

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 (96.6%) 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.

Summary of Legislative Action

[House Bill 167](#) – This legislation exempts off-highway vehicles (OHV) registered in an adjacent state from the purchase of a \$27 temporary use sticker if that state does not require users of OHV's registered in Montana to pay a fee in that state.

[Senate Bill 393](#) – This legislation further extends certain vehicle title and lien fees, and directs the fees to the motor vehicle information technology system account. The bill provides for an online new drivers' license renewal system. The bill eliminates a general fund fee and extends state special revenue fees slated to expire in FY 2017 and FY 2019, through June 30, 2026.

Motor Vehicle Fee – Legislation Passed by 64th Legislature General Fund Impact (\$ Millions)			
Bill Number and Short Title	FY 2015	FY 2016	FY 2017
HB0167 Generally revise off-highway vehicle laws	-	(\$0.006)	(\$0.006)
SB0393 Revise vehicle security interest & title filing fees; driver license renewals	-	-	-
Total General Fund Impact	-	(\$0.006)	(\$0.006)

Revenue Estimate Methodology

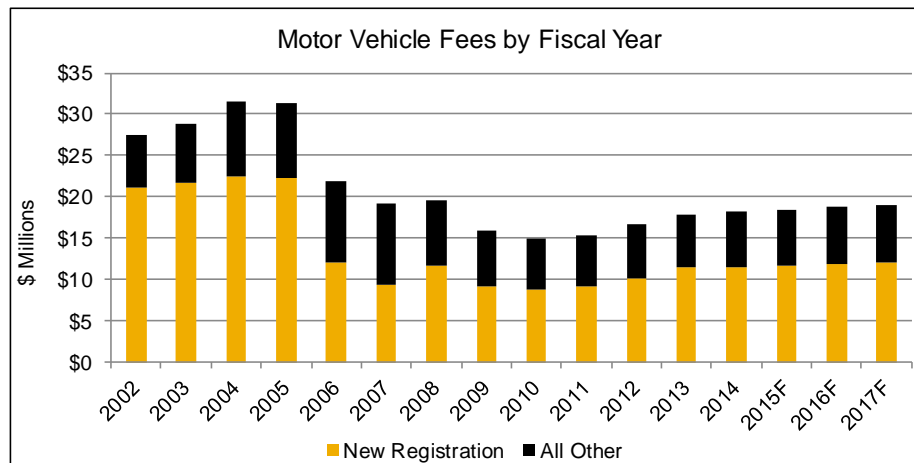
Data

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.

Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2015 Legislature.

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	18.492	17.863	11.673	0.602	2.495	1.259	0.204
F 2016	18.783	18.144	11.857	0.612	2.534	1.279	0.208
F 2017	19.037	18.389	12.017	0.620	2.568	1.296	0.210

