

1 HOUSE BILL NO. 165

2 INTRODUCED BY \*\*\*\*

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING VEHICLE REGISTRATION FEES TO REDUCE  
 5 PROPERTY TAXES; INCREASING VEHICLE REGISTRATION FEES AND REQUIRING A COUNTY TO USE  
 6 THE REVENUE TO PROVIDE A RESIDENTIAL PROPERTY EXEMPTION FOR COUNTY PROPERTY  
 7 TAXES; AMENDING SECTIONS 61-3-321, 61-3-562, AND 61-6-158, MCA; AND PROVIDING EFFECTIVE  
 8 DATES AND AN APPLICABILITY DATE."

9  
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11  
 12 **NEW SECTION. Section 1. County residential property exemption.** (1) The revenue collected  
 13 from the fees provided for in 61-3-321(20)(b) and 61-3-562(1)(b) must be used by a county or consolidated city-  
 14 county to replace county property taxes levied on residential property as provided in this section.

15 (2) The county shall exempt a portion of residential property value from taxation as provided in this  
 16 section. The exemption applies only to mills levied by the county or the consolidated city-county.

17 (3) The county treasurer shall annually determine the exemption amount for residential property by:

18 (a) subtracting from county property taxes expected to be levied on residential property the revenue  
 19 collected in the previous fiscal year from the fees provided for in 61-3-321(20)(b) and 61-3-562(1)(b); and

20 (b) calculating the percentage that when applied to the total residential property value in the county  
 21 multiplied by the residential property tax rate and the county mill levy results in the amount determined under  
 22 subsection (3)(a).

23 (4) The county treasurer shall apply the exemption amount determined as provided in subsection (3)  
 24 to the county mills levied on all residential property in the county.

25  
 26 **Section 2.** Section 61-3-321, MCA, is amended to read:

27 **"61-3-321. Registration fees of vehicles and vessels -- certain vehicles exempt from**  
 28 **registration fees -- disposition of fees -- definition.** (1) Except as otherwise provided in this section,

1 registration fees must be paid upon registration or, if applicable, renewal of registration of motor vehicles,  
2 snowmobiles, watercraft, trailers, semitrailers, and pole trailers as provided in subsections (2) through (20).

3 (2) (a) Except as provided in subsection (2)(b), unless a light vehicle is permanently registered under  
4 61-3-562, the annual registration fee for light vehicles, trucks, and buses that weigh 1 ton or less and for  
5 logging trucks that weigh 1 ton or less is as follows:

- 6 (i) if the vehicle is 4 or less years old, \$217;
- 7 (ii) if the vehicle is 5 through 10 years old, \$87; and
- 8 (iii) if the vehicle is 11 or more years old, \$28.

9 (b) For a light vehicle with a manufacturer's suggested retail price of more than \$150,000 that is 10  
10 years old or less, the annual registration fee is the amount provided for in subsection (2)(a) plus \$825.

11 (3) (a) Except as provided in subsections (3)(b) and (15), the one-time registration fee based on the  
12 declared weight of a trailer, semitrailer, or pole trailer is as follows:

- 13 (i) if the declared weight is less than 6,000 pounds, \$61.25; or
- 14 (ii) if the declared weight is 6,000 pounds or more, \$148.25.

15 (b) For a trailer, semitrailer, or pole trailer that is registered under 61-3-701, the annual registration  
16 fee based on the declared weight is as follows:

- 17 (i) if the declared weight is less than 6,000 pounds, \$30; or
- 18 (ii) if the declared weight is 6,000 pounds or more, \$60.

19 (4) Except as provided in subsection (15), the one-time registration fee for motor vehicles owned and  
20 operated solely as collector's items pursuant to 61-3-411, based on the weight of the vehicle, is as follows:

- 21 (a) 2,850 pounds and over, \$10; and
- 22 (b) under 2,850 pounds, \$5.

23 (5) (a) Except as provided in subsections (5)(b) and (15), the one-time registration fee for off-highway  
24 vehicles other than a quadricycle or motorcycle is \$61.25.

25 (b) Whenever a valid summer motorized recreation trail pass issued pursuant to 23-2-111 is affixed to  
26 an off-highway vehicle other than a quadricycle or motorcycle, the one-time registration fee is \$41.25.

27 (6) The annual registration fee for heavy trucks, buses, and logging trucks in excess of 1 ton is  
28 \$22.75.

1 (7) (a) Except as provided in subsection (7)(c), the annual registration fee for a motor home, based  
2 on the age of the motor home, is as follows:

- 3 (i) less than 2 years old, \$282.50;  
4 (ii) 2 years old and less than 5 years old, \$224.25;  
5 (iii) 5 years old and less than 8 years old, \$132.50; and  
6 (iv) 8 years old and older, \$97.50.

7 (b) The owner of a motor home that is 11 years old or older and that is subject to the registration fee  
8 under this section may permanently register the motor home upon payment of:

- 9 (i) a one-time registration fee of \$237.50;  
10 (ii) unless a new set of license plates is being issued, an insurance verification fee of \$5, which must  
11 be deposited in the account established under 61-6-158;  
12 (iii) if applicable, five times the renewal fees for personalized license plates under 61-3-406; and  
13 (iv) if applicable, the donation fee for a generic specialty license plate under 61-3-480 or a collegiate  
14 license plate under 61-3-465.

15 (c) For a motor home with a manufacturer's suggested retail price of more than \$300,000 that is 10  
16 years old or less, the annual registration fee is the amount provided in subsection (7)(a) plus \$800.

17 (8) (a) (i) Except as provided in subsections (8)(b), (8)(c), and (15), the one-time registration fee for  
18 motorcycles and quadricycles registered for use on the public highways is \$53.25, the one-time registration fee  
19 for motorcycles and quadricycles registered for off-highway use is \$53.25, and the one-time registration fee for  
20 motorcycles and quadricycles registered for both off-road use and for use on the public highways is \$114.50.

21 (ii) An additional fee of \$16 must be collected for the registration of each motorcycle or quadricycle as  
22 a safety fee, which must be deposited in the state motorcycle safety account provided for in 20-25-1002.

23 (b) (i) The annual registration fee for motorcycles and quadricycles registered for use on the public  
24 highways under 61-3-701 is \$44.

25 (ii) The annual registration fee for motorcycles and quadricycles registered for off-highway use under  
26 61-3-701 is \$44.

27 (iii) The annual registration fee for motorcycles and quadricycles registered for both off-road use and  
28 for use on the public highways under 61-3-701 is \$88.

1 (iv) An additional safety fee of \$7 must be collected annually for each motorcycle or quadricycle  
2 registered under 61-3-701. The safety fee must be deposited in the state motorcycle safety account provided  
3 for in 20-25-1002.

4 (c) Whenever a valid summer motorized recreation trail pass issued pursuant to 23-2-111 is affixed to  
5 a motorcycle or quadricycle, the one-time registration fee for motorcycles and quadricycles registered for:

6 (i) use on the public highways is \$33.25; and

7 (ii) both off-road use and for use on the public highways is \$94.50.

8 (9) Except as provided in subsection (15), the one-time registration fee for travel trailers, based on the  
9 length of the travel trailer, is as follows:

10 (a) under 16 feet in length, \$72; and

11 (b) 16 feet in length or longer, \$152.

12 (10) Except as provided in subsection (15), the one-time registration fee for a motorboat, sailboat,  
13 personal watercraft, or motorized pontoon required to be numbered under 23-2-512 is as follows:

14 (a) for a personal watercraft or a motorboat, sailboat, or motorized pontoon less than 16 feet in length,  
15 \$65.50;

16 (b) for a motorboat, sailboat, or motorized pontoon at least 16 feet in length but less than 19 feet in  
17 length, \$125.50; and

18 (c) for a motorboat, sailboat, or motorized pontoon 19 feet in length or longer, \$295.50.

19 (11) (a) Except as provided in subsections (11)(b), (11)(c), and (15), the one-time registration fee for a  
20 snowmobile is \$60.50.

21 (b) Whenever a valid snowmobile trail pass issued pursuant to 23-2-636 is affixed to a snowmobile,  
22 the one-time registration fee is \$40.50.

23 (c) (i) A snowmobile that is licensed by a Montana business and is owned exclusively for the purpose  
24 of daily rental to customers is assessed:

25 (A) a fee of \$40.50 in the first year of registration; and

26 (B) if the business reregisters the snowmobile for a second year, a fee of \$20.

27 (ii) If the business reregisters the snowmobile for a third year, the snowmobile must be permanently  
28 registered and the business is assessed the registration fee imposed in subsection (11)(a).

1 (12) (a) The one-time registration fee for a low-speed electric vehicle is \$25.

2 (b) The one-time registration fee for a golf cart that is owned by a person who has or is applying for a  
3 low-speed restricted driver's license is \$25.

4 (c) The one-time registration fee for golf carts authorized to operate on certain public streets and  
5 highways pursuant to 61-8-391 is \$25. Upon receipt of the fee, the department shall issue the owner a decal,  
6 which must be displayed visibly on the golf cart.

7 (13) (a) Except as provided in subsection (13)(b), a fee of \$10 must be collected when a new set of  
8 standard license plates, a new single standard license plate, or a replacement set of special license plates  
9 required under 61-3-332 is issued. The \$10 fee imposed under this subsection (13)(a) does not apply when  
10 previously issued license plates are transferred under 61-3-335. All registration fees imposed under this section  
11 must be paid if the vehicle to which the plates are transferred is not currently registered.

12 (b) An additional fee of \$15 must be collected if a vehicle owner elects to keep the same license plate  
13 number from license plates issued before January 1, 2010, when replacement of those plates is required under  
14 61-3-332(3).

15 (c) The fees imposed in this subsection (13) must be deposited in the account established under 61-  
16 6-158, except that \$2 of the fee imposed in subsection (13)(a) must be deposited in the state general fund.

17 (14) The provisions of this part with respect to the payment of registration fees do not apply to and are  
18 not binding upon motor vehicles, trailers, semitrailers, snowmobiles, watercraft, or tractors owned or controlled  
19 by the United States of America or any state, county, city, or special district, as defined in 18-8-202, or to a  
20 vehicle or vessel that meets the description of property exempt from taxation under 15-6-201(1)(a), (1)(d),  
21 (1)(e), (1)(g), (1)(h), (1)(i), (1)(k), (1)(l), (1)(n), or (1)(o), 15-6-203, or 15-6-215, except as provided in 61-3-520.

22 (15) Whenever ownership of a trailer, semitrailer, pole trailer, off-highway vehicle, motorcycle,  
23 quadricycle, travel trailer, motor home, motorboat, sailboat, personal watercraft, motorized pontoon,  
24 snowmobile, motor vehicle owned and operated solely as a collector's item pursuant to 61-3-411, or low-speed  
25 electric vehicle is transferred, the new owner shall title and register the vehicle or vessel as required by this  
26 chapter and pay the fees imposed under this section.

27 (16) A person eligible for a waiver under 61-3-460 is exempt from the fees required under this section.

28 (17) Except as otherwise provided in this section, revenue collected under this section must be

1 deposited in the state general fund.

2 (18) The fees imposed by subsections (2) through (12) are not required to be paid by a dealer for the  
3 enumerated vehicles or vessels that constitute inventory of the dealership.

4 (19) (a) Unless a person exercises the option in either subsection (19)(b) or (19)(c), an additional fee  
5 of \$9 must be collected for each light vehicle registered under this part. This fee must be accounted for and  
6 transmitted separately from the registration fee. Of the \$9 fee:

7 (i) \$6.74 must be deposited in the state special revenue account established in 23-1-105 and used for  
8 state parks;

9 (ii) 50 cents must be deposited in an account in the state special revenue fund to the credit of the  
10 department of fish, wildlife, and parks and used for fishing access sites;

11 (iii) \$1.37 must be deposited in the trails and recreation facilities state special revenue account  
12 established in 23-2-108; and

13 (iv) 39 cents must be deposited in the Montana heritage preservation and development account  
14 established in 22-3-1004 and used for the operation of state-owned facilities at Virginia City and Nevada City.

15 (b) A person who registers a light vehicle may, at the time of annual registration, certify that the  
16 person does not intend to use the vehicle to visit state parks and fishing access sites and may make a written  
17 election not to pay the additional \$9 fee provided for in subsection (19)(a). If a written election is made, the fee  
18 may not be collected.

19 (c) (i) A person who registers one or more light vehicles may, at the time of annual registration, certify  
20 that the person does not intend to use any of the vehicles to visit state parks and fishing access sites and may  
21 make a written election not to pay the additional \$9 fee provided for in subsection (19)(a). If a written election is  
22 made, the fee may not be collected at any subsequent annual registration unless the person makes the written  
23 election to pay the additional fee on one or more of the light vehicles.

24 (ii) The written election not to pay the additional fee on a light vehicle expires if the vehicle is registered  
25 to a different person.

26 (20) (a) For each light vehicle, trailer, semitrailer, pole trailer, heavy truck, motor home, motorcycle,  
27 quadricycle, and travel trailer subject to a registration fee under this section, an additional fee of \$10 must be  
28 collected and forwarded to the state for deposit in the account established in 44-1-504.

1           **(b) For each motor vehicle, snowmobile, motorboat, sailboat, trailer, semitrailer, and pole trailer**  
 2 **subject to a registration fee under this section, an additional fee must be collected as provided in this**  
 3 **subsection (20)(b). Beginning July 1, 2021, the fee is \$50 and must be increased by \$1 in each succeeding**  
 4 **year. The county treasurer shall retain the additional fee and use it for residential property exemptions as**  
 5 **provided in [section 1].**

6           (21) (a) If a person exercises the option in subsection (21)(b), an additional fee of \$5 must be  
 7 collected for each light vehicle registered under this part. This fee must be accounted for and transmitted  
 8 separately from the registration fee. The fee must be deposited in an account in the state special revenue fund.  
 9 Funds in the account are statutorily appropriated, as provided in 17-7-502, to the department of transportation  
 10 and must be allocated as provided in 60-3-309.

11           (b) A person who registers one or more light vehicles may, at the time of annual registration, make a  
 12 written or electronic election to pay the additional \$5 fee provided for in subsection (21)(a).

13           (22) This section does not apply to a motor vehicle, trailer, semitrailer, or pole trailer that is governed  
 14 by 61-3-721.

15           (23) (a) The \$800 and \$825 amounts collected based on the manufacturer's suggested retail price in  
 16 subsections (2) and (7) are exempt from the provisions of 15-1-122 and must be deposited in the motor vehicle  
 17 division administration account established in 61-3-112.

18           (b) By August 15 of each year, beginning in the fiscal year beginning July 1, 2019, the department of  
 19 justice shall deposit into the general fund an amount equal to the fiscal yearend balance minus 25% of the  
 20 current fiscal year appropriation for the account established in 61-3-112.

21           (24) For the purposes of this section, "manufacturer's suggested retail price" means the price  
 22 suggested by a manufacturer for each given type, style, or model of a light vehicle or motor home produced and  
 23 first made available for retail sale by the manufacturer."  
 24

25           **Section 3.** Section 61-3-562, MCA, is amended to read:

26           **"61-3-562. Permanent registration -- transfer of light vehicle ownership -- rules.** (1)~~-(a)~~ The  
 27 owner of a light vehicle 44~~15~~ years old or older subject to the registration fee, as provided in 61-3-321(2), may  
 28 permanently register the light vehicle upon payment of:

1 (a) a-an \$87.50 registration fee; ;

2 (b) beginning July 1, 2021, an additional fee of \$50, increased by \$1 in each succeeding year;

3 (c) the applicable registration and license fees under 61-3-412, if applicable; ;

4 (d) the administrative fee and the annual one-time-only donation fee for a generic specialty license  
5 plate under 61-3-480 or collegiate license plates under 61-3-465, and;

6 (e) an amount equal to five times the local option motor vehicle tax or flat fee on vehicles under 61-3-  
7 537; and;

8 (f) as applicable, either:

9 (i) (A) the original fee and four times the renewal fee for personalized plates; or

10 (B) five times the renewal fees for personalized plates; or

11 (ii) if a new set of license plates is not being issued, an insurance verification fee of \$5, which must be  
12 deposited in the account established under 61-6-158.

13 ~~(b)(2)~~ The following series of license plates may not be used for purposes of permanent registration of  
14 a light vehicle:

15 ~~(i)(a)~~ Montana national guard license plates issued under 61-3-458(2)(b);

16 ~~(ii)(b)~~ reserve armed forces license plates issued under 61-3-458(2)(c); and

17 ~~(iii)(c)~~ amateur radio operator license plates issued under 61-3-422.

18 ~~(2)(3)~~ In addition to the fees described in subsection (1), an owner of a truck with a manufacturer's  
19 rated capacity of 1 ton or less that is permanently registered shall pay five times the applicable fees imposed  
20 under 61-10-201.

21 ~~(3)(4)~~ The owner of a motor vehicle that is permanently registered under this section is not subject to  
22 additional registration fees or to other motor vehicle registration fees described in this section for as long as the  
23 owner owns the vehicle.

24 ~~(4)(5)~~ The county treasurer shall once each month remit to the state the amounts collected under this  
25 section, other than the additional fee provided for in subsection (1)(b) and the local option motor vehicle tax or  
26 flat fee provided for in subsection (1)(e), for the purposes of 61-3-321(2) and 61-10-201. The county treasurer  
27 shall retain the additional fee provided for in subsection (1)(b) and the local option motor vehicle tax or flat fee.  
28 The additional fee provided for in subsection (1)(b) must be used for residential property exemptions as



1 provided in [section 1].

2 ~~(5)(6)~~ (a) The permanent registration of a light vehicle allowed by this section may not be transferred  
3 to a new owner. If the light vehicle is transferred to a new owner, the department shall cancel the light vehicle's  
4 permanent registration.

5 (b) Upon transfer of a light vehicle registered under this section to a new owner, the new owner shall  
6 apply for a certificate of title under 61-3-201 and 61-3-216 and register the light vehicle under 61-3-303."  
7

8 **Section 4.** Section 61-6-158, MCA, is amended to read:

9 **"61-6-158. Vehicle insurance verification and license plate operating account.** (1) There is a  
10 vehicle insurance verification and license plate operating account in the state special revenue fund type as  
11 provided in 17-2-102.

12 (2) Fees imposed under 61-3-321(7)(b)(ii) and (13), 61-3-333, 61-3-465(1)(b)(i), 61-3-480(2)(c)(i), ~~61-~~  
13 ~~3-562(1)(a)(ii)~~ 61-3-562(1)(f)(ii), or 61-3-701(5) or established and collected under 61-6-105 must be deposited  
14 in the account.

15 (3) The money in the vehicle insurance verification and license plate operating account must be used  
16 by the department to pay costs incurred in or associated with the operation, maintenance, and enhancement of  
17 the system established under 61-6-157 and the contract required in 61-3-338 for the manufacture and  
18 distribution of license plates by Montana correctional enterprises or other costs incurred by the department or  
19 as otherwise appropriated by the legislature to the department."  
20

21 NEW SECTION. Section 5. Codification instruction. [Section 1] is intended to be codified as an  
22 integral part of Title 15, chapter 24, and the provisions of Title 15, chapter 24, apply to [section 1].  
23

24 NEW SECTION. Section 6. Effective dates. (1) Except as provided in subsection (2), [this act] is  
25 effective July 1, 2021.

26 (2) [Section 1] is effective July 1, 2022.  
27

28 NEW SECTION. Section 7. Applicability. [Section 1] applies to county property taxes due on or after

1 November 30, 2022.

2 - END -