

FISCAL NOTE

Bill #: HB0086

Title: Prohibit registration of planes owned by LLCs if not garaged in state

Primary Sponsor: Trudi Schmidt

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
Expenditures:	\$0	\$0
Revenue:		
State Special Revenue	(\$16,800)	(\$16,800)
Net Impact on General Fund Balance:	\$0	\$0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
X		Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached	X		Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

1. There were 68 aircraft registered as owned by a Limited Liability Company (LLC) in Montana in CY 2000.
2. The 68 LLC aircraft registrations totaled \$33,600 in CY 2000.
3. It will be assumed that there may be as many as one-half or 34 aircraft under LLC registration that are not primarily or principally garaged in Montana and that 34 actual registrations equal \$16,800 in annual revenues.
4. All aircraft owned by an LLC are currently registered in Montana as an LLC.

FISCAL IMPACT:

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
<u>Revenues:</u>		
State Special Revenue (02)	(\$16,800)	(\$16,800)
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
State Special Revenue (02)	(\$16,800)	(\$16,800)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Ninety percent of the aircraft registration fees collected by the department are paid to the county in which the aircraft is based; therefore, the counties share of revenues in CY 2000 = \$30,240. There would be a \$15,120 loss in annual revenues to the counties assuming one-half of those aircraft would be affected by this statute change.

TECHNICAL NOTES:

1. The Department of Transportation has no mechanism or authority to determine if a limited liability company is organized under Title 35, chapter 8.
2. The only way the department can distinguish an LLC is if a company includes the letters "LLC" in its company name when registering an aircraft with the Federal Aviation Administration.
3. The department has no mechanism in place to determine if aircraft are permanently or principally garaged in Montana.
4. The bill has no definition for "principally garaged" within the state.
5. The bill title reads "permanently garaged", but the bill text reads "principally garaged".