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INTRODUCED BY *Stang* SENATE BILL NO. 161 *Scott* *Quinn*

A BILL FOR AN ACT ENTITLED: "AN ACT REPLACING THE TAX ON MOTORCYCLES WITH A FEE IN LIEU OF TAX; AMENDING SECTIONS 20-9-141, 20-9-331, 20-9-333, 20-9-360, 20-9-501, 20-10-144, 20-10-146, 61-3-503, 61-3-504, 61-3-509, AND 61-3-535, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

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

**NEW SECTION. Section 1. Fee in lieu of tax for motorcycles -- schedule of fees.** (1) (a) There

is a fee in lieu of property tax imposed on motorcycles. The fee is in addition to annual registration fees.

(b) The fee imposed by subsection (1)(a) need not be paid by a dealer for motorcycles that constitute inventory of the dealership.

(2) The owner of a motorcycle shall pay a fee based on the age of the motorcycle and the size of the engine, as follows:

(a) The fee schedule for a motorcycle with an engine that measures from 1 cubic centimeter to 600 cubic centimeters is as follows:

- (i) less than 2 years old, \$60;
- (ii) 2 years old and less than 5 years old, \$45;
- (iii) 5 years old and less than 11 years old, \$30; and
- (iv) 11 years old and older, \$20.

(b) The fee schedule for a motorcycle with an engine that measures from 601 cubic centimeters to 1,000 cubic centimeters is as follows:

- (i) less than 2 years old, \$70;
- (ii) 2 years old and less than 5 years old, \$55;
- (iii) 5 years old and less than 11 years old, \$40; and
- (iv) 11 years old and older, \$30.

(c) The fee schedule for a motorcycle with an engine that measures 1,001 cubic centimeters and larger is as follows:

- 1 (i) less than 2 years old, \$110;
- 2 (ii) 2 years old and less than 5 years old, \$90;
- 3 (iii) 5 years old and less than 11 years old, \$65; and
- 4 (iv) 11 years old and older, \$40.
- 5 (d) The age of a motorcycle is determined by subtracting the manufacturer's designated model year
- 6 from the current calendar year.

7

8 **Section 2.** Section 20-9-141, MCA, is amended to read:

9 **"20-9-141. Computation of general fund net levy requirement by county superintendent.** (1) The

10 county superintendent shall compute the levy requirement for each district's general fund on the basis of

11 the following procedure:

12 (a) Determine the funding required for the district's final general fund budget less the sum of direct

13 state aid and the special education allowable cost payment for the district by totaling:

14 (i) the district's nonisolated school BASE budget requirement to be met by a district levy as

15 provided in 20-9-303; and

16 (ii) any general fund budget amount adopted by the trustees of the district under the provisions of

17 20-9-308 and 20-9-353, including any additional funding for a general fund budget that exceeds the

18 maximum general fund budget.

19 (b) Determine the money available for the reduction of the property tax on the district for the

20 general fund by totaling:

21 (i) the general fund balance reappropriated, as established under the provisions of 20-9-104;

22 (ii) amounts received in the last fiscal year for which revenue reporting was required for each of the

23 following:

24 (A) tuition payments for out-of-district pupils under the provisions of 20-5-321 through 20-5-323;

25 (B) revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504(2),

26 61-3-521, section 1, 61-3-537, and 67-3-204;

27 (C) net proceeds taxes for new production, production from horizontally completed wells, and

28 incremental production, as defined in 15-23-601;

29 (D) interest earned by the investment of general fund cash in accordance with the provisions of

30 20-9-213(4);

1 (E) revenue from corporation license taxes collected from financial institutions under the provisions  
2 of 15-31-702; and

3 (F) any other revenue received during the school fiscal year that may be used to finance the general  
4 fund, excluding any guaranteed tax base aid; and

5 (iii) (A) pursuant to subsection (4), anticipated revenue from local government severance taxes as  
6 provided in 15-36-112; and

7 (B) pursuant to subsection (4), anticipated revenue from coal gross proceeds under 15-23-703.

8 (c) Notwithstanding the provisions of subsection (2), subtract the money available to reduce the  
9 property tax required to finance the general fund that has been determined in subsection (1)(b) from any  
10 general fund budget amount adopted by the trustees of the district, up to the BASE budget amount, to  
11 determine the general fund BASE budget levy requirement.

12 (d) Subtract any amount remaining after the determination in subsection (1)(c) from any additional  
13 funding requirement to be met by an over-BASE budget amount, a district levy as provided in 20-9-303,  
14 and any additional financing as provided in 20-9-353 to determine any additional general fund levy  
15 requirements.

16 (2) The county superintendent shall calculate the number of mills to be levied on the taxable  
17 property in the district to finance the general fund levy requirement for any amount that does not exceed  
18 the BASE budget amount for the district by dividing the amount determined in subsection (1)(c) by the sum  
19 of:

20 (a) the amount of guaranteed tax base aid that the district will receive for each mill levied, as  
21 certified by the superintendent of public instruction; and

22 (b) the taxable valuation of the district divided by 1,000.

23 (3) The net general fund levy requirement determined in subsections (1)(c) and (1)(d) must be  
24 reported to the county commissioners on the fourth Monday of August by the county superintendent as  
25 the general fund net levy requirement for the district, and a levy must be set by the county commissioners  
26 in accordance with 20-9-142.

27 (4) For each school district, the department of revenue shall calculate and report to the county  
28 superintendent the amount of revenue anticipated for the ensuing fiscal year from local government  
29 severance taxes, as provided in 15-36-112, and from revenue from coal gross proceeds under 15-23-703."  
30

1           **Section 3.** Section 20-9-331, MCA, is amended to read:

2           **"20-9-331. Basic county tax and other revenues revenue for county equalization of the elementary**  
3 **district BASE funding program.** (1) The county commissioners of each county shall levy an annual basic tax  
4 of 33 mills on the dollar of the taxable value of all taxable property within the county, except for property  
5 subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, [section 1], 61-3-537, and  
6 67-3-204, for the purposes of local and state BASE funding program support. The revenue collected from  
7 this levy must be apportioned to the support of the elementary BASE funding programs of the school  
8 districts in the county and to the state special revenue fund, state equalization aid account, in the following  
9 manner:

10           (a) In order to determine the amount of revenue raised by this levy that is retained by the county,  
11 the sum of the estimated revenue identified in subsection (2) must be subtracted from the total of the BASE  
12 funding programs of all elementary districts of the county.

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

18           (2) The revenue realized from the county's portion of the levy prescribed by this section and the  
19 revenue from the following sources must be used for the equalization of the elementary BASE funding  
20 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue  
21 by the county treasurer in accordance with 20-9-212(1):

22           (a) the portion of the federal Taylor Grazing Act funds distributed to a county and designated for  
23 the common school fund under the provisions of 17-3-222;

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

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

28           (d) any money remaining at the end of the immediately preceding school fiscal year in the county  
29 treasurer's accounts for the various sources of revenue established or referred to in this section;

30           (e) any federal or state money distributed to the county as payment in lieu of property taxation,

- 1 including federal forest reserve funds allocated under the provisions of 17-3-213;
- 2 (f) gross proceeds taxes from coal under 15-23-703;
- 3 (g) net proceeds taxes for new production, production from horizontally completed wells, and  
4 incremental production, as defined in 15-23-601, and local government severance taxes on any other  
5 production occurring after December 31, 1988; and
- 6 (h) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,  
7 61-3-504(2), 61-3-521, section 1, 61-3-537, and 67-3-204."
- 8

9 **Section 4.** Section 20-9-333, MCA, is amended to read:

10 **"20-9-333. Basic special levy and other revenues revenue for county equalization of high school**  
11 **district BASE funding program.** (1) The county commissioners of each county shall levy an annual basic  
12 special tax for high schools of 22 mills on the dollar of the taxable value of all taxable property within the  
13 county, except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521,  
14 section 1, 61-3-537, and 67-3-204, for the purposes of local and state BASE funding program support.  
15 The revenue collected from this levy must be apportioned to the support of the BASE funding programs of  
16 high school districts in the county and to the state special revenue fund, state equalization aid account, in  
17 the following manner:

18 (a) In order to determine the amount of revenue raised by this levy that is retained by the county,  
19 the sum of the estimated revenue identified in subsection (2) must be subtracted from the sum of the  
20 county's high school tuition obligation and the total of the BASE funding programs of all high school  
21 districts of the county.

22 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is  
23 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds  
24 to the state treasurer for deposit to the state special revenue fund, state equalization aid account,  
25 immediately upon occurrence of a surplus balance and each subsequent month thereafter, with any final  
26 remittance due no later than June 20 of the fiscal year for which the levy has been set.

27 (2) The revenue realized from the county's portion of the levy prescribed in this section and the  
28 revenue from the following sources must be used for the equalization of the high school BASE funding  
29 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue  
30 by the county treasurer in accordance with 20-9-212(1):

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

3 (b) any federal or state money distributed to the county as payment in lieu of property taxation,  
4 including federal forest reserve funds allocated under the provisions of 17-3-213;

5 (c) gross proceeds taxes from coal under 15-23-703;

6 (d) net proceeds taxes for new production, production from horizontally completed wells, and  
7 incremental production, as defined in 15-23-601, and local government severance taxes on any other  
8 production occurring after December 31, 1988; and

9 (e) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,  
10 61-3-504(2), 61-3-521, section 1, 61-3-537, and 67-3-204."

11

12 **Section 5.** Section 20-9-360, MCA, is amended to read:

13 **"20-9-360. State equalization aid levy.** (1) There is a levy of 40 mills imposed by the county  
14 commissioners of each county on all taxable property within the state, except property for which a tax or  
15 fee is required under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, section 1, 61-3-537, and 67-3-204.  
16 Except as provided in subsection (2), proceeds of the levy must be remitted to the state treasurer and must  
17 be deposited to the credit of the state special revenue fund for state equalization aid to the public schools  
18 of Montana.

19 (2) For the benefit of each municipality that created an urban renewal area and adopted a tax  
20 increment financing provision for the urban renewal area prior to July 1, 1990, the state treasurer shall  
21 distribute each fiscal year from the state equalization aid levy to the municipality the amount, if any, equal  
22 to the product of the incremental taxable value of the urban renewal area times the reduced school levy  
23 for the area, each calculated for the fiscal year. The reduced school levy for a fiscal year is the difference  
24 between the aggregate amount of all property tax levies for school purposes in the urban renewal area,  
25 expressed in mills, in the fiscal year ended June 30, 1989, and the aggregate amount of all property tax  
26 levies for school purposes in the area or the district, expressed in mills, in the fiscal year, including the state  
27 equalization aid levy. The state treasurer shall distribute the amounts to municipalities in two equal  
28 installments on December 31 and June 30 of the fiscal year."

29

30 **Section 6.** Section 20-9-501, MCA, is amended to read:

1           **"20-9-501. Retirement fund.** (1) The trustees of a district employing personnel who are members  
2 of the teachers' retirement system or the public employees' retirement system or who are covered by  
3 unemployment insurance or who are covered by any federal social security system requiring employer  
4 contributions shall establish a retirement fund for the purposes of budgeting and paying the employer's  
5 contributions to the systems. The district's contribution for each employee who is a member of the  
6 teachers' retirement system must be calculated in accordance with Title 19, chapter 20, part 6. The  
7 district's contribution for each employee who is a member of the public employees' retirement system must  
8 be calculated in accordance with 19-3-316. The district's contributions for each employee covered by any  
9 federal social security system must be paid in accordance with federal law and regulation. The district's  
10 contribution for each employee who is covered by unemployment insurance must be paid in accordance  
11 with Title 39, chapter 51, part 11.

12           (2) The trustees of a district required to make a contribution to a system referred to in subsection  
13 (1) shall include in the retirement fund of the preliminary budget the estimated amount of the employer's  
14 contribution. After the final retirement fund budget has been adopted, the trustees shall pay the employer  
15 contributions to the systems in accordance with the financial administration provisions of this title.

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

18           (a) determining the sum of the money available to reduce the retirement fund levy requirement by  
19 adding:

20           (i) any anticipated money that may be realized in the retirement fund during the ensuing school  
21 fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,  
22 61-3-504(2), 61-3-521, section 1, 61-3-537, and 67-3-204;

23           (ii) net proceeds taxes and local government severance taxes on any other oil and gas production  
24 occurring after December 31, 1988;

25           (iii) coal gross proceeds taxes under 15-23-703;

26           (iv) any fund balance available for reappropriation as determined by subtracting the amount of the  
27 end-of-the-year fund balance earmarked as the retirement fund operating reserve for the ensuing school  
28 fiscal year by the trustees from the end-of-the-year fund balance in the retirement fund. The retirement fund  
29 operating reserve may not be more than 35% of the final retirement fund budget for the ensuing school  
30 fiscal year and must be used for the purpose of paying retirement fund warrants issued by the district under

- 1 the final retirement fund budget; and
- 2 (v) any other revenue anticipated that may be realized in the retirement fund during the ensuing
- 3 school fiscal year, excluding any guaranteed tax base aid.
- 4 (b) notwithstanding the provisions of subsection (8), subtracting the money available for reduction
- 5 of the levy requirement, as determined in subsection (3)(a), from the budgeted amount for expenditures in
- 6 the final retirement fund budget.
- 7 (4) The county superintendent shall:
- 8 (a) total the net retirement fund levy requirements separately for all elementary school districts,
- 9 all high school districts, and all community college districts of the county, including any prorated joint
- 10 district or special education cooperative agreement levy requirements; and
- 11 (b) report each levy requirement to the county commissioners on the fourth Monday of August as
- 12 the respective county levy requirements for elementary district, high school district, and community college
- 13 district retirement funds.
- 14 (5) The county commissioners shall fix and set the county levy in accordance with 20-9-142.
- 15 (6) The net retirement fund levy requirement for a joint elementary district or a joint high school
- 16 district must be prorated to each county in which a part of the district is located in the same proportion as
- 17 the district ANB of the joint district is distributed by pupil residence in each county. The county
- 18 superintendents of the counties affected shall jointly determine the net retirement fund levy requirement
- 19 for each county as provided in 20-9-151.
- 20 (7) The net retirement fund levy requirement for districts that are members of special education
- 21 cooperative agreements must be prorated to each county in which the district is located in the same
- 22 proportion as the special education cooperative budget is prorated to the member school districts. The
- 23 county superintendents of the counties affected shall jointly determine the net retirement fund levy
- 24 requirement for each county in the same manner as provided in 20-9-151, and the county commissioners
- 25 shall fix and levy the net retirement fund levy for each county in the same manner as provided in 20-9-152.
- 26 (8) The county superintendent shall calculate the number of mills to be levied on the taxable
- 27 property in the county to finance the retirement fund net levy requirement by dividing the amount
- 28 determined in subsection (4)(a) by the sum of:
- 29 (a) the amount of guaranteed tax base aid that the county will receive for each mill levied, as
- 30 certified by the superintendent of public instruction; and



1 (b) the taxable valuation of the district divided by 1,000."

2  
3 **Section 7.** Section 20-10-144, MCA, is amended to read:

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

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

10 (a) the sum of the maximum reimbursable expenditures for all approved school bus routes  
11 maintained by the district (to determine the maximum reimbursable expenditure, multiply the applicable rate  
12 per bus mile by the total number of miles to be traveled during the ensuing school fiscal year on each bus  
13 route approved by the county transportation committee and maintained by the district); plus

14 (b) the total of all individual transportation per diem reimbursement rates for the district as  
15 determined from the contracts submitted by the district multiplied by the number of pupil-instruction days  
16 scheduled for the ensuing school attendance year; plus

17 (c) any estimated costs for supervised home study or supervised correspondence study for the  
18 ensuing school fiscal year; plus

19 (d) the amount budgeted on the preliminary budget for the contingency amount permitted in  
20 20-10-143, except if the amount exceeds 10% of the total of subsections (1)(a), (1)(b), and (1)(c) or \$100,  
21 whichever is larger, the contingency amount on the preliminary budget must be reduced to the limitation  
22 amount and used in this determination of the schedule amount; plus

23 (e) any estimated costs for transporting a child out of district when the child has mandatory  
24 approval to attend school in a district outside the district of residence.

25 (2) (a) The schedule amount determined in subsection (1) or the total preliminary transportation  
26 fund budget, whichever is smaller, is divided by 2 and is used to determine the available state and county  
27 revenue to be budgeted on the following basis:

28 (i) one-half is the budgeted state transportation reimbursement, except that the state transportation  
29 reimbursement for the transportation of special education pupils under the provisions of 20-7-442 must be  
30 50% of the schedule amount attributed to the transportation of special education pupils; and

1 (ii) one-half is the budgeted county transportation fund reimbursement and must be financed in the  
2 manner provided in 20-10-146.

3 (b) When the district has a sufficient amount of cash for reappropriation and other sources of  
4 district revenue, as determined in subsection (3), to reduce the total district obligation for financing to zero,  
5 any remaining amount of district revenue and cash reappropriated must be used to reduce the county  
6 financing obligation in subsection (2)(a)(ii) and, if the county financing obligations are reduced to zero, to  
7 reduce the state financial obligation in subsection (2)(a)(i).

8 (c) The county revenue requirement for a joint district, after the application of any district money  
9 under subsection (2)(b), must be prorated to each county incorporated by the joint district in the same  
10 proportion as the ANB of the joint district is distributed by pupil residence in each county.

11 (3) The total of the money available for the reduction of property tax on the district for the  
12 transportation fund must be determined by totaling:

13 (a) anticipated federal money received under the provisions of Title I of Public Law 81-874 or other  
14 anticipated federal money received in lieu of that federal act;

15 (b) anticipated payments from other districts for providing school bus transportation services for  
16 the district;

17 (c) anticipated payments from a parent or guardian for providing school bus transportation services  
18 for a child;

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

21 (e) anticipated or reappropriated revenue from property taxes and fees imposed under 23-2-517,  
22 23-2-803, 61-3-504(2), 61-3-521, section 1, 61-3-537, and 67-3-204;

23 (f) anticipated revenue from coal gross proceeds under 15-23-703;

24 (g) anticipated net proceeds taxes for new production, production from horizontally completed  
25 wells, and incremental production, as defined in 15-23-601, and local government severance taxes on any  
26 other production occurring after December 31, 1988;

27 (h) anticipated transportation payments for out-of-district pupils under the provisions of 20-5-320  
28 through 20-5-324;

29 (i) any other revenue anticipated by the trustees to be earned during the ensuing school fiscal year  
30 that may be used to finance the transportation fund; and

1 (j) any fund balance available for reappropriation as determined by subtracting the amount of the  
2 end-of-the-year fund balance earmarked as the transportation fund operating reserve for the ensuing school  
3 fiscal year by the trustees from the end-of-the-year fund balance in the transportation fund. The operating  
4 reserve may not be more than 20% of the final transportation fund budget for the ensuing school fiscal year  
5 and is for the purpose of paying transportation fund warrants issued by the district under the final  
6 transportation fund budget.

7 (4) The district levy requirement for each district's transportation fund must be computed by:

8 (a) subtracting the schedule amount calculated in subsection (1) from the total preliminary  
9 transportation budget amount; and

10 (b) subtracting the amount of money available to reduce the property tax on the district, as  
11 determined in subsection (3), from the amount determined in subsection (4)(a).

12 (5) The transportation fund levy requirements determined in subsection (4) for each district must  
13 be reported to the county commissioners on the fourth Monday of August by the county superintendent  
14 as the transportation fund levy requirements for the district, and the levy must be made by the county  
15 commissioners in accordance with 20-9-142."

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17 **Section 8.** Section 20-10-146, MCA, is amended to read:

18 **"20-10-146. County transportation reimbursement.** (1) The apportionment of the county  
19 transportation reimbursement by the county superintendent for school bus transportation or individual  
20 transportation that is actually rendered by a district in accordance with this title, board of public education  
21 transportation policy, and the transportation rules of the superintendent of public instruction must be the  
22 same as the state transportation reimbursement payment, except that:

23 (a) if any cash was used to reduce the budgeted county transportation reimbursement under the  
24 provisions of 20-10-144(2)(b), the annual apportionment is limited to the budget amount;

25 (b) when the county transportation reimbursement for a school bus has been prorated between two  
26 or more counties because the school bus is conveying pupils of more than one district located in the  
27 counties, the apportionment of the county transportation reimbursement must be adjusted to pay the  
28 amount computed under the proration; and

29 (c) when county transportation reimbursement is required under the mandatory attendance  
30 agreement provisions of 20-5-321.

1           (2) The county transportation net levy requirement for the financing of the county transportation  
2 fund reimbursements to districts is computed by:

3           (a) totaling the net requirement for all districts of the county, including reimbursements to a special  
4 education cooperative or prorated reimbursements to joint districts or reimbursements under the mandatory  
5 attendance agreement provisions of 20-5-321;

6           (b) determining the sum of the money available to reduce the county transportation net levy  
7 requirement by adding:

8           (i) anticipated money that may be realized in the county transportation fund during the ensuing  
9 school fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517,  
10 23-2-803, 61-3-504(2), 61-3-521, section 1, 61-3-537, and 67-3-204;

11           (ii) net proceeds taxes and local government severance taxes on other oil and gas production  
12 occurring after December 31, 1988;

13           (iii) coal gross proceeds taxes under 15-23-703;

14           (iv) any fund balance available for reappropriation from the end-of-the-year fund balance in the  
15 county transportation fund;

16           (v) federal forest reserve funds allocated under the provisions of 17-3-213; and

17           (vi) other revenue anticipated that may be realized in the county transportation fund during the  
18 ensuing school fiscal year; and

19           (c) subtracting the money available, as determined in subsection (2)(b), to reduce the levy  
20 requirement from the county transportation net levy requirement.

21           (3) The net levy requirement determined in subsection (2)(c) must be reported to the county  
22 commissioners on the fourth Monday of August by the county superintendent, and a levy must be set by  
23 the county commissioners in accordance with 20-9-142.

24           (4) The county superintendent shall apportion the county transportation reimbursement from the  
25 proceeds of the county transportation fund. The county superintendent shall order the county treasurer to  
26 make the apportionments in accordance with 20-9-212(2) and after the receipt of the semiannual state  
27 transportation reimbursement payments."

28  
29           **Section 9.** Section 61-3-503, MCA, is amended to read:

30           **"61-3-503. Assessment.** (1) Except as provided in 61-3-520 and subsection (2) of this section,

1 the following apply to the taxation of motor vehicles:

2 (a) Except as provided in subsections (1)(c) through (1)(e), a person who files an application for  
3 registration or reregistration of a motor vehicle shall before filing the application with the county treasurer  
4 submit the application to the department of revenue. The department of revenue shall enter on the  
5 application in a space to be provided for that purpose the market value and taxable value of the vehicle as  
6 of January 1 of the year for which the application for registration is made.

7 (b) Except as provided in subsection (1)(c), motor vehicles are assessed for taxes on January 1 in  
8 each year irrespective of the time fixed by law for the assessment of other classes of personal property and  
9 irrespective of whether the levy and tax may be a lien upon real property within the state. A motor vehicle  
10 is not subject to assessment, levy, and taxation more than once in each year.

11 (c) Vehicles subject to the provisions of 61-3-313 through 61-3-316 must be assessed as of the  
12 first day of the registration period, using the average trade-in or wholesale value as of January 1 of the year  
13 of assessment of the vehicle as contained in the most recent volume of the Mountain States Edition of the  
14 National Automobile Dealers Association (N.A.D.A.) Official Used Car Guide, the National Edition of  
15 N.A.D.A. Appraisal Guides Official Older Used Car Guide, or another nationally published used vehicle or  
16 appraisal guide approved by the department of revenue or, for a vehicle that was never listed in any edition  
17 of the preceding guides, the retail value of the vehicle as determined by the department of revenue, and  
18 thereafter depreciated 10% per a year until a value of \$500 is reached, not including additions or  
19 deductions for options and mileage but including additions or deductions, whether or not one of the  
20 preceding guides is used, for diesel engines; and a lien for taxes and fees due on the vehicle occurs on the  
21 anniversary date of the registration and continues until the fees and taxes have been paid. If the value  
22 shown in any of the appraisal guides listed in this section is less than \$500, the department shall value the  
23 vehicle at \$500.

24 (d) ~~Motorcycles and quadricycles~~ Quadricycles must be assessed, using the greater of the  
25 following:

26 (i) \$250; or

27 (ii) the average trade-in or wholesale value as of January 1 of the year of assessment of the vehicle  
28 as contained in the most recent volume of the applicable National Edition of the N.A.D.A.  
29 Motorcycle/Moped/ATV Appraisal Guide or N.A.D.A. Recreational Vehicle Appraisal Guide or another  
30 nationally published used vehicle or appraisal guide approved by the department of revenue, not including

1 additions or deductions for options and mileage.

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

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

8 (ii) if the vehicle is 1 year or older in age and it is not listed in any of the appraisal guides listed in  
9 this section, the department of revenue shall determine the depreciation percentage to approximate the  
10 average wholesale or trade-in values in the current N.A.D.A. guides or other approved guides referred to  
11 in this subsection (1). For purposes of this subsection (1), the age of the vehicle is determined by  
12 subtracting the manufacturer's model year of the vehicle from the calendar year of assessment.

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

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

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

21

22 **Section 10.** Section 61-3-504, MCA, is amended to read:

23 **"61-3-504. Computation of tax.** (1) The amount of taxes on a motor vehicle, other than an  
24 automobile, truck having a rated capacity of 1 ton or less, motorcycle, quadricycle, motor home, travel  
25 trailer, camper, or mobile home, is computed and determined by the county treasurer on the basis of the  
26 levy of the year preceding the current year of application for registration or reregistration.

27 (2) The amount of tax on an automobile or truck having a rated capacity of 1 ton or less, except  
28 for vehicles owned by disabled veterans qualifying for special license plates under 61-3-332(10)(c)(i)(A),  
29 and on a ~~motorcycle or~~ quadricycle is 2% of the value determined under 61-3-503.

30 (3) The amount of tax on fleet vehicles subject to the provisions of 61-3-318 is 1% of the value

1 determined under 61-3-503.

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

4

5 **Section 11.** Section 61-3-509, MCA, is amended to read:

6 **"61-3-509. Disposition of taxes.** (1) Except as provided in subsection (2), the county treasurer  
7 shall, after deducting the district court fee, credit all taxes on motor vehicles and fees in lieu of tax on  
8 motorcycles, motor homes, travel trailers, and campers collected under 61-3-504, 61-3-521, [section 1],  
9 and 61-3-537 to a motor vehicle suspense fund, and at some time between March 1 and March 10 of each  
10 year and every 60 days ~~thereafter~~ after that date, the county treasurer shall distribute the money in the  
11 motor vehicle suspense fund in the relative proportions required by the levies for state, county, school  
12 district, and municipal purposes in the same manner as personal property taxes are distributed.

13 (2) The county treasurer shall deduct as a district court fee 7% of the amount of the 2% tax  
14 collected on an automobile or truck having a rated capacity of 1 ton or less. The county treasurer shall  
15 credit the fee for district courts to a separate suspense account and shall forward the amount in the  
16 account to the state treasurer at the time that the county treasurer distributes the motor vehicle suspense  
17 fund. The state treasurer shall credit amounts received under this subsection to the general fund to be used  
18 for purposes of state funding of the district court expenses as provided in 3-5-901."

19

20 **Section 12.** Section 61-3-535, MCA, is amended to read:

21 **"61-3-535. Vehicle reregistration by mail -- renewal cards and reregistration notice by mail.** (1)  
22 Except as provided in subsection (2), an owner of the following types of motor vehicles may reregister by  
23 mail:

24 (a) light vehicles, ~~motorcycles~~, quadricycles, and other vehicles subject to tax under 61-3-504(2);  
25 and

26 (b) motorcycles, travel trailers, campers, and motor homes subject to a fee in lieu of tax under  
27 61-3-521 and [section 1].

28 (2) The option to reregister by mail need only be made available for vehicles, motor homes, and  
29 travel trailers registered at the close of the expiring registration period in the name of the applicant for  
30 reregistration and only if the value, age, length, or other criteria used to determine the tax or fee is available

1 to the department.

2 (3) The department shall develop a procedure to facilitate the reregistration by mail of the vehicles  
3 listed in subsection (1). The mail reregistration procedure developed by the department must include a  
4 procedure to facilitate automated handling of mail reregistration or recertification.

5 (4) The procedure implemented by the department to permit reregistration or camper decal  
6 application by mail must provide for a written reminder notice by mail to a vehicle owner of the requirement  
7 to reregister the owner's vehicle with the county treasurer or to apply for the annual camper decal.

8 (5) The department shall adopt rules to implement the mail reregistration and decal application  
9 procedure."

10

11 **NEW SECTION. Section 13. Codification instruction.** [Section 1] is intended to be codified as an  
12 integral part of Title 61, chapter 3, part 5, and the provisions of Title 61, chapter 3, part 5, apply to  
13 [section 1].

14

15 **NEW SECTION. Section 14. Effective date.** [This act] is effective January 1, 1996.

16

-END-



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STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0161, as introduced

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DESCRIPTION OF PROPOSED LEGISLATION:

An act replacing the tax on motorcycles with a fee in lieu of tax and providing a delayed effective date.

ASSUMPTIONS:

1. Assume that the fees in lieu of tax as proposed in SB161 would be revenue neutral; therefore, no impact on revenue distribution anticipated.
2. Assume that the required programming changes in the State's motor vehicle registration system would be accomplished at the same time as the annual system updates. Programming costs associated with SB161 would be minimal.

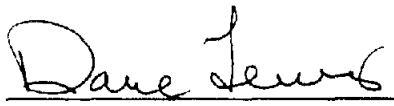
FISCAL IMPACT:

Expenditures:

Dept. of Justice, Motor Vehicle Division will incur programming costs associated with the fee changes proposed in SB161. Those costs would be minimal and an estimation of those costs is unavailable at this time.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The counties would receive revenues from the fees assessed on motorcycles in lieu of the 2% property tax currently assessed.

 1-21-95  
DAVE LEWIS, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

---

BARRY STANG, PRIMARY SPONSOR      DATE  
Fiscal Note for SB0161, as introduced

**SB 161**

STATE OF MONTANA - FISCAL NOTE

Revised Fiscal Note for SB0161, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act replacing the tax on motorcycles with a fee in lieu of tax and providing a delayed effective date.

ASSUMPTIONS:

1. In calendar year 1994, 20,967 motorcycles were registered and paid property taxes of \$582,619, excluding local option taxes. These motorcycles would pay \$601,575 in fees under the proposal (DMV).
2. Motorcycles are currently subject to the 0.5% local option tax, but not under the proposal. In FY 95, all counties except for 19 counties levied a local option tax increasing the total property taxes on motorcycles to an estimated \$674,527. No changes in use of the local option tax are assumed in this fiscal note. (If all counties levied the full 0.5% local option tax, property taxes on motorcycles would total \$728,273).
3. Property taxes on motorcycles are allocated to the various taxing jurisdictions based on relative mill levies. A total mill levy of 345 is assumed.
4. Assume that the required programming changes in the State's motor vehicle registration system would be accomplished at the same time as the annual system updates. Programming costs associated with SB161 would be minimal.

FISCAL IMPACT:

Expenditures:

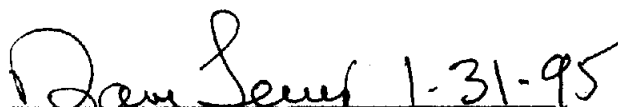
Dept. of Justice, Motor Vehicle Division will incur programming costs associated with the fee changes proposed in SB161. Those costs would be minimal and an estimation of those costs is unavailable at this time.

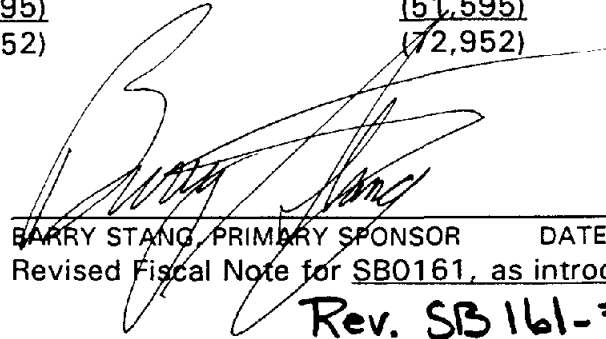
Revenues:

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
Motorcycle Taxes	(72,952)	(72,952)

Fund Allocation:

University Levy	(1,269)	(1,269)
School Equalization Levies	(20,088)	(20,088)
<u>Local Taxing Jurisdictions</u>	<u>(51,595)</u>	<u>(51,595)</u>
Total	(72,952)	(72,952)

  
DAVE LEWIS, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

  
BARRY STANG, PRIMARY SPONSOR      DATE  
Revised Fiscal Note for SB0161, as introduced  
Rev. SB161-#2

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0161, as introduced and amended

DESCRIPTION OF PROPOSED LEGISLATION:

An act replacing the tax on motorcycles with a fee in lieu of tax and providing a delayed effective date.

ASSUMPTIONS:

1. In calendar year 1994, 20,967 motorcycles were registered and paid property taxes of \$582,619, excluding local option taxes. These motorcycles would pay \$501,900 in fees under the proposal (DMV).
2. Motorcycles are currently subject to the 0.5% local option tax, but not under the proposal. In FY 95, all counties except for 19 counties levied a local option tax increasing the total property taxes on motorcycles to an estimated \$674,527. No changes in use of the local option tax are assumed in this fiscal note. (If all counties levied the full 0.5% local option tax, property taxes on motorcycles would total \$728,273).
3. Property taxes on motorcycles are allocated to the various taxing jurisdictions based on relative mill levies. A total mill levy of 345 is assumed.
4. Assume that the required programming changes in the State's motor vehicle registration system would be accomplished at the same time as the annual system updates. Programming costs associated with SB161 would be minimal.

FISCAL IMPACT:

Expenditures:

Dept. of Justice, Motor Vehicle Division will incur programming costs associated with the fee changes proposed in SB161. Those costs would be minimal and an estimation of those costs is unavailable at this time.


Revenues:

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
Motorcycle Taxes	(172,627)	(172,627)

Fund Allocation:

University Levy	(3,002)	(3,002)
School Equalization Levies	(47,535)	(47,535)
<u>Local Taxing Jurisdictions</u>	<u>(122,090)</u>	<u>(122,090)</u>
Total	(172,627)	(172,627)

  
 DAVE LEWIS, BUDGET DIRECTOR      DATE  
 Office of Budget and Program Planning

  
 BARRY STANG, PRIMARY SPONSOR      DATE  
 Fiscal Note for SB0161, as introduced/amended

SB 161-3

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0161, 3rd reading with House Tax amendments

DESCRIPTION OF PROPOSED LEGISLATION:

An act replacing the tax on motorcycles with a fee in lieu of tax and providing a delayed effective date.

ASSUMPTIONS:

1. In calendar year 1994, 20,967 motorcycles were registered and paid property taxes of \$582,619, excluding local option taxes. These motorcycles would pay \$573,900 in fees under the proposal (DMV).
2. Motorcycles are currently subject to the 0.5% local option tax, but not under the proposal. In FY 95, all counties except for 19 counties levied a local option tax increasing the total property taxes on motorcycles to an estimated \$674,527. No changes in use of the local option tax are assumed in this fiscal note. (If all counties levied the full 0.5% local option tax, property taxes on motorcycles would total \$728,273).
3. Property taxes on motorcycles are allocated to the various taxing jurisdictions based on relative mill levies. A total mill levy of 345 is assumed.
4. Assume that the required programming changes in the State's motor vehicle registration system would be accomplished at the same time as the annual system updates. Programming costs associated with SB161 would be minimal.

FISCAL IMPACT:

Expenditures:

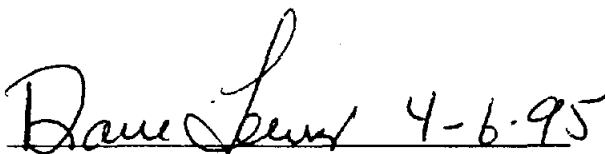
Dept. of Justice, Motor Vehicle Division will incur programming costs associated with the fee changes proposed in SB161. Those costs would be minimal and an estimation of those costs is unavailable at this time.

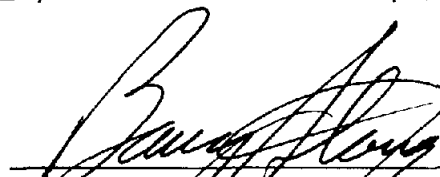
Revenues:

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
Motorcycle Taxes	(100,627)	(100,627)

Fund Allocation:

University Levy	(1,750)	(1,750)
School Equalization Levies	(27,708)	(27,708)
<u>Local Taxing Jurisdictions</u>	<u>(71,169)</u>	<u>(71,169)</u>
Total	(100,627)	(100,627)

  
DAVE LEWIS, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

  
BARRY STANG, PRIMARY SPONSOR      DATE  
Fiscal Note for SB0161, 3rd (House Tax amend.)

SB 161 - #4

## 1 SENATE BILL NO. 161

2 INTRODUCED BY STANG, TOEWS, TUSS, ELLIOTT, SQUIRES, FORRESTER

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT REPLACING THE TAX ON MOTORCYCLES WITH A FEE IN LIEU  
5 OF TAX; AMENDING SECTIONS 20-9-141, 20-9-331, 20-9-333, 20-9-360, 20-9-501, 20-10-144,  
6 20-10-146, 61-3-503, 61-3-504, 61-3-509, AND 61-3-535, MCA; AND PROVIDING A DELAYED  
7 EFFECTIVE DATE."

8  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10  
11 NEW SECTION. **Section 1. Fee in lieu of tax for motorcycles -- schedule of fees.** (1) (a) There  
12 is a fee in lieu of property tax imposed on motorcycles. The fee is in addition to annual registration fees.

13 (b) The fee imposed by subsection (1)(a) need not be paid by a dealer for motorcycles that  
14 constitute inventory of the dealership.

15 (2) The owner of a motorcycle shall pay a fee based on the age of the motorcycle and the size of  
16 the engine, as follows:

17 (a) The fee schedule for a motorcycle with an engine that measures from 1 cubic centimeter to 600  
18 cubic centimeters is as follows:

19 (i) less than 2 years old, ~~\$60~~ \$30;

20 (ii) 2 years old and less than 5 years old, ~~\$45~~ \$25;

21 (iii) 5 years old and less than 11 years old, ~~\$30~~ \$15; and

22 (iv) 11 years old and older, ~~\$20~~ \$10.

23 (b) The fee schedule for a motorcycle with an engine that measures from 601 cubic centimeters  
24 to 1,000 cubic centimeters is as follows:

25 (i) less than 2 years old, \$70;

26 (ii) 2 years old and less than 5 years old, \$55;

27 (iii) 5 years old and less than 11 years old, \$40; and

28 (iv) 11 years old and older, \$30.

29 (c) The fee schedule for a motorcycle with an engine that measures 1,001 cubic centimeters and  
30 larger is as follows:

1 (i) less than 2 years old, \$110;

2 (ii) 2 years old and less than 5 years old, \$90;

3 (iii) 5 years old and less than 11 years old, \$65; and

4 (iv) 11 years old and older, \$40.

5 (d) The age of a motorcycle is determined by subtracting the manufacturer's designated model year  
6 from the current calendar year.

7

8 **Section 2.** Section 20-9-141, MCA, is amended to read:

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

12 (a) Determine the funding required for the district's final general fund budget less the sum of direct  
13 state aid and the special education allowable cost payment for the district by totaling:

14 (i) the district's nonisolated school BASE budget requirement to be met by a district levy as  
15 provided in 20-9-303; and

16 (ii) any general fund budget amount adopted by the trustees of the district under the provisions of  
17 20-9-308 and 20-9-353, including any additional funding for a general fund budget that exceeds the  
18 maximum general fund budget.

19 (b) Determine the money available for the reduction of the property tax on the district for the  
20 general fund by totaling:

21 (i) the general fund balance reappropriated, as established under the provisions of 20-9-104;

22 (ii) amounts received in the last fiscal year for which revenue reporting was required for each of the  
23 following:

24 (A) tuition payments for out-of-district pupils under the provisions of 20-5-321 through 20-5-323;

25 (B) revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504(2),  
26 61-3-521, [section 1], 61-3-537, and 67-3-204;

27 (C) net proceeds taxes for new production, production from horizontally completed wells, and  
28 incremental production, as defined in 15-23-601;

29 (D) interest earned by the investment of general fund cash in accordance with the provisions of  
30 20-9-213(4);

1 (E) revenue from corporation license taxes collected from financial institutions under the provisions  
2 of 15-31-702; and

3 (F) any other revenue received during the school fiscal year that may be used to finance the general  
4 fund, excluding any guaranteed tax base aid; and

5 (iii) (A) pursuant to subsection (4), anticipated revenue from local government severance taxes as  
6 provided in 15-36-112; and

7 (B) pursuant to subsection (4), anticipated revenue from coal gross proceeds under 15-23-703.

8 (c) Notwithstanding the provisions of subsection (2), subtract the money available to reduce the  
9 property tax required to finance the general fund that has been determined in subsection (1)(b) from any  
10 general fund budget amount adopted by the trustees of the district, up to the BASE budget amount, to  
11 determine the general fund BASE budget levy requirement.

12 (d) Subtract any amount remaining after the determination in subsection (1)(c) from any additional  
13 funding requirement to be met by an over-BASE budget amount, a district levy as provided in 20-9-303,  
14 and any additional financing as provided in 20-9-353 to determine any additional general fund levy  
15 requirements.

16 (2) The county superintendent shall calculate the number of mills to be levied on the taxable  
17 property in the district to finance the general fund levy requirement for any amount that does not exceed  
18 the BASE budget amount for the district by dividing the amount determined in subsection (1)(c) by the sum  
19 of:

20 (a) the amount of guaranteed tax base aid that the district will receive for each mill levied, as  
21 certified by the superintendent of public instruction; and

22 (b) the taxable valuation of the district divided by 1,000.

23 (3) The net general fund levy requirement determined in subsections (1)(c) and (1)(d) must be  
24 reported to the county commissioners on the fourth Monday of August by the county superintendent as  
25 the general fund net levy requirement for the district, and a levy must be set by the county commissioners  
26 in accordance with 20-9-142.

27 (4) For each school district, the department of revenue shall calculate and report to the county  
28 superintendent the amount of revenue anticipated for the ensuing fiscal year from local government  
29 severance taxes, as provided in 15-36-112, and from revenue from coal gross proceeds under 15-23-703."  
30

1           **Section 3.** Section 20-9-331, MCA, is amended to read:

2           **"20-9-331. Basic county tax and other revenues revenue for county equalization of the elementary**  
3 **district BASE funding program.** (1) The county commissioners of each county shall levy an annual basic tax  
4 of 33 mills on the dollar of the taxable value of all taxable property within the county, except for property  
5 subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, [section 1], 61-3-537, and  
6 67-3-204, for the purposes of local and state BASE funding program support. The revenue collected from  
7 this levy must be apportioned to the support of the elementary BASE funding programs of the school  
8 districts in the county and to the state special revenue fund, state equalization aid account, in the following  
9 manner:

10           (a) In order to determine the amount of revenue raised by this levy that is retained by the county,  
11 the sum of the estimated revenue identified in subsection (2) must be subtracted from the total of the BASE  
12 funding programs of all elementary districts of the county.

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

18           (2) The revenue realized from the county's portion of the levy prescribed by this section and the  
19 revenue from the following sources must be used for the equalization of the elementary BASE funding  
20 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue  
21 by the county treasurer in accordance with 20-9-212(1):

22           (a) the portion of the federal Taylor Grazing Act funds distributed to a county and designated for  
23 the common school fund under the provisions of 17-3-222;

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

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

28           (d) any money remaining at the end of the immediately preceding school fiscal year in the county  
29 treasurer's accounts for the various sources of revenue established or referred to in this section;

30           (e) any federal or state money distributed to the county as payment in lieu of property taxation,



1 including federal forest reserve funds allocated under the provisions of 17-3-213;

2 (f) gross proceeds taxes from coal under 15-23-703;

3 (g) net proceeds taxes for new production, production from horizontally completed wells, and  
4 incremental production, as defined in 15-23-601, and local government severance taxes on any other  
5 production occurring after December 31, 1988; and

6 (h) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,  
7 61-3-504(2), 61-3-521, section 1, 61-3-537, and 67-3-204."

8

9 **Section 4.** Section 20-9-333, MCA, is amended to read:

10 **"20-9-333. Basic special levy and other revenues revenue for county equalization of high school**  
11 **district BASE funding program.** (1) The county commissioners of each county shall levy an annual basic  
12 special tax for high schools of 22 mills on the dollar of the taxable value of all taxable property within the  
13 county, except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521,  
14 section 1, 61-3-537, and 67-3-204, for the purposes of local and state BASE funding program support.  
15 The revenue collected from this levy must be apportioned to the support of the BASE funding programs of  
16 high school districts in the county and to the state special revenue fund, state equalization aid account, in  
17 the following manner:

18 (a) In order to determine the amount of revenue raised by this levy that is retained by the county,  
19 the sum of the estimated revenue identified in subsection (2) must be subtracted from the sum of the  
20 county's high school tuition obligation and the total of the BASE funding programs of all high school  
21 districts of the county.

22 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is  
23 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds  
24 to the state treasurer for deposit to the state special revenue fund, state equalization aid account,  
25 immediately upon occurrence of a surplus balance and each subsequent month thereafter, with any final  
26 remittance due no later than June 20 of the fiscal year for which the levy has been set.

27 (2) The revenue realized from the county's portion of the levy prescribed in this section and the  
28 revenue from the following sources must be used for the equalization of the high school BASE funding  
29 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue  
30 by the county treasurer in accordance with 20-9-212(1):

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

3 (b) any federal or state money distributed to the county as payment in lieu of property taxation,  
4 including federal forest reserve funds allocated under the provisions of 17-3-213;

5 (c) gross proceeds taxes from coal under 15-23-703;

6 (d) net proceeds taxes for new production, production from horizontally completed wells, and  
7 incremental production, as defined in 15-23-601, and local government severance taxes on any other  
8 production occurring after December 31, 1988; and

9 (e) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,  
10 61-3-504(2), 61-3-521, section 1, 61-3-537, and 67-3-204."

11  
12 **Section 5.** Section 20-9-360, MCA, is amended to read:

13 "20-9-360. **State equalization aid levy.** (1) There is a levy of 40 mills imposed by the county  
14 commissioners of each county on all taxable property within the state, except property for which a tax or  
15 fee is required under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, section 1, 61-3-537, and 67-3-204.  
16 Except as provided in subsection (2), proceeds of the levy must be remitted to the state treasurer and must  
17 be deposited to the credit of the state special revenue fund for state equalization aid to the public schools  
18 of Montana.

19 (2) For the benefit of each municipality that created an urban renewal area and adopted a tax  
20 increment financing provision for the urban renewal area prior to July 1, 1990, the state treasurer shall  
21 distribute each fiscal year from the state equalization aid levy to the municipality the amount, if any, equal  
22 to the product of the incremental taxable value of the urban renewal area times the reduced school levy  
23 for the area, each calculated for the fiscal year. The reduced school levy for a fiscal year is the difference  
24 between the aggregate amount of all property tax levies for school purposes in the urban renewal area,  
25 expressed in mills, in the fiscal year ended June 30, 1989, and the aggregate amount of all property tax  
26 levies for school purposes in the area or the district, expressed in mills, in the fiscal year, including the state  
27 equalization aid levy. The state treasurer shall distribute the amounts to municipalities in two equal  
28 installments on December 31 and June 30 of the fiscal year."

29  
30 **Section 6.** Section 20-9-501, MCA, is amended to read:

1           **"20-9-501. Retirement fund.** (1) The trustees of a district employing personnel who are members  
2 of the teachers' retirement system or the public employees' retirement system or who are covered by  
3 unemployment insurance or who are covered by any federal social security system requiring employer  
4 contributions shall establish a retirement fund for the purposes of budgeting and paying the employer's  
5 contributions to the systems. The district's contribution for each employee who is a member of the  
6 teachers' retirement system must be calculated in accordance with Title 19, chapter 20, part 6. The  
7 district's contribution for each employee who is a member of the public employees' retirement system must  
8 be calculated in accordance with 19-3-316. The district's contributions for each employee covered by any  
9 federal social security system must be paid in accordance with federal law and regulation. The district's  
10 contribution for each employee who is covered by unemployment insurance must be paid in accordance  
11 with Title 39, chapter 51, part 11.

12           (2) The trustees of a district required to make a contribution to a system referred to in subsection  
13 (1) shall include in the retirement fund of the preliminary budget the estimated amount of the employer's  
14 contribution. After the final retirement fund budget has been adopted, the trustees shall pay the employer  
15 contributions to the systems in accordance with the financial administration provisions of this title.

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

18           (a) determining the sum of the money available to reduce the retirement fund levy requirement by  
19 adding:

20           (i) any anticipated money that may be realized in the retirement fund during the ensuing school  
21 fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,  
22 61-3-504(2), 61-3-521, section 1, 61-3-537, and 67-3-204;

23           (ii) net proceeds taxes and local government severance taxes on any other oil and gas production  
24 occurring after December 31, 1988;

25           (iii) coal gross proceeds taxes under 15-23-703;

26           (iv) any fund balance available for reappropriation as determined by subtracting the amount of the  
27 end-of-the-year fund balance earmarked as the retirement fund operating reserve for the ensuing school  
28 fiscal year by the trustees from the end-of-the-year fund balance in the retirement fund. The retirement fund  
29 operating reserve may not be more than 35% of the final retirement fund budget for the ensuing school  
30 fiscal year and must be used for the purpose of paying retirement fund warrants issued by the district under

1 the final retirement fund budget; and

2 (v) any other revenue anticipated that may be realized in the retirement fund during the ensuing  
3 school fiscal year, excluding any guaranteed tax base aid.

4 (b) notwithstanding the provisions of subsection (8), subtracting the money available for reduction  
5 of the levy requirement, as determined in subsection (3)(a), from the budgeted amount for expenditures in  
6 the final retirement fund budget.

7 (4) The county superintendent shall:

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

11 (b) report each levy requirement to the county commissioners on the fourth Monday of August as  
12 the respective county levy requirements for elementary district, high school district, and community college  
13 district retirement funds.

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

15 (6) The net retirement fund levy requirement for a joint elementary district or a joint high school  
16 district must be prorated to each county in which a part of the district is located in the same proportion as  
17 the district ANB of the joint district is distributed by pupil residence in each county. The county  
18 superintendents of the counties affected shall jointly determine the net retirement fund levy requirement  
19 for each county as provided in 20-9-151.

20 (7) The net retirement fund levy requirement for districts that are members of special education  
21 cooperative agreements must be prorated to each county in which the district is located in the same  
22 proportion as the special education cooperative budget is prorated to the member school districts. The  
23 county superintendents of the counties affected shall jointly determine the net retirement fund levy  
24 requirement for each county in the same manner as provided in 20-9-151, and the county commissioners  
25 shall fix and levy the net retirement fund levy for each county in the same manner as provided in 20-9-152.

26 (8) The county superintendent shall calculate the number of mills to be levied on the taxable  
27 property in the county to finance the retirement fund net levy requirement by dividing the amount  
28 determined in subsection (4)(a) by the sum of:

29 (a) the amount of guaranteed tax base aid that the county will receive for each mill levied, as  
30 certified by the superintendent of public instruction; and

1 (b) the taxable valuation of the district divided by .1,000."

2

3 **Section 7.** Section 20-10-144, MCA, is amended to read:

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

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

10 (a) the sum of the maximum reimbursable expenditures for all approved school bus routes  
11 maintained by the district (to determine the maximum reimbursable expenditure, multiply the applicable rate  
12 per bus mile by the total number of miles to be traveled during the ensuing school fiscal year on each bus  
13 route approved by the county transportation committee and maintained by the district); plus

14 (b) the total of all individual transportation per diem reimbursement rates for the district as  
15 determined from the contracts submitted by the district multiplied by the number of pupil-instruction days  
16 scheduled for the ensuing school attendance year; plus

17 (c) any estimated costs for supervised home study or supervised correspondence study for the  
18 ensuing school fiscal year; plus

19 (d) the amount budgeted on the preliminary budget for the contingency amount permitted in  
20 20-10-143, except if the amount exceeds 10% of the total of subsections (1)(a), (1)(b), and (1)(c) or \$100,  
21 whichever is larger, the contingency amount on the preliminary budget must be reduced to the limitation  
22 amount and used in this determination of the schedule amount; plus

23 (e) any estimated costs for transporting a child out of district when the child has mandatory  
24 approval to attend school in a district outside the district of residence.

25 (2) (a) The schedule amount determined in subsection (1) or the total preliminary transportation  
26 fund budget, whichever is smaller, is divided by 2 and is used to determine the available state and county  
27 revenue to be budgeted on the following basis:

28 (i) one-half is the budgeted state transportation reimbursement, except that the state transportation  
29 reimbursement for the transportation of special education pupils under the provisions of 20-7-442 must be  
30 50% of the schedule amount attributed to the transportation of special education pupils; and

1 (ii) one-half is the budgeted county transportation fund reimbursement and must be financed in the  
2 manner provided in 20-10-146.

3 (b) When the district has a sufficient amount of cash for reappropriation and other sources of  
4 district revenue, as determined in subsection (3), to reduce the total district obligation for financing to zero,  
5 any remaining amount of district revenue and cash reappropriated must be used to reduce the county  
6 financing obligation in subsection (2)(a)(iii) and, if the county financing obligations are reduced to zero, to  
7 reduce the state financial obligation in subsection (2)(a)(i).

8 (c) The county revenue requirement for a joint district, after the application of any district money  
9 under subsection (2)(b), must be prorated to each county incorporated by the joint district in the same  
10 proportion as the ANB of the joint district is distributed by pupil residence in each county.

11 (3) The total of the money available for the reduction of property tax on the district for the  
12 transportation fund must be determined by totaling:

13 (a) anticipated federal money received under the provisions of Title I of Public Law 81-874 or other  
14 anticipated federal money received in lieu of that federal act;

15 (b) anticipated payments from other districts for providing school bus transportation services for  
16 the district;

17 (c) anticipated payments from a parent or guardian for providing school bus transportation services  
18 for a child;

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

21 (e) anticipated or reappropriated revenue from property taxes and fees imposed under 23-2-517,  
22 23-2-803, 61-3-504(2), 61-3-521, section 1, 61-3-537, and 67-3-204;

23 (f) anticipated revenue from coal gross proceeds under 15-23-703;

24 (g) anticipated net proceeds taxes for new production, production from horizontally completed  
25 wells, and incremental production, as defined in 15-23-601, and local government severance taxes on any  
26 other production occurring after December 31, 1988;

27 (h) anticipated transportation payments for out-of-district pupils under the provisions of 20-5-320  
28 through 20-5-324;

29 (i) any other revenue anticipated by the trustees to be earned during the ensuing school fiscal year  
30 that may be used to finance the transportation fund; and

1 (j) any fund balance available for reappropriation as determined by subtracting the amount of the  
2 end-of-the-year fund balance earmarked as the transportation fund operating reserve for the ensuing school  
3 fiscal year by the trustees from the end-of-the-year fund balance in the transportation fund. The operating  
4 reserve may not be more than 20% of the final transportation fund budget for the ensuing school fiscal year  
5 and is for the purpose of paying transportation fund warrants issued by the district under the final  
6 transportation fund budget.

7 (4) The district levy requirement for each district's transportation fund must be computed by:

8 (a) subtracting the schedule amount calculated in subsection (1) from the total preliminary  
9 transportation budget amount; and

10 (b) subtracting the amount of money available to reduce the property tax on the district, as  
11 determined in subsection (3), from the amount determined in subsection (4)(a).

12 (5) The transportation fund levy requirements determined in subsection (4) for each district must  
13 be reported to the county commissioners on the fourth Monday of August by the county superintendent  
14 as the transportation fund levy requirements for the district, and the levy must be made by the county  
15 commissioners in accordance with 20-9-142."

16

17 **Section 8.** Section 20-10-146, MCA, is amended to read:

18 "**20-10-146. County transportation reimbursement.** (1) The apportionment of the county  
19 transportation reimbursement by the county superintendent for school bus transportation or individual  
20 transportation that is actually rendered by a district in accordance with this title, board of public education  
21 transportation policy, and the transportation rules of the superintendent of public instruction must be the  
22 same as the state transportation reimbursement payment, except that:

23 (a) if any cash was used to reduce the budgeted county transportation reimbursement under the  
24 provisions of 20-10-144(2)(b), the annual apportionment is limited to the budget amount;

25 (b) when the county transportation reimbursement for a school bus has been prorated between two  
26 or more counties because the school bus is conveying pupils of more than one district located in the  
27 counties, the apportionment of the county transportation reimbursement must be adjusted to pay the  
28 amount computed under the proration; and

29 (c) when county transportation reimbursement is required under the mandatory attendance  
30 agreement provisions of 20-5-321.

1 (2) The county transportation net levy requirement for the financing of the county transportation  
2 fund reimbursements to districts is computed by:

3 (a) totaling the net requirement for all districts of the county, including reimbursements to a special  
4 education cooperative or prorated reimbursements to joint districts or reimbursements under the mandatory  
5 attendance agreement provisions of 20-5-321;

6 (b) determining the sum of the money available to reduce the county transportation net levy  
7 requirement by adding:

8 (i) anticipated money that may be realized in the county transportation fund during the ensuing  
9 school fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517,  
10 23-2-803, 61-3-504(2), 61-3-521, section 1, 61-3-537, and 67-3-204;

11 (ii) net proceeds taxes and local government severance taxes on other oil and gas production  
12 occurring after December 31, 1988;

13 (iii) coal gross proceeds taxes under 15-23-703;

14 (iv) any fund balance available for reappropriation from the end-of-the-year fund balance in the  
15 county transportation fund;

16 (v) federal forest reserve funds allocated under the provisions of 17-3-213; and

17 (vi) other revenue anticipated that may be realized in the county transportation fund during the  
18 ensuing school fiscal year; and

19 (c) subtracting the money available, as determined in subsection (2)(b), to reduce the levy  
20 requirement from the county transportation net levy requirement.

21 (3) The net levy requirement determined in subsection (2)(c) must be reported to the county  
22 commissioners on the fourth Monday of August by the county superintendent, and a levy must be set by  
23 the county commissioners in accordance with 20-9-142.

24 (4) The county superintendent shall apportion the county transportation reimbursement from the  
25 proceeds of the county transportation fund. The county superintendent shall order the county treasurer to  
26 make the apportionments in accordance with 20-9-212(2) and after the receipt of the semiannual state  
27 transportation reimbursement payments."  
28

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

30 **"61-3-503. Assessment.** (1) Except as provided in 61-3-520 and subsection (2) of this section,



1 the following apply to the taxation of motor vehicles:

2 (a) Except as provided in subsections (1)(c) through (1)(e), a person who files an application for  
3 registration or reregistration of a motor vehicle shall before filing the application with the county treasurer  
4 submit the application to the department of revenue. The department of revenue shall enter on the  
5 application in a space to be provided for that purpose the market value and taxable value of the vehicle as  
6 of January 1 of the year for which the application for registration is made.

7 (b) Except as provided in subsection (1)(c), motor vehicles are assessed for taxes on January 1 in  
8 each year irrespective of the time fixed by law for the assessment of other classes of personal property and  
9 irrespective of whether the levy and tax may be a lien upon real property within the state. A motor vehicle  
10 is not subject to assessment, levy, and taxation more than once in each year.

11 (c) Vehicles subject to the provisions of 61-3-313 through 61-3-316 must be assessed as of the  
12 first day of the registration period, using the average trade-in or wholesale value as of January 1 of the year  
13 of assessment of the vehicle as contained in the most recent volume of the Mountain States Edition of the  
14 National Automobile Dealers Association (N.A.D.A.) Official Used Car Guide, the National Edition of  
15 N.A.D.A. Appraisal Guides Official Older Used Car Guide, or another nationally published used vehicle or  
16 appraisal guide approved by the department of revenue or, for a vehicle that was never listed in any edition  
17 of the preceding guides, the retail value of the vehicle as determined by the department of revenue, and  
18 thereafter depreciated 10% per a year until a value of \$500 is reached, not including additions or  
19 deductions for options and mileage but including additions or deductions, whether or not one of the  
20 preceding guides is used, for diesel engines; and a lien for taxes and fees due on the vehicle occurs on the  
21 anniversary date of the registration and continues until the fees and taxes have been paid. If the value  
22 shown in any of the appraisal guides listed in this section is less than \$500, the department shall value the  
23 vehicle at \$500.

24 (d) ~~Motorcycles and quadricycles~~ Quadricycles must be assessed, using the greater of the  
25 following:

26 (i) \$250; or

27 (ii) the average trade-in or wholesale value as of January 1 of the year of assessment of the vehicle  
28 as contained in the most recent volume of the applicable National Edition of the N.A.D.A.  
29 Motorcycle/Moped/ATV Appraisal Guide or N.A.D.A. Recreational Vehicle Appraisal Guide or another  
30 nationally published used vehicle or appraisal guide approved by the department of revenue, not including

1 additions or deductions for options and mileage.

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

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

8 (ii) if the vehicle is 1 year or older in age and it is not listed in any of the appraisal guides listed in  
9 this section, the department of revenue shall determine the depreciation percentage to approximate the  
10 average wholesale or trade-in values in the current N.A.D.A. guides or other approved guides referred to  
11 in this subsection (1). For purposes of this subsection (1), the age of the vehicle is determined by  
12 subtracting the manufacturer's model year of the vehicle from the calendar year of assessment.

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

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

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

21

22 **Section 10.** Section 61-3-504, MCA, is amended to read:

23 **"61-3-504. Computation of tax.** (1) The amount of taxes on a motor vehicle, other than an  
24 automobile, truck having a rated capacity of 1 ton or less, motorcycle, quadricycle, motor home, travel  
25 trailer, camper, or mobile home, is computed and determined by the county treasurer on the basis of the  
26 levy of the year preceding the current year of application for registration or reregistration.

27 (2) The amount of tax on an automobile or truck having a rated capacity of 1 ton or less, except  
28 for vehicles owned by disabled veterans qualifying for special license plates under 61-3-332(10)(c)(i)(A),  
29 and on a ~~motorcycle~~ or quadricycle is 2% of the value determined under 61-3-503.

30 (3) The amount of tax on fleet vehicles subject to the provisions of 61-3-318 is 1% of the value

1 determined under 61-3-503.

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

4

5 **Section 11.** Section 61-3-509, MCA, is amended to read:

6 "**61-3-509. Disposition of taxes.** (1) Except as provided in subsection (2), the county treasurer  
7 shall, after deducting the district court fee, credit all taxes on motor vehicles and fees in lieu of tax on  
8 motorcycles, motor homes, travel trailers, and campers collected under 61-3-504, 61-3-521, [section 1],  
9 and 61-3-537 to a motor vehicle suspense fund, and at some time between March 1 and March 10 of each  
10 year and every 60 days ~~thereafter~~ after that date, the county treasurer shall distribute the money in the  
11 motor vehicle suspense fund in the relative proportions required by the levies for state, county, school  
12 district, and municipal purposes in the same manner as personal property taxes are distributed.

13 (2) The county treasurer shall deduct as a district court fee 7% of the amount of the 2% tax  
14 collected on an automobile or truck having a rated capacity of 1 ton or less. The county treasurer shall  
15 credit the fee for district courts to a separate suspense account and shall forward the amount in the  
16 account to the state treasurer at the time that the county treasurer distributes the motor vehicle suspense  
17 fund. The state treasurer shall credit amounts received under this subsection to the general fund to be used  
18 for purposes of state funding of the district court expenses as provided in 3-5-901."

19

20 **Section 12.** Section 61-3-535, MCA, is amended to read:

21 "**61-3-535. Vehicle reregistration by mail -- renewal cards and reregistration notice by mail.** (1)  
22 Except as provided in subsection (2), an owner of the following types of motor vehicles may reregister by  
23 mail:

24 (a) light vehicles, ~~motorcycles~~, quadricycles, and other vehicles subject to tax under 61-3-504(2);

25 and

26 (b) motorcycles, travel trailers, campers, and motor homes subject to a fee in lieu of tax under  
27 61-3-521 and [section 1].

28 (2) The option to reregister by mail need only be made available for vehicles, motor homes, and  
29 travel trailers registered at the close of the expiring registration period in the name of the applicant for  
30 reregistration and only if the value, age, length, or other criteria used to determine the tax or fee is available

1 to the department.

2 (3) The department shall develop a procedure to facilitate the reregistration by mail of the vehicles  
3 listed in subsection (1). The mail reregistration procedure developed by the department must include a  
4 procedure to facilitate automated handling of mail reregistration or recertification.

5 (4) The procedure implemented by the department to permit reregistration or camper decal  
6 application by mail must provide for a written reminder notice by mail to a vehicle owner of the requirement  
7 to reregister the owner's vehicle with the county treasurer or to apply for the annual camper decal.

8 (5) The department shall adopt rules to implement the mail reregistration and decal application  
9 procedure."  
10

11 **NEW SECTION. Section 13. Codification instruction.** [Section 1] is intended to be codified as an  
12 integral part of Title 61, chapter 3, part 5, and the provisions of Title 61, chapter 3, part 5, apply to  
13 [section 1].  
14

15 **NEW SECTION. Section 14. Effective date.** [This act] is effective January 1, 1996.

16 -END-

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2  
3  
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9

SENATE BILL NO. 161

INTRODUCED BY STANG, TOEWS, TUSS, ELLIOTT, SQUIRES, FORRESTER

A BILL FOR AN ACT ENTITLED: "AN ACT REPLACING THE TAX ON MOTORCYCLES WITH A FEE IN LIEU OF TAX; AMENDING SECTIONS 20-9-141, 20-9-331, 20-9-333, 20-9-360, 20-9-501, 20-10-144, 20-10-146, 61-3-503, 61-3-504, 61-3-509, AND 61-3-535, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

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

THERE ARE NO CHANGES IN THIS BILL AND IT WILL NOT BE REPRINTED. PLEASE REFER TO SECOND READING COPY (YELLOW) FOR COMPLETE TEXT.




## HOUSE STANDING COMMITTEE REPORT

April 5, 1995

Page 1 of 2

Mr. Speaker: We, the committee on Taxation report that Senate Bill 161 (third reading copy -- blue) be concurred in as amended.

Signed:   
Chase Hibbard, Chair

Carried by: Rep. Raney

And, that such amendments read:

1. Page 1.

Following: line 16

Insert: "(a) The fee schedule for a motorcycle with an engine that measures 250 cubic centimeters or less is as follows:  
(i) less than 2 years old, \$25;  
(ii) 2 years old and less than 5 years old, \$20;  
(iii) 5 years old and less than 11 years old, \$15; and  
(iv) 11 years old and older, \$10."

Renumber: subsequent subsections

2. Page 1, line 17.

Strike: "1"

Insert: "251"

Strike: "centimeter"

Insert: "centimeters"

3. Page 1, line 19.

Strike: "\$30"

Insert: "\$50"

4. Page 1, line 20.

Strike: "\$25"

Insert: "\$40"

SB 161

Committee Vote:

Yes 20, No 0.

HOUSE

781303SC.Hbk

5. Page 1, line 21.  
Strike: "\$15"  
Insert: "\$25"

6. Page 1, line 22.  
Strike: "\$10"  
Insert: "\$15"

-END-



# HOUSE COMMITTEE OF THE WHOLE AMENDMENT

Senate Bill 161  
Representative Story

April 7, 1995 7:58 am  
Page 1 of 1

Mr. Chairman: I move to amend Senate Bill 161 (third reading copy -- blue).

Signed: *Robert H. Story*  
Representative Story

And, that such amendments to Senate Bill 161 read as follows:

AMEND HOUSE TAX COMMITTEE REPORT DATED APRIL 5, 1995, AS FOLLOWS:

Strip amendments 1 through 6 in their entirety

-END-

ADOPT

REJECT

97-2

SB 161

HOUSE

800758CW.Hbk



## SENATE BILL NO. 161

INTRODUCED BY STANG, TOEWS, TUSS, ELLIOTT, SQUIRES, FORRESTER

A BILL FOR AN ACT ENTITLED: "AN ACT REPLACING THE TAX ON MOTORCYCLES WITH A FEE IN LIEU OF TAX; AMENDING SECTIONS 20-9-141, 20-9-331, 20-9-333, 20-9-360, 20-9-501, 20-10-144, 20-10-146, 61-3-503, 61-3-504, 61-3-509, AND 61-3-535, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

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

**NEW SECTION. Section 1. Fee in lieu of tax for motorcycles -- schedule of fees.** (1) (a) There is a fee in lieu of property tax imposed on motorcycles. The fee is in addition to annual registration fees.

(b) The fee imposed by subsection (1)(a) need not be paid by a dealer for motorcycles that constitute inventory of the dealership.

(2) The owner of a motorcycle shall pay a fee based on the age of the motorcycle and the size of the engine, as follows:

(a) The fee schedule for a motorcycle with an engine that measures from 1 cubic centimeter to 600 cubic centimeters is as follows:

(i) less than 2 years old, ~~\$60~~ \$30;

(ii) 2 years old and less than 5 years old, ~~\$45~~ \$25;

(iii) 5 years old and less than 11 years old, ~~\$30~~ \$15; and

(iv) 11 years old and older, ~~\$20~~ \$10.

(b) The fee schedule for a motorcycle with an engine that measures from 601 cubic centimeters to 1,000 cubic centimeters is as follows:

(i) less than 2 years old, \$70;

(ii) 2 years old and less than 5 years old, \$55;

(iii) 5 years old and less than 11 years old, \$40; and

(iv) 11 years old and older, \$30.

(c) The fee schedule for a motorcycle with an engine that measures 1,001 cubic centimeters and larger is as follows:

- 1 (i) less than 2 years old, \$110;  
2 (ii) 2 years old and less than 5 years old, \$90;  
3 (iii) 5 years old and less than 11 years old, \$65; and  
4 (iv) 11 years old and older, \$40.  
5 (d) The age of a motorcycle is determined by subtracting the manufacturer's designated model year  
6 from the current calendar year.

7

8 **Section 2.** Section 20-9-141, MCA, is amended to read:

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

12 (a) Determine the funding required for the district's final general fund budget less the sum of direct  
13 state aid and the special education allowable cost payment for the district by totaling:

14 (i) the district's nonisolated school BASE budget requirement to be met by a district levy as  
15 provided in 20-9-303; and

16 (ii) any general fund budget amount adopted by the trustees of the district under the provisions of  
17 20-9-308 and 20-9-353, including any additional funding for a general fund budget that exceeds the  
18 maximum general fund budget.

19 (b) Determine the money available for the reduction of the property tax on the district for the  
20 general fund by totaling:

21 (i) the general fund balance reappropriated, as established under the provisions of 20-9-104;

22 (ii) amounts received in the last fiscal year for which revenue reporting was required for each of the  
23 following:

24 (A) tuition payments for out-of-district pupils under the provisions of 20-5-321 through 20-5-323;

25 (B) revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504(2),  
26 61-3-521, section 1, 61-3-537, and 67-3-204;

27 (C) net proceeds taxes for new production, production from horizontally completed wells, and  
28 incremental production, as defined in 15-23-601;

29 (D) interest earned by the investment of general fund cash in accordance with the provisions of  
30 20-9-213(4);

1 (E) revenue from corporation license taxes collected from financial institutions under the provisions  
2 of 15-31-702; and

3 (F) any other revenue received during the school fiscal year that may be used to finance the general  
4 fund, excluding any guaranteed tax base aid; and

5 (iii) (A) pursuant to subsection (4), anticipated revenue from local government severance taxes as  
6 provided in 15-36-112; and

7 (B) pursuant to subsection (4), anticipated revenue from coal gross proceeds under 15-23-703.

8 (c) Notwithstanding the provisions of subsection (2), subtract the money available to reduce the  
9 property tax required to finance the general fund that has been determined in subsection (1)(b) from any  
10 general fund budget amount adopted by the trustees of the district, up to the BASE budget amount, to  
11 determine the general fund BASE budget levy requirement.

12 (d) Subtract any amount remaining after the determination in subsection (1)(c) from any additional  
13 funding requirement to be met by an over-BASE budget amount, a district levy as provided in 20-9-303,  
14 and any additional financing as provided in 20-9-353 to determine any additional general fund levy  
15 requirements.

16 (2) The county superintendent shall calculate the number of mills to be levied on the taxable  
17 property in the district to finance the general fund levy requirement for any amount that does not exceed  
18 the BASE budget amount for the district by dividing the amount determined in subsection (1)(c) by the sum  
19 of:

20 (a) the amount of guaranteed tax base aid that the district will receive for each mill levied, as  
21 certified by the superintendent of public instruction; and

22 (b) the taxable valuation of the district divided by 1,000.

23 (3) The net general fund levy requirement determined in subsections (1)(c) and (1)(d) must be  
24 reported to the county commissioners on the fourth Monday of August by the county superintendent as  
25 the general fund net levy requirement for the district, and a levy must be set by the county commissioners  
26 in accordance with 20-9-142.

27 (4) For each school district, the department of revenue shall calculate and report to the county  
28 superintendent the amount of revenue anticipated for the ensuing fiscal year from local government  
29 severance taxes, as provided in 15-36-112, and from revenue from coal gross proceeds under 15-23-703."  
30

1           **Section 3.** Section 20-9-331, MCA, is amended to read:

2           **"20-9-331. Basic county tax and other ~~revenues~~ revenue for county equalization of the elementary**  
3 **district BASE funding program.** (1) The county commissioners of each county shall levy an annual basic tax  
4 of 33 mills on the dollar of the taxable value of all taxable property within the county, except for property  
5 subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, [section 1], 61-3-537, and  
6 67-3-204, for the purposes of local and state BASE funding program support. The revenue collected from  
7 this levy must be apportioned to the support of the elementary BASE funding programs of the school  
8 districts in the county and to the state special revenue fund, state equalization aid account, in the following  
9 manner:

10           (a) In order to determine the amount of revenue raised by this levy that is retained by the county,  
11 the sum of the estimated revenue identified in subsection (2) must be subtracted from the total of the BASE  
12 funding programs of all elementary districts of the county.

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

18           (2) The revenue realized from the county's portion of the levy prescribed by this section and the  
19 revenue from the following sources must be used for the equalization of the elementary BASE funding  
20 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue  
21 by the county treasurer in accordance with 20-9-212(1):

22           (a) the portion of the federal Taylor Grazing Act funds distributed to a county and designated for  
23 the common school fund under the provisions of 17-3-222;

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

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

28           (d) any money remaining at the end of the immediately preceding school fiscal year in the county  
29 treasurer's accounts for the various sources of revenue established or referred to in this section;

30           (e) any federal or state money distributed to the county as payment in lieu of property taxation,

1 including federal forest reserve funds allocated under the provisions of 17-3-213;

2 (f) gross proceeds taxes from coal under 15-23-703;

3 (g) net proceeds taxes for new production, production from horizontally completed wells, and  
4 incremental production, as defined in 15-23-601, and local government severance taxes on any other  
5 production occurring after December 31, 1988; and

6 (h) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,  
7 61-3-504(2), 61-3-521, section 1, 61-3-537, and 67-3-204.”

8  
9 **Section 4.** Section 20-9-333, MCA, is amended to read:

10 **“20-9-333. Basic special levy and other ~~revenues~~ revenue for county equalization of high school**  
11 **district BASE funding program.** (1) The county commissioners of each county shall levy an annual basic  
12 special tax for high schools of 22 mills on the dollar of the taxable value of all taxable property within the  
13 county, except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521,  
14 section 1, 61-3-537, and 67-3-204, for the purposes of local and state BASE funding program support.  
15 The revenue collected from this levy must be apportioned to the support of the BASE funding programs of  
16 high school districts in the county and to the state special revenue fund, state equalization aid account, in  
17 the following manner:

18 (a) In order to determine the amount of revenue raised by this levy that is retained by the county,  
19 the sum of the estimated revenue identified in subsection (2) must be subtracted from the sum of the  
20 county’s high school tuition obligation and the total of the BASE funding programs of all high school  
21 districts of the county.

22 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is  
23 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds  
24 to the state treasurer for deposit to the state special revenue fund, state equalization aid account,  
25 immediately upon occurrence of a surplus balance and each subsequent month thereafter, with any final  
26 remittance due no later than June 20 of the fiscal year for which the levy has been set.

27 (2) The revenue realized from the county’s portion of the levy prescribed in this section and the  
28 revenue from the following sources must be used for the equalization of the high school BASE funding  
29 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue  
30 by the county treasurer in accordance with 20-9-212(1):

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

3 (b) any federal or state money distributed to the county as payment in lieu of property taxation,  
4 including federal forest reserve funds allocated under the provisions of 17-3-213;

5 (c) gross proceeds taxes from coal under 15-23-703;

6 (d) net proceeds taxes for new production, production from horizontally completed wells, and  
7 incremental production, as defined in 15-23-601, and local government severance taxes on any other  
8 production occurring after December 31, 1988; and

9 (e) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,  
10 61-3-504(2), 61-3-521, section 1, 61-3-537, and 67-3-204."

11  
12 **Section 5.** Section 20-9-360, MCA, is amended to read:

13 **"20-9-360. State equalization aid levy.** (1) There is a levy of 40 mills imposed by the county  
14 commissioners of each county on all taxable property within the state, except property for which a tax or  
15 fee is required under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, section 1, 61-3-537, and 67-3-204.  
16 Except as provided in subsection (2), proceeds of the levy must be remitted to the state treasurer and must  
17 be deposited to the credit of the state special revenue fund for state equalization aid to the public schools  
18 of Montana.

19 (2) For the benefit of each municipality that created an urban renewal area and adopted a tax  
20 increment financing provision for the urban renewal area prior to July 1, 1990, the state treasurer shall  
21 distribute each fiscal year from the state equalization aid levy to the municipality the amount, if any, equal  
22 to the product of the incremental taxable value of the urban renewal area times the reduced school levy  
23 for the area, each calculated for the fiscal year. The reduced school levy for a fiscal year is the difference  
24 between the aggregate amount of all property tax levies for school purposes in the urban renewal area,  
25 expressed in mills, in the fiscal year ended June 30, 1989, and the aggregate amount of all property tax  
26 levies for school purposes in the area or the district, expressed in mills, in the fiscal year, including the state  
27 equalization aid levy. The state treasurer shall distribute the amounts to municipalities in two equal  
28 installments on December 31 and June 30 of the fiscal year."

29  
30 **Section 6.** Section 20-9-501, MCA, is amended to read:

1           **"20-9-501. Retirement fund.** (1) The trustees of a district employing personnel who are members  
2 of the teachers' retirement system or the public employees' retirement system or who are covered by  
3 unemployment insurance or who are covered by any federal social security system requiring employer  
4 contributions shall establish a retirement fund for the purposes of budgeting and paying the employer's  
5 contributions to the systems. The district's contribution for each employee who is a member of the  
6 teachers' retirement system must be calculated in accordance with Title 19, chapter 20, part 6. The  
7 district's contribution for each employee who is a member of the public employees' retirement system must  
8 be calculated in accordance with 19-3-316. The district's contributions for each employee covered by any  
9 federal social security system must be paid in accordance with federal law and regulation. The district's  
10 contribution for each employee who is covered by unemployment insurance must be paid in accordance  
11 with Title 39, chapter 51, part 11.

12           (2) The trustees of a district required to make a contribution to a system referred to in subsection  
13 (1) shall include in the retirement fund of the preliminary budget the estimated amount of the employer's  
14 contribution. After the final retirement fund budget has been adopted, the trustees shall pay the employer  
15 contributions to the systems in accordance with the financial administration provisions of this title.

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

18           (a) determining the sum of the money available to reduce the retirement fund levy requirement by  
19 adding:

20           (i) any anticipated money that may be realized in the retirement fund during the ensuing school  
21 fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,  
22 61-3-504(2), 61-3-521, section 1, 61-3-537, and 67-3-204;

23           (ii) net proceeds taxes and local government severance taxes on any other oil and gas production  
24 occurring after December 31, 1988;

25           (iii) coal gross proceeds taxes under 15-23-703;

26           (iv) any fund balance available for reappropriation as determined by subtracting the amount of the  
27 end-of-the-year fund balance earmarked as the retirement fund operating reserve for the ensuing school  
28 fiscal year by the trustees from the end-of-the-year fund balance in the retirement fund. The retirement fund  
29 operating reserve may not be more than 35% of the final retirement fund budget for the ensuing school  
30 fiscal year and must be used for the purpose of paying retirement fund warrants issued by the district under

1 the final retirement fund budget; and

2 (v) any other revenue anticipated that may be realized in the retirement fund during the ensuing  
3 school fiscal year, excluding any guaranteed tax base aid.

4 (b) notwithstanding the provisions of subsection (8), subtracting the money available for reduction  
5 of the levy requirement, as determined in subsection (3)(a), from the budgeted amount for expenditures in  
6 the final retirement fund budget.

7 (4) The county superintendent shall:

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

11 (b) report each levy requirement to the county commissioners on the fourth Monday of August as  
12 the respective county levy requirements for elementary district, high school district, and community college  
13 district retirement funds.

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

15 (6) The net retirement fund levy requirement for a joint elementary district or a joint high school  
16 district must be prorated to each county in which a part of the district is located in the same proportion as  
17 the district ANB of the joint district is distributed by pupil residence in each county. The county  
18 superintendents of the counties affected shall jointly determine the net retirement fund levy requirement  
19 for each county as provided in 20-9-151.

20 (7) The net retirement fund levy requirement for districts that are members of special education  
21 cooperative agreements must be prorated to each county in which the district is located in the same  
22 proportion as the special education cooperative budget is prorated to the member school districts. The  
23 county superintendents of the counties affected shall jointly determine the net retirement fund levy  
24 requirement for each county in the same manner as provided in 20-9-151, and the county commissioners  
25 shall fix and levy the net retirement fund levy for each county in the same manner as provided in 20-9-152.

26 (8) The county superintendent shall calculate the number of mills to be levied on the taxable  
27 property in the county to finance the retirement fund net levy requirement by dividing the amount  
28 determined in subsection (4)(a) by the sum of:

29 (a) the amount of guaranteed tax base aid that the county will receive for each mill levied, as  
30 certified by the superintendent of public instruction; and



1 (b) the taxable valuation of the district divided by .1,000."

2  
3 **Section 7.** Section 20-10-144, MCA, is amended to read:

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

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

10 (a) the sum of the maximum reimbursable expenditures for all approved school bus routes  
11 maintained by the district (to determine the maximum reimbursable expenditure, multiply the applicable rate  
12 per bus mile by the total number of miles to be traveled during the ensuing school fiscal year on each bus  
13 route approved by the county transportation committee and maintained by the district); plus

14 (b) the total of all individual transportation per diem reimbursement rates for the district as  
15 determined from the contracts submitted by the district multiplied by the number of pupil-instruction days  
16 scheduled for the ensuing school attendance year; plus

17 (c) any estimated costs for supervised home study or supervised correspondence study for the  
18 ensuing school fiscal year; plus

19 (d) the amount budgeted on the preliminary budget for the contingency amount permitted in  
20 20-10-143, except if the amount exceeds 10% of the total of subsections (1)(a), (1)(b), and (1)(c) or \$100,  
21 whichever is larger, the contingency amount on the preliminary budget must be reduced to the limitation  
22 amount and used in this determination of the schedule amount; plus

23 (e) any estimated costs for transporting a child out of district when the child has mandatory  
24 approval to attend school in a district outside the district of residence.

25 (2) (a) The schedule amount determined in subsection (1) or the total preliminary transportation  
26 fund budget, whichever is smaller, is divided by 2 and is used to determine the available state and county  
27 revenue to be budgeted on the following basis:

28 (i) one-half is the budgeted state transportation reimbursement, except that the state transportation  
29 reimbursement for the transportation of special education pupils under the provisions of 20-7-442 must be  
30 50% of the schedule amount attributed to the transportation of special education pupils; and

1 (ii) one-half is the budgeted county transportation fund reimbursement and must be financed in the  
2 manner provided in 20-10-146.

3 (b) When the district has a sufficient amount of cash for reappropriation and other sources of  
4 district revenue, as determined in subsection (3), to reduce the total district obligation for financing to zero,  
5 any remaining amount of district revenue and cash reappropriated must be used to reduce the county  
6 financing obligation in subsection (2)(a)(ii) and, if the county financing obligations are reduced to zero, to  
7 reduce the state financial obligation in subsection (2)(a)(i).

8 (c) The county revenue requirement for a joint district, after the application of any district money  
9 under subsection (2)(b), must be prorated to each county incorporated by the joint district in the same  
10 proportion as the ANB of the joint district is distributed by pupil residence in each county.

11 (3) The total of the money available for the reduction of property tax on the district for the  
12 transportation fund must be determined by totaling:

13 (a) anticipated federal money received under the provisions of Title I of Public Law 81-874 or other  
14 anticipated federal money received in lieu of that federal act;

15 (b) anticipated payments from other districts for providing school bus transportation services for  
16 the district;

17 (c) anticipated payments from a parent or guardian for providing school bus transportation services  
18 for a child;

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

21 (e) anticipated or reappropriated revenue from property taxes and fees imposed under 23-2-517,  
22 23-2-803, 61-3-504(2), 61-3-521, section 1, 61-3-537, and 67-3-204;

23 (f) anticipated revenue from coal gross proceeds under 15-23-703;

24 (g) anticipated net proceeds taxes for new production, production from horizontally completed  
25 wells, and incremental production, as defined in 15-23-601, and local government severance taxes on any  
26 other production occurring after December 31, 1988;

27 (h) anticipated transportation payments for out-of-district pupils under the provisions of 20-5-320  
28 through 20-5-324;

29 (i) any other revenue anticipated by the trustees to be earned during the ensuing school fiscal year  
30 that may be used to finance the transportation fund; and

1 (j) any fund balance available for reappropriation as determined by subtracting the amount of the  
2 end-of-the-year fund balance earmarked as the transportation fund operating reserve for the ensuing school  
3 fiscal year by the trustees from the end-of-the-year fund balance in the transportation fund. The operating  
4 reserve may not be more than 20% of the final transportation fund budget for the ensuing school fiscal year  
5 and is for the purpose of paying transportation fund warrants issued by the district under the final  
6 transportation fund budget.

7 (4) The district levy requirement for each district's transportation fund must be computed by:

8 (a) subtracting the schedule amount calculated in subsection (1) from the total preliminary  
9 transportation budget amount; and

10 (b) subtracting the amount of money available to reduce the property tax on the district, as  
11 determined in subsection (3), from the amount determined in subsection (4)(a).

12 (5) The transportation fund levy requirements determined in subsection (4) for each district must  
13 be reported to the county commissioners on the fourth Monday of August by the county superintendent  
14 as the transportation fund levy requirements for the district, and the levy must be made by the county  
15 commissioners in accordance with 20-9-142."  
16

17 **Section 8.** Section 20-10-146, MCA, is amended to read:

18 **"20-10-146. County transportation reimbursement.** (1) The apportionment of the county  
19 transportation reimbursement by the county superintendent for school bus transportation or individual  
20 transportation that is actually rendered by a district in accordance with this title, board of public education  
21 transportation policy, and the transportation rules of the superintendent of public instruction must be the  
22 same as the state transportation reimbursement payment, except that:

23 (a) if any cash was used to reduce the budgeted county transportation reimbursement under the  
24 provisions of 20-10-144(2)(b), the annual apportionment is limited to the budget amount;

25 (b) when the county transportation reimbursement for a school bus has been prorated between two  
26 or more counties because the school bus is conveying pupils of more than one district located in the  
27 counties, the apportionment of the county transportation reimbursement must be adjusted to pay the  
28 amount computed under the proration; and

29 (c) when county transportation reimbursement is required under the mandatory attendance  
30 agreement provisions of 20-5-321.

1           (2) The county transportation net levy requirement for the financing of the county transportation  
2 fund reimbursements to districts is computed by:

3           (a) totaling the net requirement for all districts of the county, including reimbursements to a special  
4 education cooperative or prorated reimbursements to joint districts or reimbursements under the mandatory  
5 attendance agreement provisions of 20-5-321;

6           (b) determining the sum of the money available to reduce the county transportation net levy  
7 requirement by adding:

8           (i) anticipated money that may be realized in the county transportation fund during the ensuing  
9 school fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517,  
10 23-2-803, 61-3-504(2), 61-3-521, section 1, 61-3-537, and 67-3-204;

11           (ii) net proceeds taxes and local government severance taxes on other oil and gas production  
12 occurring after December 31, 1988;

13           (iii) coal gross proceeds taxes under 15-23-703;

14           (iv) any fund balance available for reappropriation from the end-of-the-year fund balance in the  
15 county transportation fund;

16           (v) federal forest reserve funds allocated under the provisions of 17-3-213; and

17           (vi) other revenue anticipated that may be realized in the county transportation fund during the  
18 ensuing school fiscal year; and

19           (c) subtracting the money available, as determined in subsection (2)(b), to reduce the levy  
20 requirement from the county transportation net levy requirement.

21           (3) The net levy requirement determined in subsection (2)(c) must be reported to the county  
22 commissioners on the fourth Monday of August by the county superintendent, and a levy must be set by  
23 the county commissioners in accordance with 20-9-142.

24           (4) The county superintendent shall apportion the county transportation reimbursement from the  
25 proceeds of the county transportation fund. The county superintendent shall order the county treasurer to  
26 make the apportionments in accordance with 20-9-212(2) and after the receipt of the semiannual state  
27 transportation reimbursement payments."

28  
29           **Section 9.** Section 61-3-503, MCA, is amended to read:

30           **"61-3-503. Assessment.** (1) Except as provided in 61-3-520 and subsection (2) of this section,

1 the following apply to the taxation of motor vehicles:

2 (a) Except as provided in subsections (1)(c) through (1)(e), a person who files an application for  
3 registration or reregistration of a motor vehicle shall before filing the application with the county treasurer  
4 submit the application to the department of revenue. The department of revenue shall enter on the  
5 application in a space to be provided for that purpose the market value and taxable value of the vehicle as  
6 of January 1 of the year for which the application for registration is made.

7 (b) Except as provided in subsection (1)(c), motor vehicles are assessed for taxes on January 1 in  
8 each year irrespective of the time fixed by law for the assessment of other classes of personal property and  
9 irrespective of whether the levy and tax may be a lien upon real property within the state. A motor vehicle  
10 is not subject to assessment, levy, and taxation more than once in each year.

11 (c) Vehicles subject to the provisions of 61-3-313 through 61-3-316 must be assessed as of the  
12 first day of the registration period, using the average trade-in or wholesale value as of January 1 of the year  
13 of assessment of the vehicle as contained in the most recent volume of the Mountain States Edition of the  
14 National Automobile Dealers Association (N.A.D.A.) Official Used Car Guide, the National Edition of  
15 N.A.D.A. Appraisal Guides Official Older Used Car Guide, or another nationally published used vehicle or  
16 appraisal guide approved by the department of revenue or, for a vehicle that was never listed in any edition  
17 of the preceding guides, the retail value of the vehicle as determined by the department of revenue, and  
18 thereafter depreciated 10% per a year until a value of \$500 is reached, not including additions or  
19 deductions for options and mileage but including additions or deductions, whether or not one of the  
20 preceding guides is used, for diesel engines; and a lien for taxes and fees due on the vehicle occurs on the  
21 anniversary date of the registration and continues until the fees and taxes have been paid. If the value  
22 shown in any of the appraisal guides listed in this section is less than \$500, the department shall value the  
23 vehicle at \$500.

24 (d) ~~Motorcycles and quadricycles~~ Quadricycles must be assessed, using the greater of the  
25 following:

26 (i) \$250; or

27 (ii) the average trade-in or wholesale value as of January 1 of the year of assessment of the vehicle  
28 as contained in the most recent volume of the applicable National Edition of the N.A.D.A.  
29 Motorcycle/Moped/ATV Appraisal Guide or N.A.D.A. Recreational Vehicle Appraisal Guide or another  
30 nationally published used vehicle or appraisal guide approved by the department of revenue, not including

1 additions or deductions for options and mileage.

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

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

8 (ii) if the vehicle is 1 year or older in age and it is not listed in any of the appraisal guides listed in  
9 this section, the department of revenue shall determine the depreciation percentage to approximate the  
10 average wholesale or trade-in values in the current N.A.D.A. guides or other approved guides referred to  
11 in this subsection (1). For purposes of this subsection (1), the age of the vehicle is determined by  
12 subtracting the manufacturer's model year of the vehicle from the calendar year of assessment.

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

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

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

21

22 **Section 10.** Section 61-3-504, MCA, is amended to read:

23 **"61-3-504. Computation of tax.** (1) The amount of taxes on a motor vehicle, other than an  
24 automobile, truck having a rated capacity of 1 ton or less, motorcycle, quadricycle, motor home, travel  
25 trailer, camper, or mobile home, is computed and determined by the county treasurer on the basis of the  
26 levy of the year preceding the current year of application for registration or reregistration.

27 (2) The amount of tax on an automobile or truck having a rated capacity of 1 ton or less, except  
28 for vehicles owned by disabled veterans qualifying for special license plates under 61-3-332(10)(c)(i)(A),  
29 and on a ~~motorcycle~~ or quadricycle is 2% of the value determined under 61-3-503.

30 (3) The amount of tax on fleet vehicles subject to the provisions of 61-3-318 is 1% of the value

1 determined under 61-3-503.

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

4  
5 **Section 11.** Section 61-3-509, MCA, is amended to read:

6 **"61-3-509. Disposition of taxes.** (1) Except as provided in subsection (2), the county treasurer  
7 shall, after deducting the district court fee, credit all taxes on motor vehicles and fees in lieu of tax on  
8 motorcycles, motor homes, travel trailers, and campers collected under 61-3-504, 61-3-521, [section 1],  
9 and 61-3-537 to a motor vehicle suspense fund, and at some time between March 1 and March 10 of each  
10 year and every 60 days ~~thereafter~~ after that date, the county treasurer shall distribute the money in the  
11 motor vehicle suspense fund in the relative proportions required by the levies for state, county, school  
12 district, and municipal purposes in the same manner as personal property taxes are distributed.

13 (2) The county treasurer shall deduct as a district court fee 7% of the amount of the 2% tax  
14 collected on an automobile or truck having a rated capacity of 1 ton or less. The county treasurer shall  
15 credit the fee for district courts to a separate suspense account and shall forward the amount in the  
16 account to the state treasurer at the time that the county treasurer distributes the motor vehicle suspense  
17 fund. The state treasurer shall credit amounts received under this subsection to the general fund to be used  
18 for purposes of state funding of the district court expenses as provided in 3-5-901."

19

20 **Section 12.** Section 61-3-535, MCA, is amended to read:

21 **"61-3-535. Vehicle reregistration by mail -- renewal cards and reregistration notice by mail.** (1)  
22 Except as provided in subsection (2), an owner of the following types of motor vehicles may reregister by  
23 mail:

24 (a) light vehicles, ~~motorcycles~~, quadricycles, and other vehicles subject to tax under 61-3-504(2);  
25 and

26 (b) motorcycles, travel trailers, campers, and motor homes subject to a fee in lieu of tax under  
27 61-3-521 and [section 1].

28 (2) The option to reregister by mail need only be made available for vehicles, motor homes, and  
29 travel trailers registered at the close of the expiring registration period in the name of the applicant for  
30 reregistration and only if the value, age, length, or other criteria used to determine the tax or fee is available

1 to the department.

2 (3) The department shall develop a procedure to facilitate the reregistration by mail of the vehicles  
3 listed in subsection (1). The mail reregistration procedure developed by the department must include a  
4 procedure to facilitate automated handling of mail reregistration or recertification.

5 (4) The procedure implemented by the department to permit reregistration or camper decal  
6 application by mail must provide for a written reminder notice by mail to a vehicle owner of the requirement  
7 to reregister the owner's vehicle with the county treasurer or to apply for the annual camper decal.

8 (5) The department shall adopt rules to implement the mail reregistration and decal application  
9 procedure."  
10

11 **NEW SECTION. Section 13. Codification instruction.** [Section 1] is intended to be codified as an  
12 integral part of Title 61, chapter 3, part 5, and the provisions of Title 61, chapter 3, part 5, apply to  
13 [section 1].  
14

15 **NEW SECTION. Section 14. Effective date.** [This act] is effective January 1, 1996.

16 -END-