



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Director
AMY CARLSON

DATE: March 12, 2018
TO: Legislative Finance Committee
FROM: Sam Schaefer
RE: Montana Vehicle Taxes and Fees

In the 2017 Legislative Session the Montana legislature passed [SB 95](#) and [HB 650](#). SB 95 increased registration fees by \$825 on light vehicles that were ten years old or less with a manufacturer's suggested retail price (MSRP) of more than \$150,000. In addition, registration fees were increased by \$800 for motor homes that were ten years old or less with a MSRP of more than \$300,000. HB 650 created a 3% administrative fee on fees that the motor vehicle division (MVD) collects excluding the county option tax. Prior to these new fees, the MVD was partially funded with the Highway Special Revenue Account (HSRA). These fees were implemented to eliminate the need for HSRA funding within the MVD.

The MVD began collecting the fees listed above in January of FY 2018. Year-to-date (YTD) amounts which include January and February collections are as follows.

Fee Type	YTD Collections	Anticipated FY 2018
SB 95 Luxury Motor Home/Vehicle Fee	\$303,525	\$2,500,000
HB 650 3% Administrative Fee	\$489,262	\$1,800,000

Given that it is early in the process with no historical data, it is difficult to estimate if YTD collections are on track with anticipated collections. It may take an entire fiscal year's worth of collections to establish whether the newly implemented fees will be sufficient to cover MVD costs that were once budgeted using HSRA funds.