on an automobile or truck having
5 a rated capacity of three-quarters of a ton or less, except
6 for vehicles owned by disabled veterans qualifying for
7 special license plates under 61-3-451, and on a motorcycle
8 or quadricycle is 2% of the value determined under 61-3-503.

9 (3) The amount of tax on fleet vehicles subject to the
10 provisions of [section 1] is 1% of the value determined
11 under 61-3-503.

12 ~~{3}~~(4) For all taxable motor vehicles, the amount of
13 tax is entered on the application form in a space provided
14 therefor."

15 **SECTION 5.** SECTION 61-4-112, MCA, IS AMENDED TO READ:

16 "61-4-112. New motor vehicles -- transfers by dealers.

17 (1) When a motor vehicle dealer transfers a new motor
18 vehicle to a purchaser or other recipient, the dealer shall:

19 (a) issue and affix a sticker as prescribed in
20 61-4-111(1)(a) for transfers of used motor vehicles and
21 retain a copy of the sticker;

22 (b) within 4 working days following the date of
23 delivery of the new motor vehicle, forward to the county
24 treasurer of the county where the purchaser or recipient
25 resides:

(i) one copy of the sticker issued under subsection (1)(a);

(ii) an application for certificate of title with a notice of security interest, if any, executed by the purchaser or recipient; and

(iii) a statement of origin as prescribed in 61-3-502~~(7)~~~~(b)~~~~(8)~~~~(b)~~.

(2) Upon receipt from the county treasurer of the documents required under subsection (1), the department shall issue a certificate of ownership and certificate of registration together with a statement of lien as provided in 61-3-202."

NEW SECTION. Section 6. 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 7. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 61, chapter 3, part 3, and the provisions of Title 61, chapter 3, part 3, apply to [section 1].

NEW SECTION. Section 8. Applicability. [This act] applies to fleet vehicles registered after the effective date of [this act].

NEW SECTION. Section 9. Effective date. [This act] is effective July 1, 1989.

-End-

HOUSE BILL NO. 736

INTRODUCED BY GOULD, HARP, REHBERG

A BILL FOR AN ACT ENTITLED: "AN ACT TO PERMIT A PERSON TO REGISTER FLEET VEHICLES FOR A 6-MONTH PERIOD; AMENDING SECTIONS 61-3-313, AND 61-3-502, 61-3-504, AND 61-4-112, MCA; AND PROVIDING AN APPLICABILITY DATE AND AN EFFECTIVE DATE."

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

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(1) (a) Notwithstanding any other provisions of this title regarding the registration of motor vehicles, a person owning or leasing a fleet may register its fleet of motor vehicles for a 6-month period, commencing from the date of original registration of the fleet.

(b) A vehicle remaining in the fleet at the end of a 6-month period must be reregistered for a minimum of 12 months.

(2) As used in this section, "fleet" means more than 25 motor vehicles owned or leased by a person and operated in this state AUTOMOBILES OR TRUCKS HAVING A RATED CAPACITY OF THREE-QUARTERS OF A TON OR LESS THAT ARE RENTED OR OFFERED FOR RENTAL WITHOUT DRIVERS AND THAT ARE DESIGNATED BY A RENTAL OWNER AS A RENTAL FLEET.

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(6) special mobile equipment as defined in 61-1-104;

(7) motor vehicles registered as part of a fleet under [section 1]."

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"61-3-502. Sales tax on new motor vehicles -- exemptions. (1) In consideration of the right to use the highways of the state, there is imposed a tax upon all sales of new motor vehicles, excluding trailers, semitrailers, and house trailers, for which a license is sought and an original application for title is made. The tax shall be paid by

1 the purchaser when he applies for his original Montana
2 license through the county treasurer.

3 (2) Except as provided in ~~subsection~~ subsections (4)
4 and (5), the sales tax ~~shall be~~ is:

5 (a) $1\frac{1}{2}\%$ of the f.o.b. factory list price or f.o.b.
6 port-of-entry list price, during the first quarter of the
7 year or for a registration period other than a calendar year
8 or calendar quarter;

9 (b) $1\frac{1}{8}\%$ of the list price during the second quarter
10 of the year;

11 (c) $\frac{3}{4}\%$ of 1% during the third quarter of the year;

12 (d) $\frac{3}{8}\%$ of 1% during the fourth quarter of the year.

13 (3) If the manufacturer or importer fails to furnish
14 the f.o.b. factory list price or f.o.b. port-of-entry list
15 price, the department may use published price lists.

16 (4) The new car sales tax on vehicles subject to the
17 provisions of 61-3-313 through 61-3-316 is $1\frac{1}{2}\%$ of the
18 f.o.b. factory list price or f.o.b. port-of-entry list price
19 regardless of the month in which the new vehicle is
20 purchased.

21 (5) The sales tax on new motor vehicles registered as
22 part of a fleet under [section 1] is $\frac{3}{4}\%$ of 1% of the f.o.b.
23 factory list price or f.o.b. port-of-entry list price.

24 ~~{5}{6}~~ The proceeds from this tax ~~shall~~ must be
25 remitted to the state treasurer every 30 days for credit to

1 the state highway account of the state special revenue fund.

2 ~~{6}{7}~~ The new vehicle is not subject to any other
3 assessment, fee in lieu of tax, or tax during the calendar
4 year in which the original application for title is made.

5 ~~{7}{8}~~ (a) The applicant for original registration of
6 any new and unused motor vehicle, or a new motor vehicle
7 furnished without charge by a dealer to a school district
8 for use as a traffic education motor vehicle by a school
9 district operating a state-approved traffic education
10 program within the state, whether or not previously licensed
11 or titled to the school district (except a mobile home as
12 defined in 15-1-101(1)), acquired by original contract after
13 January 1 of any year, is required, whenever the vehicle has
14 not been otherwise assessed, to pay the motor vehicle sales
15 tax provided by this section irrespective of whether the
16 vehicle was in the state of Montana on January 1 of the
17 year.

18 (b) No motor vehicle may be registered or licensed
19 under the provisions of this subsection unless the
20 application for registration is accompanied by a statement
21 of origin to be furnished by the dealer selling the vehicle,
22 showing that the vehicle has not previously been registered
23 or owned, except as otherwise provided herein, by any
24 person, firm, corporation, or association that is not a new
25 motor vehicle dealer holding a franchise or distribution

1 agreement from a new car manufacturer, distributor, or
2 importer.

3 ~~(8)(9)~~ (a) Motor vehicles operating exclusively for
4 transportation of persons for hire within the limits of
5 incorporated cities or towns and within 15 miles from such
6 limits are exempt from subsection (1).

7 (b) Motor vehicles brought or driven into Montana by a
8 nonresident, migratory, bona fide agricultural worker
9 temporarily employed in agricultural work in this state
10 where those motor vehicles are used exclusively for
11 transportation of agricultural workers are also exempt from
12 subsection (1).

13 (c) Vehicles lawfully displaying a licensed dealer's
14 plate as provided in 61-4-103 are exempt from subsection (1)
15 when moving to or from a dealer's place of business when
16 unloaded or loaded with dealer's property only, and in the
17 case of vehicles having a gross loaded weight of less than
18 24,000 pounds, while being demonstrated in the course of the
19 dealer's business."

20 **Section 4.** Section 61-3-504, MCA, is amended to read:

21 "61-3-504. Computation of tax. (1) The amount of taxes
22 on a motor vehicle, other than an automobile, truck having a
23 rated capacity of three-quarters of a ton or less,
24 motorcycle, quadricycle, motor home, travel trailer, camper,
25 or mobile home, is computed and determined by the county

1 treasurer on the basis of the levy of the year preceding the
2 current year of application for registration or
3 reregistration.

4 (2) The amount of tax on an automobile or truck having
5 a rated capacity of three-quarters of a ton or less, except
6 for vehicles owned by disabled veterans qualifying for
7 special license plates under 61-3-451, and on a motorcycle
8 or quadricycle is 2% of the value determined under 61-3-503.

9 ~~(3) The amount of tax on fleet vehicles subject to the~~
10 ~~provisions of [section 1] is 1% of the value determined~~
11 ~~under 61-3-503.~~

12 ~~(3)(4)~~ For all taxable motor vehicles, the amount of
13 tax is entered on the application form in a space provided
14 therefor."

15 **SECTION 5. SECTION 61-4-112, MCA, IS AMENDED TO READ:**

16 "61-4-112. New motor vehicles -- transfers by dealers.

17 (1) When a motor vehicle dealer transfers a new motor
18 vehicle to a purchaser or other recipient, the dealer shall:

19 (a) issue and affix a sticker as prescribed in
20 61-4-111(1)(a) for transfers of used motor vehicles and
21 retain a copy of the sticker;

22 (b) within 4 working days following the date of
23 delivery of the new motor vehicle, forward to the county
24 treasurer of the county where the purchaser or recipient
25 resides:

(i) one copy of the sticker issued under subsection (1)(a);

(ii) an application for certificate of title with a notice of security interest, if any, executed by the purchaser or recipient; and

(iii) a statement of origin as prescribed in 61-3-502+7+8(b).

(2) Upon receipt from the county treasurer of the documents required under subsection (1), the department shall issue a certificate of ownership and certificate of registration together with a statement of lien as provided in 61-3-202."

NEW SECTION. Section 6. 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 7. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 61, chapter 3, part 3, and the provisions of Title 61, chapter 3, part 3, apply to [section 1].

NEW SECTION. Section 8. Applicability. [This act] applies to fleet vehicles registered after the effective date of [this act].

NEW SECTION. Section 9. Effective date. [This act] is effective July 1, 1989.

-End-