

SENATE BILL NO. 260

INTRODUCED BY B. GLASER, D. TOEWS, D. FUCHS, L. GRINDE, J. HARP, B. KEENAN, W. MCNUTT, S. ROSE, M. SPRAGUE, K. MILLER

A BILL FOR AN ACT ENTITLED: "AN ACT REDUCING THE TAXES ON LIGHT VEHICLES AND FLEET VEHICLES BY ONE-HALF; PROVIDING THAT THE TAX RATE DECREASES AS THE STATEWIDE VALUE OF LIGHT AND FLEET VEHICLES INCREASES; PROVIDING THAT THE AMOUNT OF MONEY DISTRIBUTED TO THE DISTRICT COURT FUND FROM LIGHT VEHICLE TAXES REMAIN UNCHANGED; CHANGING THE DISTRIBUTION FORMULA FOR MOTOR VEHICLE TAX COLLECTIONS; INCREASING THE PERMISSIBLE TAX RATE ALLOWED UNDER THE LOCAL OPTION VEHICLE TAX; REQUIRING A VOTE FOR IMPOSITION OF THE LOCAL OPTION VEHICLE TAX; PROVIDING FOR THE TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE STATE SPECIAL REVENUE ACCOUNTS FOR PURPOSES OF THE 6-MILL UNIVERSITY LEVY AND THE 9-MILL COUNTY PUBLIC ASSISTANCE LEVY; AMENDING SECTIONS 20-9-141, 61-3-504, 61-3-509, AND 61-3-537, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

SECTION 1. SECTION 20-9-141, MCA, IS AMENDED TO READ:

"20-9-141. Computation of general fund net levy requirement by county superintendent. (1) The county superintendent shall compute the levy requirement for each district's general fund on the basis of the following procedure:

(a) Determine the funding required for the district's final general fund budget less the sum of direct state aid and the special education allowable cost payment for the district by totaling:

(i) the district's nonisolated school BASE budget requirement to be met by a district levy as provided in 20-9-303; and

(ii) any general fund budget amount adopted by the trustees of the district under the provisions of 20-9-308 and 20-9-353, including any additional funding for a general fund budget that exceeds the maximum general fund budget.

(b) Determine the money available for the reduction of the property tax on the district for the general fund by totaling:

- 1 (i) the general fund balance reappropriated, as established under the provisions of 20-9-104;
- 2 (ii) amounts received in the last fiscal year for which revenue reporting was required for each of the
- 3 following:
- 4 (A) tuition payments for out-of-district pupils under the provisions of 20-5-321 through 20-5-323, except
- 5 the amount of tuition received for a pupil who is a child with disabilities in excess of the amount received for a
- 6 pupil without disabilities, as calculated under 20-5-323(2);
- 7 (B) revenue from taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504, 61-3-521, 61-3-527,
- 8 61-3-529, 61-3-537, and 67-3-204;
- 9 (C) oil and natural gas production taxes;
- 10 (D) interest earned by the investment of general fund cash in accordance with the provisions of
- 11 20-9-213(4);
- 12 (E) revenue from corporation license taxes collected from financial institutions under the provisions of
- 13 15-31-702; and
- 14 (F) any other revenue received during the school fiscal year that may be used to finance the general
- 15 fund, excluding any guaranteed tax base aid;
- 16 (G) reimbursements for unrealized motor vehicle tax revenue, as provided in 61-3-509(1); and
- 17 (iii) pursuant to subsection (4), anticipated revenue from coal gross proceeds under 15-23-703.
- 18 (c) Notwithstanding the provisions of subsection (2), subtract the money available to reduce the property
- 19 tax required to finance the general fund that has been determined in subsection (1)(b) from any general fund
- 20 budget amount adopted by the trustees of the district, up to the BASE budget amount, to determine the general
- 21 fund BASE budget levy requirement.
- 22 (d) Subtract any amount remaining after the determination in subsection (1)(c) from any additional
- 23 funding requirement to be met by an over-BASE budget amount, a district levy as provided in 20-9-303, and any
- 24 additional financing as provided in 20-9-353 to determine any additional general fund levy requirements.
- 25 (2) The county superintendent shall calculate the number of mills to be levied on the taxable property
- 26 in the district to finance the general fund levy requirement for any amount that does not exceed the BASE budget
- 27 amount for the district by dividing the amount determined in subsection (1)(c) by the sum of:
- 28 (a) the amount of guaranteed tax base aid that the district will receive for each mill levied, as certified
- 29 by the superintendent of public instruction; and
- 30 (b) the taxable valuation of the district divided by 1,000.

1 (3) The net general fund levy requirement determined in subsections (1)(c) and (1)(d) must be reported  
 2 to the county commissioners on the fourth Monday of August by the county superintendent as the general fund  
 3 net levy requirement for the district, and a levy must be set by the county commissioners in accordance with  
 4 20-9-142.

5 (4) For each school district, the department of revenue shall calculate and report to the county  
 6 superintendent the amount of revenue anticipated for the ensuing fiscal year from revenue from coal gross  
 7 proceeds under 15-23-703."

8

9 **Section 2.** Section 61-3-504, MCA, is amended to read:

10 **"61-3-504. Computation of tax.** (1) The amount of taxes on a light vehicle, except for vehicles  
 11 registered under 61-3-456 or owned by disabled veterans qualifying for special license plates under  
 12 61-3-332(10)(c) or 61-3-426(2), is ~~2%~~ 1% THE PERCENTAGE DETERMINED UNDER SUBSECTION (3) of the value  
 13 determined under 61-3-503.

14 (2) The amount of tax on fleet vehicles subject to the provisions of 61-3-318 is ~~4%~~ 0.5% ONE-HALF OF THE  
 15 PERCENTAGE DETERMINED UNDER SUBSECTION (3) of the value determined under 61-3-503.

16 (3) FOR THE TAX YEAR YEARS BEGINNING AFTER DECEMBER 31, 2000, THE TAXABLE PERCENTAGE FOR THE  
 17 COMPUTATION OF TAXES UNDER THIS SECTION IS DETERMINED PRIOR TO THE START OF A TAX YEAR BY MULTIPLYING THE  
 18 STATEWIDE TOTAL TAXABLE VALUE OF MOTOR VEHICLES SUBJECT TO TAXATION UNDER THIS SECTION FOR THE FIRST HALF  
 19 OF THE PRIOR CALENDAR YEAR BY THE PRIOR YEAR TAX RATE AND THEN DIVIDING THE PRODUCT BY THE STATEWIDE TOTAL  
 20 TAXABLE VALUE OF MOTOR VEHICLES SUBJECT TO TAXATION UNDER THIS SECTION FOR THE FIRST HALF OF THE CURRENT  
 21 CALENDAR YEAR. FOR THE TAX YEAR BEGINNING AFTER DECEMBER 31, 1999, THE RATE IS ~~f1.4%~~. TO DETERMINE THE  
 22 RATE FOR TAX YEAR 2001, THE TAX RATE FOR THE FIRST HALF OF CALENDAR YEAR 1999 IS CONSIDERED TO BE ~~f1.4%~~."

23

24 **Section 3.** Section 61-3-509, MCA, is amended to read:

25 **"61-3-509. Disposition of taxes.** (1) Except as provided in subsection (2), the county treasurer shall,  
 26 after deducting the district court fee, credit all taxes on motor vehicles and fees in lieu of tax on motorcycles,  
 27 quadricycles, motor homes, travel trailers, campers, trailers, pole trailers, semitrailers, buses, trucks having a  
 28 manufacturer's rated capacity of more than 1 ton, and truck tractors, collected under 61-3-504, 61-3-521,  
 29 61-3-527, 61-3-529, and 61-3-537, to a motor vehicle suspense fund. At some time between March 1 and March  
 30 10 of each year and every 60 days after that date, the county treasurer shall distribute the money in the motor

1 vehicle suspense fund. EXCEPT FOR TAXES COLLECTED UNDER 61-3-504, THE COUNTY TREASURER SHALL DISTRIBUTE  
 2 THE MONEY IN THE FUND in the relative proportions required by the levies for state, county, school district, and  
 3 municipal purposes in the same manner as personal property taxes are distributed. FOR MONEY IN THE FUND  
 4 COLLECTED UNDER 61-3-504, THE COUNTY TREASURER SHALL DISREGARD THE STATEWIDE MILLS LEVIED FOR THE  
 5 UNIVERSITY SYSTEM AND THE MILLS LEVIED FOR STATE EQUALIZATION AID UNDER 20-9-360 IN DETERMINING DISTRIBUTION  
 6 PROPORTIONS OF THE MONEY AND MAY NOT DISTRIBUTE MONEY FROM 61-3-504 TO THE STATE FOR EITHER LEVY. IF THE  
 7 DISTRIBUTION OF MONEY COLLECTED UNDER 61-3-504 TO A SCHOOL DISTRICT GENERAL FUND RESULTS IN A LOWER  
 8 REVENUE THAN THE DISTRICT RECEIVED IN FISCAL YEAR 1999 AND THE DISTRICT HAS, FOR ALL YEARS AFTER FISCAL YEAR  
 9 1999, RECEIVED LESS REVENUE THAN FISCAL YEAR 1999, THEN THE DISTRICT GENERAL FUND IS ENTITLED TO STATE  
 10 REIMBURSEMENT FOR THE AMOUNT OF THE DIFFERENCE BETWEEN THE FISCAL YEAR 1999 REVENUE AND THE CURRENT  
 11 YEAR DISTRIBUTIONS OF COLLECTIONS UNDER 61-3-504.

12 (2) The county treasurer shall deduct as a district court fee ~~7%~~ ~~14%~~ {10%} of the amount of the ~~2%~~ ~~1%~~  
 13 tax collected on light vehicles under 61-3-504(1). The county treasurer shall credit the fee for district courts to a  
 14 separate suspense account and shall forward the amount in the account to the state treasurer at the time that  
 15 the county treasurer distributes money from the motor vehicle suspense fund. The state treasurer shall credit  
 16 amounts received under this subsection to the state special revenue fund to be used for purposes of state funding  
 17 of district court expenses as provided in 3-5-901."

18

19 **Section 4.** Section 61-3-537, MCA, is amended to read:

20 **"61-3-537. (Temporary) Local option vehicle tax.** (1) A county may impose a local vehicle tax on  
 21 vehicles subject to a tax under 61-3-504 at a rate of up to ~~0.5%~~ ~~0.25%~~ 0.7% of the value determined under  
 22 61-3-503, in addition to the tax imposed under 61-3-504.

23 (2) A local vehicle tax is payable at the same time and in the same manner as the tax imposed under  
 24 61-3-504. The first priority of the local vehicle tax is for district court funding, and the tax is distributed as follows:

25 (a) 50% to the county; and

26 (b) the remaining 50% to the county and the incorporated cities and towns within the county, apportioned  
 27 on the basis of population. The distribution to a city or town is determined by multiplying the amount of money  
 28 available by the ratio of the population of the city or town to the total county population. The distribution to the  
 29 county is determined by multiplying the amount of money available by the ratio of the population of unincorporated  
 30 areas within the county to the total county population.

1 (3) The governing body of a county may impose, revise, or revoke a local vehicle tax ~~by adopting a~~  
 2 ~~resolution before July 1, after conducting a public hearing on the proposed resolution. The~~ IF THE IMPOSITION,  
 3 REVISION, OR REVOCATION OF THE TAX IS APPROVED BY THE ELECTORATE OF THE COUNTY. THE IMPOSITION, REVISION,  
 4 OR REVOCATION OF THE TAX IS EFFECTIVE ON JANUARY 1 FOLLOWING ITS APPROVAL BY THE ELECTORATE. THE COUNTY  
 5 GOVERNING BODY BY resolution may provide for the distribution of the local vehicle tax. (Terminates June 30,  
 6 2005--sec. 2, 3, Ch. 217, L. 1995.)

7 **61-3-537. (Effective July 1, 2005) Local option vehicle tax.** (1) A county may impose a local vehicle  
 8 tax on vehicles subject to a tax under 61-3-504 at a rate of up to 0.5% ~~0.25%~~ 0.7% of the value determined under  
 9 61-3-503, in addition to the tax imposed under 61-3-504.

10 (2) A local vehicle tax is payable at the same time and in the same manner as the tax imposed under  
 11 61-3-504 and is distributed in the same manner, based on the registration address of the owner of the motor  
 12 vehicle.

13 (3) The governing body of a county may impose, revise, or revoke a local vehicle tax ~~by adopting a~~  
 14 ~~resolution before July 1, after conducting a public hearing on the proposed resolution~~ IF THE IMPOSITION, REVISION,  
 15 OR REVOCATION OF THE TAX IS APPROVED BY THE ELECTORATE OF THE COUNTY. THE IMPOSITION, REVISION, OR  
 16 REVOCATION OF THE TAX IS EFFECTIVE ON JANUARY 1 FOLLOWING ITS APPROVAL BY THE ELECTORATE."

17

18 ~~NEW SECTION. SECTION 5. COORDINATION INSTRUCTION. IF CONSTITUTIONAL INITIATIVE NO. 75, ENACTING~~  
 19 ~~ARTICLE VIII, SECTION 17, OF THE MONTANA CONSTITUTION, IS DECLARED INVALID PRIOR TO JANUARY 1, 2000, THEN THE~~  
 20 ~~BRACKETED PERCENTAGE IN [THIS ACT] IN:~~

21 ~~(1) [SECTION 2], AMENDING 61-3-504(3), IS VOID AND IS REPLACED BY "1.3%"; AND~~

22 ~~(2) [SECTION 3], AMENDING 61-3-509(2), IS VOID AND IS REPLACED BY "10.75%".~~

23

24 **NEW SECTION. SECTION 5. FUND TRANSFERS.** (1) THERE IS TRANSFERRED FROM THE GENERAL FUND TO  
 25 THE STATE SPECIAL REVENUE FUND REFERRED TO IN [SECTION 1 OF SENATE BILL NO. 79] \$604,305 FOR FISCAL YEAR  
 26 2000 AND \$1,268,732 FOR FISCAL YEAR 2001.

27 (2) THERE IS TRANSFERRED FROM THE GENERAL FUND TO THE STATE SPECIAL REVENUE FUND REFERRED TO  
 28 IN 53-2-813(2) TO THE CREDIT OF THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES, \$87,471 FOR FISCAL YEAR  
 29 2000 AND \$183,644 FOR FISCAL YEAR 2001.

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