

HOUSE BILL NO. 319

INTRODUCED BY K. GALVIN-HALCRO, R. BROWN, SCHMIDT, WADDILL

1
2
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING A PERSON SELLING A VEHICLE OR TRADING A
5 VEHICLE TO A DEALER TO DISCLOSE WHETHER TAXES OR FEES IN LIEU OF TAX ARE DUE OR PAST DUE
6 AT THE TIME OF TRANSFER; REQUIRING THAT TAXES OR FEES IN LIEU OF TAXES DUE ON A VEHICLE
7 SOLD OR TRADED TO A NEW OR USED CAR DEALER BE PAID BY THE SELLER OF THE VEHICLE UNLESS
8 THE PERSON WHO PURCHASES THAT VEHICLE FROM THE DEALER AGREES IN WRITING TO ASSUME
9 THE PAYMENT OF THOSE TAXES OR FEES; AMENDING SECTION 61-3-501, MCA; AND PROVIDING AN
10 APPLICABILITY DATE."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13
14 **Section 1.** Section 61-3-501, MCA, is amended to read:

15 **"61-3-501. When vehicle taxes and fees are due.** (1) Motor vehicle taxes, fees in lieu of tax, new
16 car taxes, and fees must be paid on the date of registration or reregistration of the vehicle.

17 (2) (a) If the anniversary date for reregistration of a vehicle passes while the vehicle is owned and
18 held for sale by a licensed new or used car dealer, motor vehicle taxes or fees in lieu of tax abate on the
19 vehicle properly reported with the county treasurer until the vehicle is the subject of a retail sale. After the
20 sale, the purchaser shall pay the pro rata balance of the taxes or fees in lieu of tax due and owing on the
21 vehicle.

22 ~~(b) If the anniversary date for reregistration of a vehicle passes before the vehicle is purchased~~
23 ~~or accepted in trade by a licensed new or used car dealer and the vehicle has not been reregistered at the~~
24 ~~time of a subsequent retail sale or trade to a buyer by the acquiring dealer, motor vehicle taxes or fees in~~
25 ~~lieu of taxes due on the vehicle~~ A PERSON SELLING A VEHICLE OR TRADING A VEHICLE TO A DEALER SHALL DISCLOSE
26 TO THE PURCHASER ANY AMOUNT OF TAXES OR FEES IN LIEU OF TAX THAT ARE DUE OR PAST DUE ON THE VEHICLE AT THE
27 TIME THE PERSON SELLS A VEHICLE OR TRADES A VEHICLE TO A DEALER. IF THE DISCLOSURE IS NOT MADE, THE PERSON
28 SELLING THE VEHICLE OR TRADING THE VEHICLE TO THE DEALER SHALL PAY THE TAXES OR FEES. TAXES OR FEES IN LIEU
29 OF TAX THAT ARE DUE OR PAST DUE ON A VEHICLE AT THE TIME THAT A PERSON SELLS OR TRADES THE VEHICLE TO A
30 DEALER must be paid by the person who sold or traded the vehicle to the dealer, unless the person who

1 ~~purchases the vehicle from the dealer agrees in writing to assume the payment of those fees or taxes~~
2 ~~TAXES OR FEES. THIS SUBSECTION (2)(B) DOES NOT APPLY TO FLEET VEHICLES, LEASED VEHICLES, OR RENTAL RETURN~~
3 ~~VEHICLES.~~

4 ~~(b)(c)~~ For the purposes of this subsection (2), a retail sale does not include a transfer between any
5 of the following:

- 6 (i) a licensed new motor vehicle or used motor vehicle dealer;
- 7 (ii) another licensed new motor vehicle or used motor vehicle dealer;
- 8 (iii) a licensed wholesaler; or
- 9 (iv) a licensed auto auction.

10 (3) In the event that a vehicle's registration period is changed under 61-3-315, all taxes or fees
11 in lieu of tax and other fees due must be prorated and paid from the last day of the old period until the first
12 day of the new period in which the vehicle is registered. The taxes or fees in lieu of tax and other fees
13 must be paid from the first day of the new period for a minimum period of 1 year. When the change is to
14 a later registration period, taxes and fees must be prorated and paid based on the same tax year as the
15 original registration period. Thereafter, during the appropriate anniversary registration period, each vehicle
16 must again be registered or reregistered and all taxes and fees must be paid for a 12-month period."

17
18 NEW SECTION. **Section 2. Applicability.** [This act] applies to a motor vehicle sold or traded to
19 a new or used car dealer on or after October 1, 2001.

20 - END -