

## 1 SENATE BILL NO. 72

2 INTRODUCED BY B. GLASER

3 BY REQUEST OF THE REVENUE AND TAXATION INTERIM COMMITTEE

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE DISTRIBUTION OF LIGHT VEHICLE  
6 REGISTRATION FEES AND CERTAIN FEES IN LIEU OF TAX; PROVIDING THAT A PERCENTAGE OF LIGHT  
7 VEHICLE REGISTRATION FEES AND FEES IN LIEU OF TAX ON VEHICLES, WATERCRAFT,  
8 SNOWMOBILES, AND OFF-HIGHWAY VEHICLES ARE CREDITED TO THE HIGHWAY STATE SPECIAL  
9 REVENUE ACCOUNT; REMOVING LANGUAGE RELATED TO THE MOTOR VEHICLE SUSPENSE FUND;  
10 CLARIFYING THE DISTRIBUTION OF MOTOR VEHICLE REVENUE; AMENDING SECTIONS 15-10-420,  
11 23-2-518, 23-2-616, 23-2-803, AND 61-3-509, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE  
12 AND AN APPLICABILITY DATE."

13

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

15

16 **Section 1.** Section 15-10-420, MCA, is amended to read:

17 **"15-10-420. Procedure for calculating levy.** (1) A governmental entity that is authorized to impose  
18 mills may impose a mill levy sufficient to generate the amount of property taxes actually assessed in the  
19 prior year, even if that levy is greater than the levy established by law. The maximum number of mills that  
20 a governmental entity may impose is established by calculating the number of mills required to generate  
21 the amount of property tax actually assessed in the governmental unit in the prior year based on the  
22 current year taxable value, less the value of newly taxable property.

23 (2) A governmental entity may apply the levy calculated pursuant to subsection (1) plus any  
24 additional levies authorized by the voters to all property in the governmental unit, including newly taxable  
25 property.

26 (3) For purposes of this section, newly taxable property includes:

27 (a) annexation of real property and improvements into a taxing unit;

28 (b) construction, expansion, or remodeling of improvements;

29 (c) transfer of property into a taxing unit;

30 (d) subdivision of real property;

- 1 (e) reclassification of property;
- 2 (f) transfer of property from tax-exempt to taxable status; and
- 3 (g) revaluations caused by expansion, addition, replacement, or remodeling of improvements.
- 4 (4) Subsection (1) does not apply to school district general fund levies and the school district levy
- 5 for tuition obligations established in 20-5-324(5).
- 6 (5) For purposes of subsection (1), taxes imposed:
- 7 (a) include registration fees ~~imposed~~ collected on light vehicles under ~~61-3-561~~ 61-3-560 through
- 8 61-3-562 and distributed under 61-3-509(2)(b); and
- 9 (b) do not include net or gross proceeds taxes received under 15-6-131 and 15-6-132.
- 10 (6) In determining the maximum number of mills in subsection (1), the governmental entity shall
- 11 take into account any change from the prior year in the amount of statutory reimbursements for changes
- 12 in the property tax laws. The amount of motor vehicle disposition under 61-3-509(2), as that section read
- 13 on December 31, 2000, is an increased statutory reimbursement. It may increase the number of mills to
- 14 account for a decrease in reimbursements and shall decrease the number of mills to fully account for any
- 15 increase in reimbursements.
- 16 (7) The department shall calculate the number of mills to be imposed for purposes of 15-10-107,
- 17 20-9-331, 20-9-333, 20-9-360, 20-25-423, 20-25-439, and 53-2-813. However, the number of mills
- 18 calculated by the department may not exceed the mill levy limits established in those sections.
- 19 (8) The department may adopt rules to implement this section. The rules may include a method
- 20 for calculating the percentage of change in valuation for purposes of determining the elimination of
- 21 property, new improvements, or newly taxable property in a governmental unit."

22

23 **Section 2.** Section 23-2-518, MCA, is amended to read:

24 **"23-2-518. (Temporary) Disposition of fees in lieu of tax.** (1) Except for fees allocated under

25 subsection (2) and fees remitted to the state treasurer under subsection (3), the county treasurer shall

26 distribute ~~at~~ the remaining fees in lieu of tax collected on motorboats 10 feet in length or longer, sailboats

27 12 feet in length or longer, personal watercraft, motorized canoes, motorized rubber rafts, and motorized

28 pontoons pursuant to 23-2-516 and 23-2-517 in the relative proportions required by the levies for state,

29 county, school district, and municipal purposes in the same manner as personal property taxes are

30 distributed.

1 (2) The county treasurer shall allocate 20% of all fees in lieu of tax collected under this section  
 2 to the motorboat account in the state special revenue fund for use by the department as provided in  
 3 23-2-533.

4 (3) After deducting the amount specified in subsection (2), the county treasurer shall deduct  
 5 12.1% of the remaining fees in lieu of tax collected under this section and remit that amount to the state  
 6 treasurer in the same manner as provided in 61-3-509(1). (Terminates June 30, 2002--sec. 9, Ch. 476,  
 7 L. 1995.)

8 **23-2-518. (Effective July 1, 2002) Disposition of fees in lieu of tax. (1) ~~The~~ Except for fees**  
 9 **remitted to the state treasurer under subsection (2), the** county treasurer shall distribute ~~at~~ the remaining  
 10 fees in lieu of tax collected on motorboats 10 feet in length or longer, sailboats 12 feet in length or longer,  
 11 personal watercraft, motorized canoes, motorized rubber rafts, and motorized pontoons pursuant to  
 12 23-2-516 and 23-2-517 in the relative proportions required by the levies for state, county, school district,  
 13 and municipal purposes in the same manner as personal property taxes are distributed.

14 (2) The county treasurer shall deduct 12.1% of all fees in lieu of tax collected under this section  
 15 and remit that amount to the state treasurer in the same manner as provided in 61-3-509(1)."

16

17 **Section 3.** Section 23-2-616, MCA, is amended to read:

18 **"23-2-616. Registration and decals -- application and issuance -- use of certain fees.** (1) Except  
 19 for a snowmobile registered under 23-2-621, a snowmobile may not be operated on public lands by any  
 20 person in Montana unless it has been registered and there is displayed in a conspicuous place on both sides  
 21 of the cowl a decal as visual proof that the fee in lieu of property tax has been paid on it for the current  
 22 year and the immediately previous year as required by 15-16-202.

23 (2) Application for registration must be made to the county treasurer upon forms to be furnished  
 24 by the department of justice for this purpose, which may be obtained at the county treasurer's office in  
 25 the county where the owner resides. The application ~~shall~~ must contain the following information:

- 26 (a) the name and address of the owner;
- 27 (b) the certificate of ownership number;
- 28 (c) the make of the snowmobile;
- 29 (d) the model name of the snowmobile;
- 30 (e) the year of manufacture;

1 (f) a statement evidencing payment of the fee in lieu of property tax as required by 15-16-202;  
2 and

3 (g) other information as the department of justice may require.

4 (3) The application must be accompanied by a decal fee of \$5, a registration fee of 50 cents, and,  
5 if the snowmobile has previously been registered, by the registration certificate for the most recent year  
6 in which the snowmobile was registered. The treasurer shall sign the application and issue a registration  
7 receipt that must contain information considered necessary by the department of justice and a listing of  
8 fees paid. The owner shall retain possession of the registration receipt until it is surrendered to the county  
9 treasurer for reregistration or to a purchaser or subsequent owner pursuant to a transfer of ownership.

10 (4) The county treasurer shall forward the signed application to the department of justice and shall  
11 issue to the applicant a decal in the style and design prescribed by the department of justice and of a  
12 different color than the preceding year, numbered in sequence.

13 (5) The county treasurer may not accept any application under this section until the applicant has  
14 paid the decal and registration fees and the fee in lieu of property tax on the snowmobile for the current  
15 year and the immediately previous year as required by 15-16-202.

16 (6) All money collected from payment of the decal fees and all interest accruing from use of this  
17 money must be forwarded to the state treasurer and placed in the state special revenue fund to the credit  
18 of the department, with \$2.50 designated for use in enforcing the purposes of 23-2-601 through 23-2-644  
19 and \$2.50 designated for use in the development, maintenance, and operation of snowmobile facilities.  
20 All money collected from payment of the registration fee must be forwarded to the state treasurer and  
21 deposited in the general fund.

22 (7) The county treasurer shall deduct 12.1% of all fees in lieu of tax collected under this section  
23 and remit that amount to the state treasurer in the same manner as provided in 61-3-509(1).

24 ~~(7)(8) The~~ Except as provided in subsection (7), the county treasurer shall ~~credit all~~ distribute the  
25 remaining fees in lieu of tax collected on snowmobiles ~~to the county motor vehicle suspense fund in the~~  
26 same manner as provided for in 61-3-509(2)(b)."

27

28 **Section 4.** Section 23-2-803, MCA, is amended to read:

29 **"23-2-803. Fee in lieu of tax on off-highway vehicles -- exception -- disposition of fees.** (1) There  
30 is a fee in lieu of tax on off-highway vehicles, other than off-highway vehicles constituting the inventory

1 of a dealership licensed under 23-2-818, to be paid to the county treasurer of the county in which the  
2 owner of the off-highway vehicle resides.

3 (a) The fee for an off-highway vehicle less than 3 years old is \$19. In all other cases the fee is  
4 \$9.

5 (b) Except as provided in subsection (1)(c), the age of an off-highway vehicle is determined by  
6 subtracting the manufacturer's designated model year from the current calendar year.

7 (c) If the purchase year of an off-highway vehicle precedes the designated model year of the  
8 off-highway vehicle and the off-highway vehicle is originally titled in Montana, then the purchase year is  
9 considered the model year for the purposes of calculating the fee in lieu of tax.

10 (2) (a) Except as provided in ~~subsection~~ subsections (2)(b) and (2)(c), the county treasurer shall  
11 distribute ~~at~~ the remaining fees in lieu of tax collected on off-highway vehicles pursuant to this section  
12 in the relative proportions required by the levies for state, county, school district, and municipal purposes  
13 in the same manner as personal property taxes are distributed.

14 (b) The county treasurer shall remit \$1 of the fee in lieu of tax collected on an off-highway vehicle  
15 to the department of agriculture for deposit in the noxious weed management trust fund provided for in  
16 80-7-811.

17 (c) After deducting the amount specified in subsection (2)(b), the county treasurer shall deduct  
18 12.1% of the remaining fees in lieu of tax collected on off-highway vehicles and remit that amount to the  
19 state treasurer in the same manner as provided in 61-3-509(1)."

20

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

22 **"61-3-509. Disposition of taxes fees.** (1) ~~All registration fees imposed by 61-3-561 from light~~  
23 ~~vehicles, all registration fees imposed by 61-3-522 from motor homes, all fees in lieu of tax imposed by~~  
24 ~~61-3-527 from motorcycles and quadricycles, and all fees imposed by 61-3-529 from buses, motor~~  
25 ~~vehicles having a manufacturer's rated capacity of more than 1 ton, and truck tractors, for which a license~~  
26 ~~is sought and an original application for title that includes a manufacturer's statement of origin is made,~~  
27 ~~must be remitted~~ The county treasurer shall remit to the state treasurer every 30 days 12.1% of the  
28 amount collected from light vehicle registration fees imposed by 61-3-560 through 61-3-562 and from fees  
29 in lieu of tax imposed by 61-3-521, 61-3-527, and 61-3-529. The state treasurer shall credit the payments  
30 to the highway restricted state special revenue account.

