

**Driver's License Fees**

**Revenue Description**

A resident of Montana must have a valid driver's license to operate a motor vehicle on any highway in the state. A driver's license is issued only if the applicant passes specified examinations and pays fees. The fees are collected by Department of Justice, Motor Vehicle Division staff or county treasurers and are forwarded to the state treasurer for deposit. If collected by the county treasurers, a portion is retained by the county. The estimates shown in this source are net of revenue retained by the counties. The fees included in this source are from regular driver's licenses, commercial driver's licenses, motorcycle endorsements, duplicate driver's licenses, and renewal notices.

**Statutory Reference**

Tax Rates – Duplicate licenses: [61-5-114, MCA](#); all others: [61-5-111\(6\), MCA](#)

Tax Distribution – [61-5-121, MCA](#)

Date Due – Upon application

**Applicable Tax Rates**

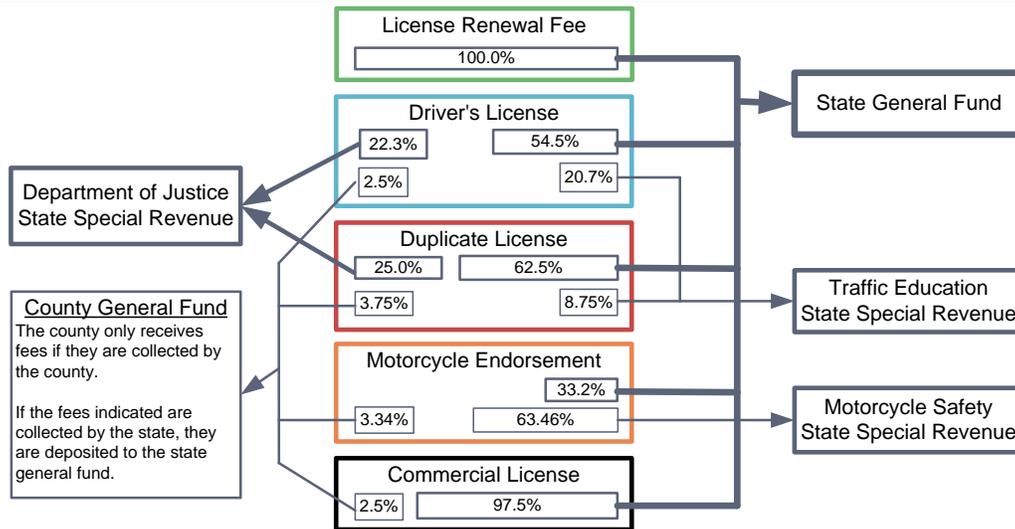
- Driver's license, except a commercial driver's license: \$5.00 per year or fraction of a year
- Motorcycle endorsement: \$0.50 per year or fraction of a year
- Commercial driver's licenses (includes the basic license fee of \$5.00)
  - Interstate: \$10.00 per year or fraction of a year
  - Intrastate: \$8.50 per year or fraction of a year
- Duplicate license: \$10.00
- Renewal notice: \$0.50

**Collection Frequency:** Monthly

**Distribution**

The distribution of license fee revenue varies by the type of license and who collects the fee. The table below shows the current statutory distribution. Note that the portion allocated to counties applies only when the county collects the fee. Otherwise, the county allocation is added to the general fund distribution.

Distribution of Driver's License Fees					
Allocation	Driver's License	Replacement License	Motorcycle Endorsement	Commercial Driver's License	Renewal Notice
County or State General Fund	2.5%	3.8%	3.3%	2.5%	0.0%
Motorcycle Safety Account	0.0%	0.0%	63.5%	0.0%	0.0%
Traffic Education Account	20.7%	8.8%	0.0%	16.5%	0.0%
State General Fund	<u>76.8%</u>	<u>87.5%</u>	<u>33.2%</u>	<u>80.6%</u>	<u>100.0%</u>
Total	100.0%	100.0%	100.0%	99.6%	100.0%



**Summary of Legislative Action:** No impacting legislation was enacted in the 2015 session.

**Revenue Estimate Methodology**

The driver's license revenue estimate is based on the number of the six various licenses/fees, multiplied by the applicable fee. The number of licenses is modeled on Montana driving age population.

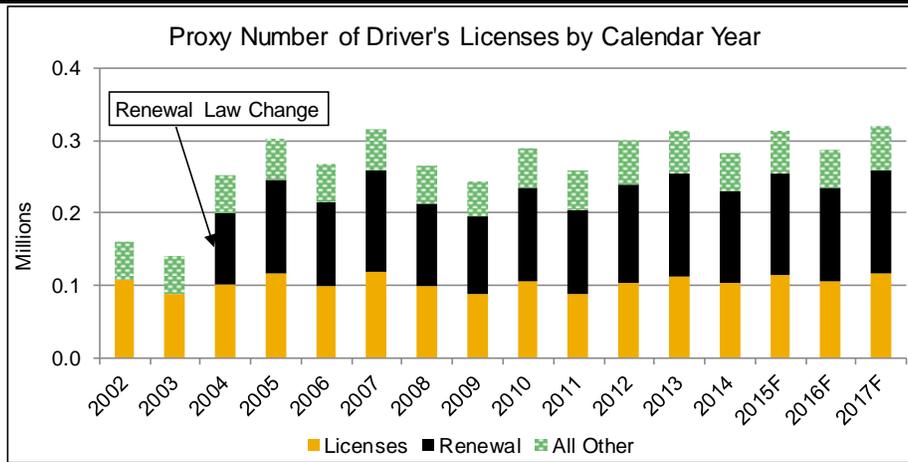
Data

There are six different sources of revenue—five different driver's licenses and the renewal notice. The best source of data for the number of licenses and the renewal notice is contained in the history of revenue collections for each of these six items from SABHRS.

Analysis

The methodology used to determine the number of each license/fee differs slightly:

1. The proxy numbers for driver's and motorcycle licenses are obtained by multiplying the driving age population estimate for each year by the last known actual ratio of driver's licenses to driving age population. This ratio differs between odd and even years, and is applied accordingly.
2. For duplicate licenses, the proxy number is derived by multiplying the number of driver's licenses by the previous year's ratio between the number of duplicates and drivers licenses. Because the driver's license proxy includes the effects of population change, these effects are also included in the proxy for duplicate licenses.
3. The proxies for the number of interstate and intrastate licenses are the amounts from the last known fiscal year.
4. To approximate the number of renewal notices, the ratio between the previous years' number of notices to the proxy number of licenses is multiplied by the estimated number of licenses. Since the license proxy includes the effects of population change, these effects are also included in the proxy for renewal notices.
5. Based on historical percentages, amounts retained by the counties are calculated and subtracted from the total revenue to derive the state's portion.



**Adjustments and Distribution**

Once the proxy number for each license has been estimated, adjustments, if any, are made. After any adjustments, the applicable distribution percentage of the revenue for each license fee is applied (see the "Distribution" section).

**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 Fee \$ Millions	GF Fee \$ Millions	GF Fee Licenses Millions	GF Fee Duplicates Millions	GF Fee Cycle Millions	GF Fee Commercial Millions	GF Fee Renewal Millions
A 2002	\$4.173	\$2.580	-	-	-	-	-
A 2003	3.421	2.119	-	-	-	-	-
A 2004	4.895	3.021	\$2.224	\$0.190	\$0.013	\$0.410	\$0.049
A 2005	5.562	3.373	2.557	0.216	0.016	0.401	0.064
A 2006	4.872	3.828	3.072	0.307	0.012	0.346	0.058
A 2007	5.747	4.609	3.654	0.282	0.017	0.439	0.071
A 2008	4.845	3.866	3.037	0.285	0.013	0.377	0.058
A 2009	4.326	3.478	2.778	0.288	0.012	0.314	0.054
A 2010	5.166	4.156	3.315	0.278	0.018	0.430	0.065
A 2011	4.614	3.711	2.808	0.285	0.014	0.515	0.058
A 2012	5.432	4.369	3.259	0.295	0.018	0.689	0.068
A 2013	5.638	4.527	3.526	0.298	0.018	0.573	0.071
A 2014	5.043	4.051	3.255	0.308	0.014	0.374	0.064
F 2015	5.486	4.395	3.593	0.340	0.019	0.374	0.070
F 2016	5.089	4.081	3.315	0.313	0.015	0.374	0.065
F 2017	5.573	4.465	3.655	0.346	0.019	0.374	0.071

FY	Proxy Licenses	Proxy Duplicates	Proxy Cycle	Proxy Interstate	Proxy Intrastate	Proxy Renewal
A 2002	0.108	0.029	0.010	0.011	0.003	-
A 2003	0.089	0.035	0.008	0.009	0.001	-
A 2004	0.102	0.030	0.010	0.010	0.001	0.099
A 2005	0.117	0.035	0.012	0.009	0.001	0.129
A 2006	0.100	0.035	0.009	0.008	0.001	0.116
A 2007	0.119	0.032	0.013	0.010	0.001	0.141
A 2008	0.099	0.033	0.010	0.008	0.001	0.116
A 2009	0.088	0.032	0.009	0.007	0.001	0.108
A 2010	0.105	0.031	0.012	0.009	0.001	0.130
A 2011	0.089	0.032	0.010	0.011	0.001	0.116
A 2012	0.104	0.033	0.013	0.015	0.002	0.136
A 2013	0.112	0.033	0.013	0.013	0.001	0.143
A 2014	0.104	0.034	0.010	0.008	0.001	0.127
F 2015	0.114	0.038	0.013	0.008	0.001	0.140
F 2016	0.106	0.035	0.010	0.008	0.001	0.129
F 2017	0.116	0.038	0.013	0.008	0.001	0.143

**Revenue Projection**

