

HOUSE BILL NO. 585

INTRODUCED BY B. HOVEN

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE FUNDING SOURCE FOR THE SENIOR CITIZEN AND PERSONS WITH DISABILITIES TRANSPORTATION SERVICES ACCOUNT; INCREASING THE RENTAL CAR SALES AND USE TAX; DECREASING VEHICLE AND VESSEL REGISTRATION FEES; AMENDING SECTIONS 15-1-122, 15-68-102, 61-3-321, 61-3-562, AND 61-3-721, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

Section 1. Section 15-1-122, MCA, is amended to read:

"15-1-122. Fund transfers. (1) There is transferred from the state general fund to the adoption services account, provided for in 42-2-105, a base amount of \$59,209, and the amount of the transfer must be increased by 10% in each succeeding fiscal year.

(2) For each fiscal year, there is transferred from the state general fund to the accounts, entities, or recipients indicated the following amounts:

(a) to the motor vehicle recycling and disposal program provided for in Title 75, chapter 10, part 5, 1.48% of the motor vehicle revenue deposited in the state general fund in each fiscal year. The amount of 9.48% of the allocation in each fiscal year must be used for the purpose of reimbursing the hired removal of abandoned vehicles. Any portion of the allocation not used for abandoned vehicle removal reimbursement must be used as provided in 75-10-532.

(b) to the noxious weed state special revenue account provided for in 80-7-816, 1.50% of the motor vehicle revenue deposited in the state general fund in each fiscal year;

(c) to the department of fish, wildlife, and parks:

(i) 0.46% of the motor vehicle revenue deposited in the state general fund, with the applicable percentage to be:

(A) used to:

(I) acquire and maintain pumpout equipment and other boat facilities, 4.8% in each fiscal year;

(II) administer and enforce the provisions of Title 23, chapter 2, part 5, 19.1% in each fiscal year;



- 1 (III) enforce the provisions of 23-2-804, 11.1% in each fiscal year; and
- 2 (IV) develop and implement a comprehensive program and to plan appropriate off-highway vehicle
3 recreational use, 16.7% in each fiscal year; and
- 4 (B) deposited in the state special revenue fund established in 23-1-105 in an amount equal to 48.3% in
5 each fiscal year;
- 6 (ii) 0.10% of the motor vehicle revenue deposited in the state general fund in each fiscal year, with 50%
7 of the amount to be used for enforcing the purposes of 23-2-601, 23-2-602, 23-2-611, 23-2-614 through 23-2-618,
8 23-2-621, 23-2-622, 23-2-631 through 23-2-635, and 23-2-641 through 23-2-644 and 50% of the amount
9 designated for use in the development, maintenance, and operation of snowmobile facilities; and
- 10 (iii) 0.16% of the motor vehicle revenue deposited in the state general fund in each fiscal year to be
11 deposited in the motorboat account to be used as provided in 23-2-533;
- 12 (d) 0.64% of the motor vehicle revenue deposited in the state general fund in each fiscal year, with
13 24.55% to be deposited in the state veterans' cemetery account provided for in 10-2-603 and with 75.45% to be
14 deposited in the veterans' services account provided for in 10-2-112(1);
- 15 (e) ~~0.30% of the motor vehicle revenue deposited in the state general fund in each fiscal year~~ an amount
16 equal to one-third of the tax imposed by 15-68-102(1)(b) and 15-68-102(3)(a)(ii) for deposit in the state special
17 revenue fund to the credit of the senior citizens and persons with disabilities transportation services account
18 provided for in 7-14-112; and
- 19 (f) to the search and rescue account provided for in 10-3-801, 0.04% of the motor vehicle revenue
20 deposited in the state general fund in each fiscal year.
- 21 (3) The amount of \$200,000 is transferred from the state general fund to the livestock loss reduction and
22 mitigation restricted state special revenue account provided for in 81-1-112 in each fiscal year.
- 23 (4) For the purposes of this section, "motor vehicle revenue deposited in the state general fund" means
24 revenue received from:
- 25 (a) fees for issuing a motor vehicle title paid pursuant to 61-3-203;
- 26 (b) fees, fees in lieu of taxes, and taxes for vehicles, vessels, and snowmobiles registered or reregistered
27 pursuant to 61-3-321 and 61-3-562;
- 28 (c) GVW fees for vehicles registered for licensing pursuant to Title 61, chapter 3, part 3; and
- 29 (d) all money collected pursuant to 15-1-504(3).
- 30 (5) The amounts transferred from the general fund to the designated recipient must be appropriated as

1 state special revenue in the general appropriations act for the designated purposes."

2

3 **Section 2.** Section 15-68-102, MCA, is amended to read:

4 **"15-68-102. Imposition and rate of sales tax and use tax -- exceptions.** (1) A sales tax of the
5 following percentages is imposed on sales of the following property or services:

6 (a) 3% on accommodations and campgrounds;

7 (b) ~~4%~~ 6% on the base rental charge for rental vehicles.

8 (2) The sales tax is imposed on the purchaser and must be collected by the seller and paid to the
9 department by the seller. The seller holds all sales taxes collected in trust for the state. The sales tax must be
10 applied to the sales price.

11 (3) (a) For the privilege of using property or services within this state, there is imposed on the person
12 using the following property or services a use tax equal to the following percentages of the value of the property
13 or services:

14 (i) 3% on accommodations and campgrounds;

15 (ii) ~~4%~~ 6% on the base rental charge for rental vehicles.

16 (b) The use tax is imposed on property or services that were:

17 (i) acquired outside this state as the result of a transaction that would have been subject to the sales tax
18 had it occurred within this state;

19 (ii) acquired within the exterior boundaries of an Indian reservation within this state as a result of a
20 transaction that would have been subject to the sales tax had it occurred outside the exterior boundaries of an
21 Indian reservation within this state;

22 (iii) acquired as the result of a transaction that was not initially subject to the sales tax imposed by
23 subsection (1) or the use tax imposed by subsection (3)(a) but which transaction, because of the buyer's
24 subsequent use of the property, is subject to the sales tax or use tax; or

25 (iv) rendered as the result of a transaction that was not initially subject to the sales tax or use tax but that
26 because of the buyer's subsequent use of the services is subject to the sales tax or use tax.

27 (4) For purposes of this section, the value of property must be determined as of the time of acquisition,
28 introduction into this state, or conversion to use, whichever is latest.

29 (5) The sale of property or services exempt or nontaxable under this chapter is exempt from the tax
30 imposed in subsections (1) and (3).

1 (6) Lodging facilities and campgrounds are exempt from the tax imposed in subsections (1)(a) and
 2 (3)(a)(i) until October 1, 2003, for contracts entered into prior to April 30, 2003, that provide for a guaranteed
 3 charge for accommodations or campgrounds."

4

5 **Section 3.** Section 61-3-321, MCA, is amended to read:

6 **"61-3-321. Registration fees of vehicles and vessels -- certain vehicles exempt from registration**
 7 **fees -- disposition of fees.** (1) Except as otherwise provided in this section, registration fees must be paid upon
 8 registration or, if applicable, renewal of registration of motor vehicles, snowmobiles, watercraft, trailers,
 9 semitrailers, and pole trailers as provided in subsections (2) through (20):

10 (2) Unless a light vehicle is permanently registered under 61-3-562, the annual registration fee for light
 11 vehicles, trucks and buses under 1 ton, and logging trucks less than 1 ton is as follows:

- 12 (a) if the vehicle is 4 or less years old, ~~\$217~~ \$216.75;
 13 (b) if the vehicle is 5 through 10 years old, ~~\$87~~ \$86.75; and
 14 (c) if the vehicle is 11 or more years old, ~~\$28~~ \$27.75.

15 (3) Except as provided in subsection (15), the one-time registration fee based on the declared weight
 16 of a trailer, semitrailer, or pole trailer is as follows:

- 17 (a) if the declared weight is less than 6,000 pounds, ~~\$61.25~~ \$61; or
 18 (b) if the declared weight is 6,000 pounds or more, ~~\$148.25~~ \$148.

19 (4) Except as provided in subsection (15), the one-time registration fee for motor vehicles owned and
 20 operated solely as collector's items pursuant to 61-3-411, based on the weight of the vehicle, is as follows:

- 21 (a) 2,850 pounds and over, ~~\$10~~ \$9.75; and
 22 (b) under 2,850 pounds, ~~\$5~~ \$4.75.

23 (5) Except as provided in subsection (15), the one-time registration fee for off-highway vehicles other
 24 than a quadricycle or motorcycle is ~~\$61.25~~ \$61.

25 (6) The annual registration fee for heavy trucks, buses, and logging trucks in excess of 1 ton is ~~\$22.75~~
 26 \$22.50.

27 (7) (a) The annual registration fee for a motor home, based on the age of the motor home, is as follows:

- 28 (i) less than 2 years old, ~~\$282.50~~ \$282.25;
 29 (ii) 2 years old and less than 5 years old, ~~\$224.25~~ \$224;
 30 (iii) 5 years old and less than 8 years old, ~~\$132.50~~ \$132.25; and

- 1 (iv) 8 years old and older, ~~\$97.50~~ \$97.25.
- 2 (b) The owner of a motor home that is 11 years old or older and that is subject to the registration fee
3 under this section may permanently register the motor home upon payment of:
- 4 (i) a one-time registration fee of ~~\$237.50~~ \$237.25;
- 5 (ii) unless a new set of license plates is being issued, an insurance verification fee of \$5, which must be
6 deposited in the account established under 61-6-158; and
- 7 (iii) if applicable, five times the renewal fees for personalized license plates under 61-3-406.
- 8 (8) (a) Except as provided in subsection (15), the one-time registration fee for motorcycles and
9 quadricycles registered for use on public highways is ~~\$53.25~~ \$53, and the one-time registration fee for
10 motorcycles and quadricycles registered for both off-road use and for use on the public highways is ~~\$114.50~~
11 \$114.25.
- 12 (b) An additional fee of \$16 must be collected for the registration of each motorcycle or quadricycle as
13 a safety fee, which must be deposited in the state motorcycle safety account provided for in 20-25-1002.
- 14 (9) Except as provided in subsection (15), the one-time registration fee for travel trailers, based on the
15 length of the travel trailer, is as follows:
- 16 (a) under 16 feet in length, ~~\$72~~ \$71.75; and
- 17 (b) 16 feet in length or longer, ~~\$152~~ \$151.75.
- 18 (10) Except as provided in subsection (15), the one-time registration fee for a motorboat, sailboat,
19 personal watercraft, or motorized pontoon required to be numbered under 23-2-512 is as follows:
- 20 (a) for a personal watercraft or a motorboat, sailboat, or motorized pontoon less than 16 feet in length,
21 ~~\$65.50~~ \$65.25;
- 22 (b) for a motorboat, sailboat, or motorized pontoon at least 16 feet in length but less than 19 feet in
23 length, ~~\$125.50~~ \$125.25; and
- 24 (c) for a motorboat, sailboat, or motorized pontoon 19 feet in length or longer, ~~\$295.50~~ \$295.25.
- 25 (11) (a) Except as provided in subsections (11)(b) and (15), the one-time registration fee for a
26 snowmobile is ~~\$60.50~~ \$60.25.
- 27 (b) (i) A snowmobile that is licensed by a Montana business and is owned exclusively for the purpose
28 of daily rental to customers is assessed:
- 29 (A) a fee of ~~\$40.50~~ \$40.25 in the first year of registration; and
- 30 (B) if the business reregisters the snowmobile for a second year, a fee of ~~\$20~~ \$19.75.

1 (ii) If the business reregisters the snowmobile for a third year, the snowmobile must be permanently
2 registered and the business is assessed the registration fee imposed in subsection (11)(a).

3 (12) (a) The one-time registration fee for a low-speed electric vehicle is ~~\$25~~ \$24.75.

4 (b) The one-time registration fee for a golf cart that is owned by a person who has or is applying for a
5 low-speed restricted driver's license is ~~\$25~~ \$24.75.

6 (c) The one-time registration fee for golf carts authorized to operate on certain public streets and
7 highways pursuant to 61-8-391 is ~~\$25~~ \$24.75. Upon receipt of the fee, the department shall issue the owner a
8 decal, which must be displayed visibly on the golf cart.

9 (13) (a) Except as provided in subsection (13)(b), a fee of \$10 must be collected when a new set of
10 standard license plates, a new single standard license plate, or a replacement set of special license plates
11 required under 61-3-332 is issued. The \$10 fee imposed under this subsection does not apply when previously
12 issued license plates are transferred under 61-3-335. All registration fees imposed under this section must be
13 paid if the vehicle to which the plates are transferred is not currently registered.

14 (b) Until January 1, 2015, an additional fee of \$15 must be collected if a vehicle owner elects to keep
15 the same license plate number from license plates issued on or after January 1, 2006, but before January 1,
16 2010, when replacement of those plates is required under 61-3-332(3).

17 (c) The fees imposed in this subsection (13) must be deposited in the account established under
18 61-6-158, except that \$2 of the fee imposed in subsection (13)(a) must be deposited in the state general fund.

19 (14) The provisions of this part with respect to the payment of registration fees do not apply to and are
20 not binding upon motor vehicles, trailers, semitrailers, snowmobiles, watercraft, or tractors owned or controlled
21 by the United States of America or any state, county, city, or special district, as defined in 18-8-202, or to a vehicle
22 or vessel that meets the description of property exempt from taxation under 15-6-201(1)(a), (1)(d), (1)(e), (1)(g),
23 (1)(h), (1)(i), (1)(k), (1)(l), (1)(n), or (1)(o), 15-6-203, or 15-6-215, except as provided in 61-3-520.

24 (15) Whenever ownership of a trailer, semitrailer, pole trailer, off-highway vehicle, motorcycle,
25 quadricycle, travel trailer, motor home, motorboat, sailboat, personal watercraft, motorized pontoon, snowmobile,
26 motor vehicle owned and operated solely as a collector's item pursuant to 61-3-411, or low-speed electric vehicle
27 is transferred, the new owner shall title and register the vehicle or vessel as required by this chapter and pay the
28 fees imposed under this section.

29 (16) A person eligible for a waiver under 61-3-460 is exempt from the fees required under this section.

30 (17) Except as otherwise provided in this section, revenue collected under this section must be deposited

1 in the state general fund.

2 (18) The fees imposed by subsections (2) through (12) are not required to be paid by a dealer for the
3 enumerated vehicles or vessels that constitute inventory of the dealership.

4 (19) (a) Unless a person exercises the option in either subsection (19)(b) or (19)(c), an additional fee of
5 \$6 must be collected for each light vehicle registered under this part. This fee must be accounted for and
6 transmitted separately from the registration fee. The fee must be deposited in an account in the state special
7 revenue fund to be used for state parks, for fishing access sites, and for the operation of state-owned facilities.
8 Of the \$6 fee, the department of fish, wildlife, and parks shall use \$5.37 for state parks, 25 cents for fishing
9 access sites, and 38 cents for the operation of state-owned facilities at Virginia City and Nevada City.

10 (b) A person who registers a light vehicle may, at the time of annual registration, certify that the person
11 does not intend to use the vehicle to visit state parks and fishing access sites and may make a written election
12 not to pay the additional \$6 fee provided for in subsection (19)(a). If a written election is made, the fee may not
13 be collected.

14 (c) (i) A person who registers one or more light vehicles may, at the time of annual registration, certify
15 that the person does not intend to use any of the vehicles to visit state parks and fishing access sites and may
16 make a written election not to pay the additional \$6 fee provided for in subsection (19)(a). If a written election is
17 made, the fee may not be collected at any subsequent annual registration unless the person makes the written
18 election to pay the additional fee on one or more of the light vehicles.

19 (ii) The written election not to pay the additional fee on a light vehicle expires if the vehicle is registered
20 to a different person.

21 (20) For each light vehicle, trailer, semitrailer, pole trailer, heavy truck, motor home, motorcycle,
22 quadricycle, and travel trailer subject to a registration fee under this section, an additional fee of \$5 must be
23 collected and forwarded to the state for deposit in the account established in 44-1-504.

24 (21) This section does not apply to a motor vehicle, trailer, semitrailer, or pole trailer that is governed by
25 61-3-721."

26

27 **Section 4.** Section 61-3-562, MCA, is amended to read:

28 **"61-3-562. Permanent registration -- transfer of light vehicle ownership -- rules.** (1) (a) The owner
29 of a light vehicle 11 years old or older subject to the registration fee, as provided in 61-3-321(2), may permanently
30 register the light vehicle upon payment of a ~~\$87.50~~ \$87.25 registration fee, the applicable registration and license

1 fees under 61-3-412, if applicable, the administrative fee and the annual one-time-only donation fee for a generic
2 specialty license plate under 61-3-480, and an amount equal to five times the local option motor vehicle tax or
3 flat fee on vehicles under 61-3-537 and, as applicable, either:

4 (i) (A) the original fee and four times the renewal fee for personalized plates; or

5 (B) five times the renewal fees for personalized plates; or

6 (ii) if a new set of license plates is not being issued, an insurance verification fee of \$5, which must be
7 deposited in the account established under 61-6-158.

8 (b) The following series of license plates may not be used for purposes of permanent registration of a
9 light vehicle:

10 (i) Montana national guard license plates issued under 61-3-458(2)(b);

11 (ii) reserve armed forces license plates issued under 61-3-458(2)(c);

12 (iii) amateur radio operator license plates issued under 61-3-422; and

13 (iv) collegiate license plates issued under 61-3-465.

14 (2) In addition to the fees described in subsection (1), an owner of a truck with a manufacturer's rated
15 capacity of 1 ton or less that is permanently registered shall pay five times the applicable fees imposed under
16 61-10-201.

17 (3) The owner of a motor vehicle that is permanently registered under this section is not subject to
18 additional registration fees or to other motor vehicle registration fees described in this section for as long as the
19 owner owns the vehicle.

20 (4) The county treasurer shall once each month remit to the state the amounts collected under this
21 section, other than the local option motor vehicle tax or flat fee, for the purposes of 61-3-321(2) and 61-10-201.
22 The county treasurer shall retain the local option motor vehicle tax or flat fee.

23 (5) (a) The permanent registration of a light vehicle allowed by this section may not be transferred to a
24 new owner. If the light vehicle is transferred to a new owner, the department shall cancel the light vehicle's
25 permanent registration.

26 (b) Upon transfer of a light vehicle registered under this section to a new owner, the new owner shall
27 apply for a certificate of title under 61-3-201 and 61-3-216 and register the light vehicle under 61-3-303."
28

29 **Section 5.** Section 61-3-721, MCA, is amended to read:

30 **"61-3-721. Proportional registration of motor fleet vehicles, registration periods, application, fee**

1 **formula, and payment -- permanent registration of trailer and semitrailer fleets -- transfer of ownership**
 2 **-- transfer of license plates.** (1) An owner of one or more fleets may register and license each fleet for operation
 3 in this state by filing an application with the department of transportation. The application must contain the
 4 information pertinent to motor vehicle, trailer, semitrailer, or pole trailer registration that is required by the
 5 department of transportation. If an electronic record of title has not been created for or a certificate of title issued
 6 for an apportionable vehicle in the fleet, the department of transportation, as an authorized agent of the
 7 department of justice, may also process the application for certificate of title for the vehicle as provided in
 8 61-3-203 and 61-3-217.

9 (2) Except as provided in 61-3-318(1) and subsection (6) of this section, each fleet subject to the
 10 provisions of 61-3-711 through 61-3-733 must be registered for an annual registration period based upon the date
 11 that the fleet is first registered in this state.

12 (3) There are four annual registration periods, each of which begins on the first day of a calendar quarter.
 13 As used in this subsection, "calendar quarter" means the period of 3 consecutive months ending March 31, June
 14 30, September 30, or December 31. The periods are:

- | | |
|--------------------------------------|------------|
| 15 (a) January 1 through March 31 | 1st period |
| 16 (b) April 1 through June 30 | 2nd period |
| 17 (c) July 1 through September 30 | 3rd period |
| 18 (d) October 1 through December 31 | 4th period |

19 (4) Registration of a fleet of apportionable motor vehicles under subsection (2) must be renewed on or
 20 before the last day of the month for the designated annual registration period unless a different registration period
 21 has been authorized pursuant to 61-3-716(2). The department shall provide for simultaneous registration of
 22 multiple fleets of apportionable motor vehicles in common ownership.

23 (5) Except as provided in subsection (6), the application for each fleet may be accompanied by a fee
 24 payment computed by:

25 (a) dividing in-state miles by total fleet miles as defined in the applicable agreement, arrangement, or
 26 declaration entered into pursuant to 61-3-711 through 61-3-733;

27 (b) determining the total amount necessary to register each motor vehicle, trailer, semitrailer, or pole
 28 trailer in the fleet for which registration is requested, based on the regular annual registration fees prescribed by
 29 61-3-321 and chapter 10, part 2, and the property taxes that are due on the fleet;

30 (c) multiplying the sum obtained under subsection (5)(b) by the fraction obtained under subsection (5)(a).

1 (6) Upon renewal or new registration, each trailer, semitrailer, or pole trailer fleet must be permanently
2 registered and assessed a registration fee of ~~\$82.50~~ \$82.25. Each trailer, semitrailer, or pole trailer in the fleet
3 must be issued a permanent license plate and registration decal.

4 (7) The fee assessed in subsection (6) is a one-time fee except upon transfer of ownership of a trailer,
5 semitrailer, or pole trailer.

6 (8) If the owner of a fleet removes a trailer, semitrailer, or pole trailer from the fleet, the owner shall
7 surrender the registration and license plate assigned to the trailer, semitrailer, or pole trailer to the department
8 of transportation. The owner may not transfer the license plate and registration decal to a trailer, semitrailer, or
9 pole trailer that is added to the fleet.

10 (9) Applications submitted with fees may be recomputed by the department of transportation. The
11 department of transportation shall furnish a statement showing the overpayment or balance due.

12 (10) Applications submitted without fees must be computed by the department of transportation. The
13 department of transportation shall furnish a statement showing the amount of fees due."
14

15 **NEW SECTION. Section 6. Transition.** For fiscal year 2014, the amount of the transfer provided for
16 in 15-1-122(2)(e) must equal:

17 (1) 0.30% of the motor vehicle revenue deposited in the general fund after June 30, 2013, and before
18 January 1, 2014; and

19 (2) one-third of the tax collected under 15-68-102(1)(b) and 15-68-102(3)(a)(ii) after December 31, 2013,
20 and before July 1, 2014.
21

22 **NEW SECTION. Section 7. Effective date.** [This act] is effective January 1, 2014.
23

24 **NEW SECTION. Section 8. Applicability.** [This act] applies to rental car sales and use taxes levied
25 and vehicle registration fees collected after December 31, 2013.
26

- END -