

1 *House* BILL NO. 464 *more* *BENEDICT*
 2 INTRODUCED BY *Walters Adams* *Wells*
 3 *Bisnard Hayne Kitzberger Joe Haysen Billinger*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT DEFINING "REBUILT VEHICLES" AND "REBUILT SALVAGE
 5 VEHICLES"; CLARIFYING HOW REBUILT VEHICLES AND REBUILT SALVAGE VEHICLES ARE VALUED AND
 6 TITLED; AND AMENDING SECTIONS 61-3-210, 61-3-212, AND 61-3-503, MCA." *Bookout*

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

10 Section 1. Section 61-3-210, MCA, is amended to read:

11 "61-3-210. Definitions. As used in this part, the following definitions apply:

12 (1) "Cab" means the passenger compartment of a common truck or pickup truck. It is a unit of
 13 construction that includes the top or roof and the cowl and may or may not include glass, instrumentation,
 14 the steering column, and a seat or seats.

15 (2) "Center structure" includes the section of either a unibody or frame-type passenger vehicle that
 16 consists of a unit of sheet metal that extends from the firewall to the back of the rear seat or the centerline
 17 of the rear wheels. The structure may comprise the roof, side and rear window posts, cowl panel, dash
 18 panel, floor pans, doors, and rocker panels if two or more of these parts are assembled together as one
 19 unit.

20 (3) "Component part" means the front-end assembly, center structure, or tail section of an
 21 automobile, the cab of a truck, the bed of a 1-ton or lighter truck, the frame of a vehicle, or any part of a
 22 vehicle that contains a vehicle identification number or a derivative of a vehicle identification number.

23 (4) "Frame" means the structure that supports the automobile body and other external component
 24 parts.

25 (5) "Front-end assembly" includes the hood, right front and left front fenders, grill, bumper, and
 26 radiator supports if two or more of these parts are assembled together as one unit forward of the firewall.

27 (6) "Rebuilt salvage vehicle" means a salvage vehicle 5 years old or older.

28 (7) "Rebuilt vehicle" means a salvage vehicle that is less than 5 years old.

29 ~~(6)(8)~~ "Salvage certificate" means a certificate of ownership issued by the department for a salvage
 30 vehicle that may be used to retitle the vehicle.

1 ~~(7)~~(9) "Salvage vehicle" means:

2 (a) a vehicle damaged by collision, fire, flood, accident, trespass, or other occurrence to the extent
3 that the owner, an insurer, or other person acting on behalf of the owner determines that the cost of parts
4 and labor makes it uneconomical to repair the vehicle;

5 (b) a rebuilt vehicle; or

6 (c) a rebuilt salvage vehicle.

7 ~~(8)~~(10) "Salvage vehicle purchaser" means a person, other than an insurer, who purchases or
8 otherwise obtains possession of a salvage vehicle.

9 ~~(9)~~(11) "Tail section" includes the floor pan, right rear and left rear quarter panels, deck lid, upper
10 rear and lower rear panels, and rear bumper if two or more of these parts are assembled together as one
11 unit.

12 ~~(10)~~(12) "Vehicle identification number" means the number, letters, or combination of numbers and
13 letters assigned by the manufacturer, by the department, or in accordance with the laws of another state
14 or country for the purpose of identifying the vehicle or a component part of the vehicle."
15

16 **Section 2.** Section 61-3-212, MCA, is amended to read:

17 **"61-3-212. Retitling salvage vehicles -- penalty.** (1) Prior to operating a salvage vehicle on the
18 roads and highways of this state, the owner shall present the vehicle and the salvage certificate, if one has
19 been issued, or the certificate of ownership, the appropriate receipts or bills of sale establishing ownership,
20 and the source of component parts used to rebuild the vehicle to a department employee or designated
21 peace officer for inspection at a regional inspection site authorized under 61-3-202(7). An owner may
22 obtain a 72-hour temporary registration permit from the department or its designee for the purpose of
23 moving a salvage vehicle to and from the designated inspection site.

24 (2) (a) The inspector shall inspect the vehicle to verify the identity of the vehicle.

25 (b) The inspector shall verify that the component parts used to rebuild the vehicle are evidenced
26 by traceable receipts or bills of sale and that there are no indications that the vehicle or any of its parts are
27 stolen. Documentation provided by the owner or employee of a wrecking facility licensed under the
28 provisions of Title 75, chapter 10, part 5, is prima facie evidence of the facts stated in the documentation.

29 (3) Following inspection and prior to operating the vehicle on the roads and highways of this state,
30 the owner shall apply for a new certificate of ownership by submitting the application, the salvage

1 certificate, receipts or bills of sale, and a copy of the inspection report to the department.

2 (4) Upon receipt of the application, required documentation, and payment of the fee for a salvage
3 vehicle required in 61-3-202(8), the department shall issue a new certificate of ownership with the ~~words~~
4 word "rebuilt salvage" "salvage" on the face of the certificate.

5 (5) A person failing to comply with the provisions of this part is guilty of a misdemeanor and upon
6 conviction shall be fined an amount not to exceed \$500. The salvage vehicle purchaser shall produce the
7 salvage certificate upon request of a public official legally entitled to request the certificate. A person may
8 not operate or use a salvage vehicle on the roads or highways of this state except when a permit has been
9 issued."

10

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

12 **"61-3-503. Assessment.** (1) Except as provided in 61-3-520 and subsection (2) of this section,
13 the following apply to the taxation of motor vehicles:

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

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

23 (c) Vehicles subject to the provisions of 61-3-313 through 61-3-316 must be assessed as of the
24 first day of the registration period, using the average trade-in or wholesale value as of January 1 of the year
25 of assessment of the vehicle as contained in the most recent volume of the Mountain States Edition of the
26 National Automobile Dealers Association (N.A.D.A.) Official Used Car Guide, the National Edition of
27 N.A.D.A. Appraisal Guides Official Older Used Car Guide, or another nationally published used vehicle or
28 appraisal guide approved by the department of revenue or, for a vehicle that was never listed in any edition
29 of the preceding guides, the retail value of the vehicle as determined by the department of revenue, and
30 depreciated 10% a year until a value of \$500 is reached, not including additions or deductions for options

1 and mileage but including additions or deductions, whether or not one of the preceding guides is used, for
2 diesel engines; and a lien for taxes and fees due on the vehicle occurs on the anniversary date of the
3 registration and continues until the fees and taxes have been paid. If the value shown in any of the
4 appraisal guides listed in this section is less than \$500, the department shall value the vehicle at \$500.

5 (d) Quadricycles must be assessed, using the greater of the following:

6 (i) \$250; or

7 (ii) the average trade-in or wholesale value as of January 1 of the year of assessment of the vehicle
8 as contained in the most recent volume of the applicable National Edition of the N.A.D.A.
9 Motorcycle/Moped/ATV Appraisal Guide or N.A.D.A. Recreational Vehicle Appraisal Guide or another
10 nationally published used vehicle or appraisal guide approved by the department of revenue, not including
11 additions or deductions for options and mileage.

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

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

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

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

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

29 (2) The provisions of subsections (1)(a) through (1)(g) do not apply to motorcycles, motor homes,
30 travel trailers, campers, rebuilt salvage vehicles and rebuilt vehicles as defined in 61-3-210, or mobile

1 homes as defined in 15-1-101(1).

2 (3) For purposes of assessing rebuilt salvage vehicles and rebuilt vehicles, the value must be 60%
3 of the amount that would be determined under subsection (1)(c)."

4 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0464, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act defining "rebuilt vehicles" and "rebuilt salvage vehicles"; clarifying how rebuilt vehicles and rebuilt salvage vehicles are valued and titled.

ASSUMPTIONS:

1. In fiscal 1996 the Department of Justice performed more than 1,000 stage three vehicle inspections to verify vehicle identity and component parts and issued 303 branded titles based upon Montana salvage certificates. Approximately 700 of the stage three vehicle inspections performed in fiscal 1996 were for the purposes of retitling an older salvage vehicle for which no salvage certificate was previously issued. No increase in the number of stage three vehicle inspections is anticipated by the department since the department has been performing stage three inspections necessary for retitling purposes.
2. In fiscal 1998 the department would incur a one-time cost of \$800 necessary for 40 hours of programming to change the verbiage on the title, change the calculation of the assessment, and modify the current salvage process.

FISCAL IMPACT:

	<u>FY98</u>	<u>FY99</u>
<u>Expenditures:</u>	<u>Difference</u>	<u>Difference</u>
Operating Expenses	800	0
 <u>Funding:</u>		
General Fund (01)	800	0
 <u>Net Impact:</u>		
General Fund (01)	(800)	0

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The counties would experience a decrease in revenues due to the provision of Section 3 of HB 464 which amounts to a 40% reduction in the valuation of rebuilt salvage and rebuilt vehicles.

TECHNICAL NOTES:

If both HB 464 and SB 57 are passed, coordinating language would be necessary.

David Lewis 2-11-97
 DAVID LEWIS, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

Allan Walters 2-11-97
 ALLAN WALTERS, PRIMARY SPONSOR DATE

Fiscal Note for HB0464, as introduced

HB 464

APPROVED BY
COM ON TRANSPORTATION

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House BILL NO. *464* *more* *BENEDIOT*

INTRODUCED BY *Walter Adams* *Wells* *Brainerd* *Hayne* *Ketchum* *Joe Hays* *Billing*

A BILL FOR AN ACT ENTITLED: "AN ACT DEFINING "REBUILT VEHICLES" AND "REBUILT SALVAGE VEHICLES"; CLARIFYING HOW REBUILT VEHICLES AND REBUILT SALVAGE VEHICLES ARE VALUED AND TITLED; AND AMENDING SECTIONS 61-3-210, 61-3-212, AND 61-3-503, MCA."

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INTRODUCED BY Walter Adams Wells Green

Brainard Hayne Kitzberger Jore Hayes Bullinger

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