

Motor Vehicle Fee

Revenue Description

The state assesses a variety of motor vehicle fees, including fees for the filing of motor vehicle liens, fees for new license plates, title fees, and annual and permanent registration fees. The fees vary according to the type of vehicle and the type of license plate. There are also Gross Vehicle Weight (GVW) fees on trucks and pickups, special fees for senior citizen transportation, veteran services, the highway patrol pension fund, salaries for the highway patrol, motorcycle safety, electronic commerce applications, and an optional registration fee on light vehicles for state parks and fishing access sites.

All fees on motorcycles and quadricycles, trailers, travel trailers, snowmobiles, off-highway vehicles, and watercraft are one-time only and permanent, except upon change of ownership. Fees on other vehicles are annual. Light vehicles older than ten years old may be licensed permanently, at the option of the owner.

Statutory Reference

Fee Rate – multiple, but generally in [Title 61, Chapter 3, MCA](#); permanent registration: [61-3-562, MCA](#)

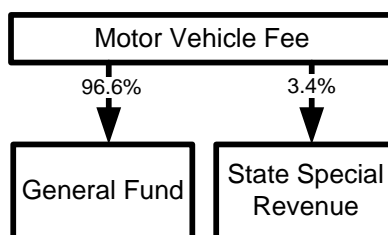
Tax Distribution – [61-3-108, MCA](#)

Applicable Tax Rates: Various

Collection Frequency: Monthly

Distribution

Most motor vehicle fees are allocated to the general fund. Some fees or a portion of them are distributed to the specific state special revenue accounts, or to the county general fund.



Comparison of Legislative and Executive Forecasts

Motor vehicle fees are combined with vehicle tax to produce the estimate for vehicle taxes and fees. The difference between the legislative and executive forecasts is small, and primarily due to slight modeling differences.

Vehicle Taxes & Fees (\$ Millions)				
	FY 2015	FY 2016	FY 2017	Total
Executive Forecast	\$102.200	\$104.600	\$107.200	\$314.000
Legislative Forecast	102.290	103.566	104.769	310.626
Difference	(\$0.090)	\$1.034	\$2.431	\$3.374
% Difference	-0.1%	1.0%	2.3%	1.1%

Forecast Risks

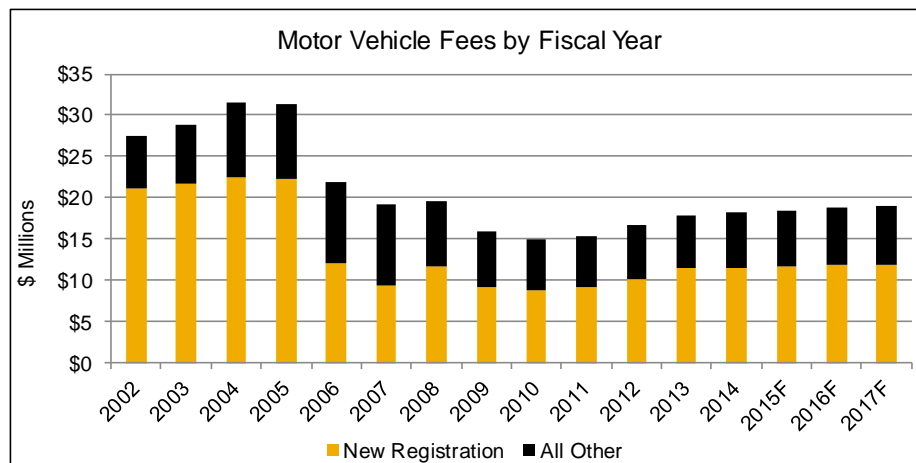
- Changes in forecast growth of Montana vehicle stock
- Changes to forecast growth of new vehicle sales

Data

The data used to estimate the motor vehicle (MV) fees are obtained from the state accounting system (SABHRS) and IHS.

Analysis

MV fees are currently imposed at different rates on eight major categories. Included in the fees assessed on motor vehicles in Montana are registration fees, two types of record liens, title fees, personal and new plate fees, senior transit fees, and veteran's administration fees. The ninth category is made up of other miscellaneous fees assessed on motor vehicles. As shown in the figure below, the collection of motor vehicle fees has been highly variable since FY 2000. The figure below also shows the impact of the reduction and subsequent change in classifying vehicle registration fee revenue as vehicle tax revenue in FY 2006 and FY 2007. This change in the vehicle registration fees is the combined impact of SB 285 and HB 671, both implemented in the 2005 session. However, since registration fee revenues are now recorded as vehicle taxes, the net change to total revenues is zero.



With constant fees, the future change in MV fees results from change in the vehicle stock in Montana. Because fee payments are directly connected to the number of vehicles in the state, estimates for the MV fees are made by applying estimated growth rates to the previous year revenue. Growth rates for the stock of Montana vehicles are modeled on IHS estimates for the national and Montana-specific vehicle stock and new car sales nationwide. The growth rate is applied to the base year revenues of each fee category and projected forward at the same rate for all estimated fiscal years. The estimated tax collections of each category are then combined to create the total estimates for the MV fees.

Business and Personal Taxes
Revenue Estimate Assumptions

Motor Vehicle Fee

FY	Total Tax \$ Millions	GF Tax \$ Millions	GF Fee Registration \$ Millions	GF Fee Record \$ Millions	GF Fee Titles \$ Millions	GF Fee Personal \$ Millions	GF Fee VA Cemetery \$ Millions
A 2002	\$27.457	\$27.271	\$21.180	\$0.728	\$2.353	\$1.270	
A 2003	28.906	28.352	21.712	0.696	2.442	1.354	
A 2004	31.602	30.724	22.577	0.737	2.660	1.492	
A 2005	31.362	30.640	22.231	0.717	2.608	1.508	
A 2006	21.903	21.195	12.085	0.688	2.369	1.418	\$0.233
A 2007	19.141	18.401	9.452	0.699	2.495	1.364	0.231
A 2008	19.616	18.995	11.677	0.719	2.464	1.336	0.193
A 2009	15.905	15.345	9.114	0.526	2.126	1.219	0.183
A 2010	14.917	14.377	8.826	0.545	2.156	1.233	0.185
A 2011	15.353	14.814	9.283	0.538	2.286	1.230	0.189
A 2012	16.643	16.084	10.242	0.559	2.387	1.246	0.195
A 2013	17.921	17.334	11.418	0.588	2.444	1.250	0.196
A 2014	18.208	18.162	11.494	0.593	2.457	1.240	0.201
F 2015	18.530	17.900	11.697	0.603	2.500	1.261	0.205
F 2016	18.761	18.123	11.843	0.611	2.531	1.277	0.207
F 2017	18.979	18.333	11.980	0.618	2.561	1.292	0.210

FY	GF Fee New Plate \$ Millions	GF Fee Computer \$ Millions	GF Fee \$.25 \$ Millions	GF Fee Other \$ Millions	GF Fee Transit \$ Millions	Non GF Fee Lien \$ Millions
A 2002	\$0.525	(\$0.001)	\$0.024	\$1.084	\$0.109	\$0.186
A 2003	0.492	-	-	1.221	0.435	0.554
A 2004	0.910	-	-	1.559	0.394	0.878
A 2005	1.192	-	-	1.468	0.373	0.722
A 2006	2.865	-	-	1.335	0.203	0.708
A 2007	3.102	-	-	1.057	-	0.740
A 2008	1.493	-	-	1.113	-	0.621
A 2009	1.278	-	-	0.899	-	0.560
A 2010	0.660	-	-	0.772	-	0.540
A 2011	0.529	-	-	0.759	-	0.538
A 2012	0.554	-	-	0.900	-	0.559
A 2013	0.535	-	-	0.903	-	0.588
A 2014	0.850	-	-	1.374	-	-
F 2015	0.865	-	-	1.398	-	-
F 2016	0.875	-	-	1.416	-	-
F 2017	0.886	-	-	1.432	-	-

