

SENATE BILL NO. 324

INTRODUCED BY J. KASSMIER, R. GREGG, B. GILLESPIE, W. MCKAMEY, G. LAMMERS, E. BOLDMAN

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING VEHICLE REGISTRATION FEES; PROVIDING FOR AN ASSESSMENT FEE BASED ON THE MANUFACTURER'S SUGGESTED RETAIL PRICE FOR THE FIRST YEAR ~~11 YEARS~~ OF REGISTRATION OF CERTAIN VEHICLES; CREATING STATE SPECIAL REVENUE ACCOUNTS AND ALLOCATING PAYMENTS OF FEES TO THE ACCOUNTS; PROVIDING FUNDING TO THE BOARD OF CRIME CONTROL TO FUND SERVICES RELATED TO VICTIMS OF CRIME; PROVIDING FUNDING TO THE DEPARTMENT OF TRANSPORTATION FOR GRANTS TO LOCAL GOVERNMENTS FOR BRIDGE PROJECTS; PROVIDING RULEMAKING AUTHORITY; AMENDING SECTIONS 44-1-504, 61-3-112, ~~AND 61-3-321~~, ~~AND 61-3-562~~, MCA; REPEALING SECTION 61-3-111, MCA; AND PROVIDING EFFECTIVE DATES."

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

Section 1. Section 44-1-504, MCA, is amended to read:

"44-1-504. (Temporary) Special revenue account to partially fund highway patrol officers' salaries expenses. (1) There is an account in the state special revenue fund provided for in 17-2-102.

(2) The money in the account is for the department of justice to fund, pursuant to 2-18-303(5):

(a) the base salary and associated operating costs for highway patrol officer positions; and

(b) biennial salary increases for highway patrol officers; and

(c) other operating expenses of the highway patrol.

(3) ~~(a) By August 15, 2021, the state treasurer shall transfer \$4 million from the account to the highway patrol officers' retirement pension trust fund.~~

~~(b) By August 15, 2022, the state treasurer shall transfer \$2 million from the account to the highway patrol officers' retirement pension trust fund.~~

(4)(3) Starting July 1, 2023, and in of each fiscal year thereafter, the state treasurer shall transfer \$500,000 from the account to the highway patrol officers' retirement pension trust fund by August 15.

1 (Terminates on occurrence of contingency--sec. 3, Ch. 472, L. 2021.)

2 **44-1-504. (Effective on occurrence of contingency) Special revenue account to partially fund**
3 **highway patrol officers' salaries expenses.** (1) There is an account in the state special revenue fund
4 provided for in 17-2-102.

5 (2) The money in the account is for the department of justice to fund, pursuant to 2-18-303(5):

6 (a) the base salary and associated operating costs for highway patrol officer positions; and

7 (b) biennial salary increases for highway patrol officers; and

8 (c) other expenses of the highway patrol."

9

10 **Section 2.** Section 61-3-112, MCA, is amended to read:

11 **"61-3-112. Motor vehicle division administration state special revenue account.** (1) There is an
12 account in the state special revenue fund established by 17-2-102 to be known as the motor vehicle division
13 administration account.

14 ~~(2) Administrative fees collected on behalf of the motor vehicle division pursuant to 61-3-111 must~~
15 ~~be deposited in the account.~~

16 ~~(3)(2) Fees collected based on the manufacturer's suggested retail price pursuant to 61-3-321(2) and~~
17 ~~(7) and allocated pursuant to 61-3-321(23) are deposited in this account."~~

18

19 **Section 3.** Section 61-3-321, MCA, is amended to read:

20 **"61-3-321. Registration fees of vehicles and vessels -- certain vehicles exempt from**

21 **registration fees -- disposition of fees -- definition.** (1) Except as otherwise provided in this section,
22 registration fees must be paid upon registration or, if applicable, renewal of registration of motor vehicles,
23 snowmobiles, watercraft, trailers, semitrailers, and pole trailers as provided in subsections (2) through (20).

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

27 (i) if the vehicle is 4 or less years old, \$217;

28 (ii) if the vehicle is 5 through 10 years old, \$87; and

(iii) if the vehicle is 11 or more years old, \$28.

(b) ~~For Subject to subsection (24), for~~ FOR a light vehicle with a manufacturer's suggested retail price of more than ~~\$150,000~~ \$200,000 that is 10 years old or less, the annual registration fee is the amount provided for in subsection (2)(a) plus:

(i) prior to January 1, 2026, \$825.

(ii) beginning January 1, 2026:

(A) the amount of 1% of the manufacturer's suggested retail price \$1,000 for the first year of registration in the state; and

(B) \$825 a year for each year thereafter until the vehicle is 11 years old or older.

(3) (a) Except as provided in subsections (3)(b) and (15), the one-time registration fee ~~based on the declared weight~~ of a trailer, semitrailer, or pole trailer is ~~as follows:~~ \$75.

(i) ~~if the declared weight is less than 6,000 pounds, \$61.25; or~~

(ii) ~~if the declared weight is 6,000 pounds or more, \$148.25.~~

(b) For a trailer, semitrailer, or pole trailer that is registered under 61-3-701, the annual registration fee ~~based on the declared weight is as follows:~~ is \$50

(i) ~~if the declared weight is less than 6,000 pounds, \$30; or~~

(ii) ~~if the declared weight is 6,000 pounds or more, \$60.~~

(4) Except as provided in subsection (15), the one-time registration fee for motor vehicles owned and operated solely as collector's items pursuant to 61-3-411, ~~based on the weight of the vehicle, is as follows:~~ is \$10.

(a) ~~2,850 pounds and over, \$10; and~~

(b) ~~under 2,850 pounds, \$5.~~

(5) (a) Except as provided in subsections (5)(b) and (15), the one-time registration fee for off-highway vehicles other than a quadricycle or motorcycle is ~~\$61.25~~ \$45.

(b) Whenever a valid summer motorized recreation trail pass issued pursuant to 23-2-111 is affixed to an off-highway vehicle other than a quadricycle or motorcycle, the one-time registration fee is ~~\$41.25~~ \$45.

(6) The annual registration fee for heavy trucks, buses, and logging trucks in excess of 1 ton is

1 ~~\$22.75~~ \$20.

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

4 (i) ~~if~~ less than ~~2 5~~ years old, ~~\$282.50~~ \$200; ~~and~~

5 ~~(ii) — 2 years old and less than 5 years old, \$224.25;~~

6 ~~(iii)(ii) if 5 years old and less than 8 years old or older, \$132.50~~ \$100.; ~~and~~

7 ~~(iv) — 8 years old and older, \$97.50.~~

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

10 (i) a one-time registration fee of ~~\$237.50~~ \$175;

11 (ii) unless a new set of license plates is being issued, an insurance verification fee of \$5, which
12 must be deposited in the account established under 61-6-158;

13 (iii) if applicable, five times the renewal fees for personalized license plates under 61-3-406; and

14 (iv) if applicable, the donation fee for a generic specialty license plate under 61-3-480 or a
15 collegiate license plate under 61-3-465.

16 (c) ~~For Subject to subsection (24), for~~ FOR a motor home with a manufacturer's suggested retail
17 price of more than ~~\$300,000~~ \$400,000 that is 10 years old or less, the annual registration fee is the amount
18 provided in subsection (7)(a) plus:

19 (i) ~~before January 1, 2026, \$800.~~

20 (ii) ~~beginning January 1, 2026:~~

21 (A) ~~the amount of 1% of the manufacturer's suggested retail price \$950 for the first year of~~
22 registration in the state; and

23 (B) ~~\$825~~ \$800 a year for each year thereafter until the vehicle is 11 years old or older.

24 (8) (a) (i) Except as provided in subsections (8)(b), ~~(8)(c)~~, and (15), the one-time registration fee for
25 motorcycles and quadricycles ~~registered for use on the public highways is \$53.25, the one-time registration fee~~
26 ~~for motorcycles and quadricycles registered for off-highway use is \$53.25, and the one-time registration fee for~~
27 ~~motorcycles and quadricycles registered for both off-road use and for use on the public highways is \$114.50 is~~
28 \$45.

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

(b) (i) The annual registration fee for motorcycles and quadricycles registered for use on the public highways under 61-3-701 is ~~\$44~~ \$45.

(ii) The annual registration fee for motorcycles and quadricycles registered for off-highway use under 61-3-701 is ~~\$44~~ \$45.

(iii) The annual registration fee for motorcycles and quadricycles registered for both off-road use and for use on the public highways under 61-3-701 is ~~\$88~~ \$45.

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

(c) Whenever a valid summer motorized recreation trail pass issued pursuant to 23-2-111 is affixed to a motorcycle or quadricycle, the one-time registration fee for motorcycles and quadricycles ~~registered for:~~ is \$45.

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

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

(9) Except as provided in subsection (15), the one-time registration fee for travel trailers, ~~based on the length of the travel trailer, is as follows:~~ is \$75.

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

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

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

(a) for a personal watercraft or a motorboat, sailboat, or motorized pontoon less than 16 feet in length, ~~\$65.50~~ \$45;

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

(c) for a motorboat, sailboat, or motorized pontoon 19 feet in length or longer, ~~\$295.50~~ \$250.

(11) (a) Except as provided in subsections (11)(b), (11)(c), and (15), the one-time registration fee for

1 a snowmobile is ~~\$60.50~~ \$45.

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

4 (c) ~~(i)~~ A snowmobile that is licensed by a Montana business and is owned exclusively for the
5 purpose of daily rental to customers is assessed: a permanent fee of \$50.

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

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

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

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

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

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

16 (13) (a) Except as provided in subsection (13)(b), a fee of \$12 must be collected when a new set of
17 standard license plates, a new single standard license plate, or a replacement set of special license plates
18 required under 61-3-332 is issued. The fee imposed under this subsection (13)(a) does not apply when
19 previously issued license plates are transferred under 61-3-335. All registration fees imposed under this section
20 must be paid if the vehicle to which the plates are transferred is not currently registered.

21 (b) An additional fee of \$16 must be collected if a vehicle owner elects to keep the same license
22 plate number from license plates issued before January 1, 2010, when replacement of those plates is required
23 under 61-3-332(3).

24 (c) The fees imposed in this subsection (13) must be deposited in the account established under
25 61-6-158, except that \$2 of the fee imposed in subsection (13)(a) must be deposited in the state general fund.

26 (14) The provisions of this part with respect to the payment of registration fees do not apply to and
27 are not binding upon motor vehicles, trailers, semitrailers, snowmobiles, watercraft, or tractors owned or
28 controlled by the United States of America or any state, county, city, or special district, as defined in 18-8-202,

1 or to a vehicle or vessel that meets the description of property exempt from taxation under 15-6-201(1)(a),
2 (1)(d), (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 3-520.

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

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

11 (17) Except as otherwise provided in this section, revenue collected under this section must be
12 deposited in the state general fund.

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

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

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

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

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

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

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

1 may not be collected.

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

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

9 (20) For each light vehicle, trailer, semitrailer, pole trailer, heavy truck, motor home, motorcycle,
10 quadricycle, and travel trailer subject to a registration fee under this section, an additional fee of \$10 must be
11 collected and forwarded to the state for deposit as follows:

12 (a) \$8 must be deposited in the account established in 44-1-504; and

13 (b) \$2 must be deposited in the account established in [section 4].

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

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

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

23 (23) ~~(a) The \$800 and \$825~~ For the fiscal year beginning July 1, 2025, the total amounts collected
24 PURSUANT TO ~~based on the manufacturer's suggested retail price~~ in subsections (2) and (7) are exempt from the
25 provisions of 15-1-122 and must be deposited as follows:

26 (i) 38% must be deposited in the account established in 44-1-504; and

27 (ii) 62% must be deposited in the motor vehicle division administration account established in 61-
28 3-112.

(b) For the fiscal years beginning July 1, 2026, and each fiscal year thereafter, the total amounts collected based on the manufacturer's suggested retail price PURSUANT TO subsections (2) and (7) of this section are exempt from the provisions of 15-1-122 and must be deposited as follows:

(i) 19% must be deposited in the account established in 44-1-504;

(ii) 57% must be deposited in the motor vehicle division administration account established in 61-3-112; and

(iii) 24% must be deposited in the better local bridge fund established in [section 5].

(b)(c) By August 15 of each year, beginning in the fiscal year beginning July 1, 2019, the department of justice shall deposit into the general fund an amount equal to the fiscal yearend balance minus 25% of the current fiscal year appropriation for the account established in 61-3-112, subject to the following conditions if the amount in this subsection (23)(c) is:

(i) \$1.5 million or less, then that amount must be deposited into the general fund; and

(ii) greater than \$1.5 million, then \$1.5 million must be deposited into the general fund and the remainder above \$1.5 million may be retained in the account established in 61-3-112.

(24) Beginning January 1, 2027, the manufacturer's suggested retail price in subsections (2)(b) and (7)(c) must be increased annually by an inflation factor of 2%, rounded to the nearest dollar. The resulting prices are effective for the year of the adjustment and must be used as the basis for the imposition of the fee in subsections (2)(b) and (7)(c). The product of the inflation adjustment after rounding is the starting point for each annual inflationary increase.

(24)(25)(24) For the purposes of this section, "manufacturer's suggested retail price" means the price suggested by a manufacturer for each given type, style, or model of a light vehicle or motor home produced and first made available for retail sale by the manufacturer."

NEW SECTION. Section 4. Victims of crime state special revenue account -- administration by board of crime control. (1) There is an account in the state special revenue fund provided for in 17-2-102 to be known as the victims of crime state special revenue account.

(2) There must be deposited in the account money received pursuant to 61-3-321(20).

(3) The money deposited in the account is allocated to the board of crime control to fund services

1 related to victims of crime.

2

3 **NEW SECTION. Section 5. Better local bridge state special revenue account -- rulemaking.** (1)

4 There is an account in the state special revenue fund provided for in 17-2-102 to be known as the better local
5 bridge fund account.

6 (2) There must be deposited in the account money received pursuant to 61-3-321.

7 (3) The account may be used for:

8 (a) grants to local government for the costs associated with engineering and construction of local,
9 off-system bridges; and

10 (b) administrative costs for the department of transportation, not to exceed 5% of revenue
11 received.

12 (4) Grants to local governments must include no less than 20% local matching funds.

13 (5) The department shall enact rules for distribution of annual grants to local governments.

14

15 **Section 6.** Section 61-3-562, MCA, is amended to read:

16 **"61-3-562. Permanent registration -- transfer of light vehicle ownership -- rules.** (1) (a) The
17 owner of a light vehicle 11 years old or older subject to the registration fee, as provided in 61-3-321(2), may
18 permanently register the light vehicle upon payment of ~~an \$87.50~~ a \$75 registration fee, the applicable
19 registration and license fees under 61-3-412, if applicable, the administrative fee and the annual one-time-only
20 donation fee for a generic specialty license plate under 61-3-480 or collegiate license plates under 61-3-465,
21 the fee provided for in 61-3-573 for an electric vehicle or a plug-in hybrid electric vehicle, if applicable, and an
22 amount equal to five times the local option motor vehicle tax or flat fee on vehicles under 61-3-537 and, as
23 applicable, either:

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

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

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

28 (b) The following series of license plates may not be used for purposes of permanent registration

of a light vehicle:

- (i) Montana national guard license plates issued under 61-3-458(2)(b);
- (ii) reserve armed forces license plates issued under 61-3-458(2)(c); and
- (iii) amateur radio operator license plates issued under 61-3-422.

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

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

(4) The county treasurer shall once each month remit to the state the amounts collected under this section, other than the local option motor vehicle tax or flat fee and the fee collected pursuant to 61-3-573, for the purposes of 61-3-321(2) and 61-10-201. The county treasurer shall retain the local option motor vehicle tax or flat fee. The county treasurer or an authorized agent shall transmit the fee collected pursuant to 61-3-573 to the state as provided in 15-1-504 for deposit to the credit of the department in the highway restricted account provided for in 15-70-126.

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

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

NEW SECTION. Section 7. Repealer. The following section of the Montana Code Annotated is repealed:

61-3-111. Motor vehicle division administrative fees.

NEW SECTION. Section 8. Transfer of funds. By June 30, 2025, there is transferred \$50 million from the general fund to the better local bridge fund account provided for in [section 5].

11 - END -