



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill # HB0414

Title: Permit registration of motor vehicle to those having a place of abode in Montana

Primary Sponsor: Hoven, Brian

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2014 Difference</u>	<u>FY 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$1,243,045	\$1,243,045	\$1,243,045	\$1,243,045
State Special Revenue	\$139,392	\$139,392	\$139,392	\$139,392
Net Impact-General Fund Balance:	<u>\$1,243,045</u>	<u>\$1,243,045</u>	<u>\$1,243,045</u>	<u>\$1,243,045</u>

Description of fiscal impact: HB 414 allows for individuals who have an abode in Montana, but are not considered Montana residents, to title and register their vehicles in Montana.

FISCAL ANALYSIS

Assumptions:

Department of Justice – Motor Vehicle Division (MVD)

1. This bill has an effective date of upon passage and approval.
2. Under the provisions of HB 414, the owners of motor vehicles who are not residents of Montana, but have a place of abode in Montana will be required to pay the following registration fees: light vehicle registration fee (\$217.00/\$87.00/\$28.00 depending on age of the vehicle), county local option tax (percentage of the vehicle's taxable value), MHP salary and retention fee (\$5.00), light vehicle state parks fee (\$6.00 optional), a plate issuance fee (\$10.00) and a title issuance fee (\$12.00).
3. In lieu of more specific information on who might qualify as under the requirements of this bill, estimates are based on information obtained from the sale of out-of-state temporary registration permits (TRP) sold in calendar year 2012.

4. Nonresidents of Montana who could be issued a TRP could either be nonresidents with a place of abode who cannot register in the county where their abode is located, or nonresidents who purchase vehicles and return home to register them.
5. In calendar year 2012, approximately 11,616 out-of state TRPs were issued. Of those TRPs, MVD estimates that half of them may have a place of abode in Montana resulting in approximately 5,808 vehicles that would qualify under this bill for registration and titling in Montana (11,616 TRPs * 50% = 5,808 vehicles)
6. MVD estimates that of the vehicles in assumption #5 5,212 vehicles would be four years old or less and 687 vehicles would be five to ten years old.
7. Lacking more specific information, MVD assumed that the number of individuals who would be eligible for registration of motor vehicles under this bill would only register one light motor vehicle and no other vehicle or vehicle type.
8. MVD estimates the following annual fiscal impacts may occur: (1) a general fund increase in light vehicle registration fees of \$1,190,773 ((5,212 vehicles 1-4 years old x \$217.00) + (687 vehicles 5-10 years old x \$87.00)); (2) a state special revenue increase in MHP salary and retention fee of \$29,040 (5,808 vehicles x \$5.00); (3) a state special revenue increase in the light vehicle state parks fee of \$34,848 (5,808 vehicles x \$6.00); (4) a general fund increase of \$11,616 (5,808 vehicles x \$ 8.00) and an increase in state special revenue of \$46,464 (5,808 vehicles x \$8.00) for issuance of license plates; and (5) an increase in the state general fund of \$40,656 (5,808 vehicles x \$7.00) and an increase in state special revenue of \$29,040 (5,808 x \$5.00) for titling fees.
9. Operating expenses including training could be absorbed by MVD in the existing budget.
10. Appropriate programming is currently in place within the Montana Enhanced Registration and Licensing Information Network (MERLIN) to accommodate the change.

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$0	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$1,243,045	\$1,243,045	\$1,243,045	\$1,243,045
State Special Revenue (02)	\$139,392	\$139,392	\$139,392	\$139,392
TOTAL Revenues	<u>\$1,382,437</u>	<u>\$1,382,437</u>	<u>\$1,382,437</u>	<u>\$1,382,437</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$1,243,045	\$1,243,045	\$1,243,045	\$1,243,045
State Special Revenue (02)	\$139,392	\$139,392	\$139,392	\$139,392

Effect on County or Other Local Revenues or Expenditures:

1. County Local Option Taxes will provide counties with an increase in revenue for each vehicle registered in the respective county.

Sponsor's Initials

Date

Budget Director's Initials

Date