



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

**Bill information:**

HB0224 - Revise vehicle registration law regarding military personnel (Harvey, Derek J)

**Status:** As Introduced

- Significant Local Gov Impact     
  Needs to be included in HB 2     
  Technical Concerns  
 Included in the Executive Budget     
  Significant Long-Term Impacts     
  Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	(\$29,900)	(\$29,900)	(\$29,900)	(\$29,900)
State Special Revenue	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>(\$29,900)</u>	<u>(\$29,900)</u>	<u>(\$29,900)</u>	<u>(\$29,900)</u>

**Description of fiscal impact:** HB 224 allows Montana residents on active military duty who entered service from outside the state to apply for a waiver of motor vehicle registration fees provided for in 61-3-303(6), 61-3-321(2), 61-3-321(5), MCA. The registered vehicle is also exempt from all fees prescribed under part 5 of Title 61, Chapter 3, MCA. This bill is expected to reduce general fund revenues due to these additional fee exemptions. There would also be a fiscal impact to the counties due to lower fee and local option tax revenue.

### FISCAL ANALYSIS

**Assumptions:****Department of Justice**

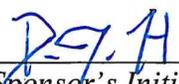
- There are currently 12,997 military non-resident vehicles registered in Montana. The number of vehicles associated with active-duty, Montana residents who joined the service from another state and not currently living in the state is assumed to be about 1% of the military non-resident pool. There will be 130 vehicles eligible to participate in this fee waiver.

- MVD assumes that average general fund registration revenue for a vehicle listed in 61-3-456 (1), MCA, is \$230. With 130 new exemptions, vehicle registration fee revenue to the general fund will decline by \$29,900 annually ( $\$230 * 130 = \$29,900$ ).

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b><u>Fiscal Impact:</u></b>				
FTE	0.00	0.00	0.00	0.00
<b><u>Expenditures:</u></b>				
Personal Services	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0
<b>TOTAL Expenditures</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Revenues:</u></b>				
General Fund (01)	(\$29,900)	(\$29,900)	(\$29,900)	(\$29,900)
State Special Revenue (02)	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<u>(\$29,900)</u>	<u>(\$29,900)</u>	<u>(\$29,900)</u>	<u>(\$29,900)</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$29,900)	(\$29,900)	(\$29,900)	(\$29,900)
State Special Revenue (02)	\$0	\$0	\$0	\$0

**Effect on County or Other Local Revenues or Expenditures:**

- MVD assumes that the average registration revenue per vehicle for a county that assesses a county option tax is \$94. The total revenue loss across all counties resulting from exemption of these local option taxes will equate to \$12,220 annually ( $\$94 * 130 = \$12,220$ ).

 _____ Sponsor's Initials	<u>1-16-23</u> _____ Date	 _____ Budget Director's Initials	<u>1-16-23</u> _____ Date
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