

Senator Sheldon L. Killpack proposes the following substitute bill:

MOTOR VEHICLE REGISTRATION

AMENDMENTS

2006 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Sheldon L. Killpack

House Sponsor: J. Stuart Adams

LONG TITLE

General Description:

This bill amends the Motor Vehicles Code and Revenue and Taxation Code by creating an optional six-month motor vehicle registration for certain motor vehicles.

Highlighted Provisions:

This bill:

- ▶ provides definitions;
- ▶ exempts a six-month motor vehicle registration from selected twelve-month motor vehicle registration provisions;
- ▶ creates an optional six-month motor vehicle registration for certain motor vehicles;
- ▶ addresses six-month motor vehicle registration renewals;
- ▶ makes a six-month motor vehicle registration subject to the Motor Vehicles Act;
- ▶ creates a uniform fee schedule for motor vehicles registered under the six-month registration period; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:



26 This bill takes effect on January 1, 2007.

27 **Utah Code Sections Affected:**

28 AMENDS:

29 **41-1a-206**, as renumbered and amended by Chapter 1, Laws of Utah 1992

30 **41-1a-208**, as last amended by Chapter 81, Laws of Utah 1996

31 **41-1a-215**, as last amended by Chapter 238, Laws of Utah 1999

32 **59-2-405.1**, as last amended by Chapters 217 and 244, Laws of Utah 2005

33 ENACTS:

34 **41-1a-215.5**, Utah Code Annotated 1953



36 *Be it enacted by the Legislature of the state of Utah:*

37 Section 1. Section **41-1a-206** is amended to read:

38 **41-1a-206. Payment of property taxes or in lieu fees before registration.**

39 (1) Except as provided in Subsection (2), the division before issuing any registration
40 shall require from every applicant for the registration a certificate from the county assessor in
41 which the vehicle has situs for taxation that:

42 (a) the property tax or in lieu fee on the vehicle for the current [year] registration period
43 has been paid;

44 (b) in the assessor's opinion the tax or in lieu fee is a lien on real property sufficient to
45 secure the payment of the tax; or

46 (c) the vehicle is exempt by law from payment of property tax or the in lieu fee for the
47 current [year] registration period.

48 (2) The requirements of Subsection (1) do not apply to the registration of ambulances,
49 peace officer patrol vehicles, fire engines, passenger cars and trucks owned and used by the
50 United States government or by the state of Utah or by any of its political subdivisions, and
51 motor vehicles assessed by the commission under Section 59-2-201.

52 Section 2. Section **41-1a-208** is amended to read:

53 **41-1a-208. Payment of automobile driver education tax prerequisite to**
54 **registration of motor vehicle.**

55 (1) The collection and payment of the automobile driver education tax is a prerequisite
56 to the registration of any motor vehicle.

57 (2) Except as provided under Subsection (3), the automobile driver education tax
 58 accrues and is collectible upon each motor vehicle, subject to the same exemptions, and
 59 payable in the same manner and time as motor vehicle registration fees under Section
 60 41-1a-1206.

61 (3) The automobile driver education tax:

62 (a) shall be paid in full at the time the motor vehicle is [~~first~~] registered [~~in a calendar~~
 63 ~~year~~]; and

64 (b) is not collectible or payable upon the transfers of registration, issuance, reissuance
 65 of certificates of registration, titles, or plates contemplated by Sections 41-1a-301, 41-1a-1207,
 66 41-1a-1210, and 41-1a-1211.

67 Section 3. Section **41-1a-215** is amended to read:

68 **41-1a-215. Staggered registration dates -- Exceptions.**

69 (1) (a) Except as provided under Subsections (2) and (3), every vehicle registration,
 70 every registration card, and every registration plate issued under this chapter for the first
 71 registration of the vehicle in this state, continues in effect for a period of 12 months beginning
 72 with the first day of the calendar month of registration and does not expire until the last day of
 73 the same month in the following year.

74 (b) If the last day of the registration period falls on a day in which the appropriate state
 75 or county offices are not open for business, the registration of the vehicle is extended to
 76 midnight of the next business day.

77 (2) The provisions of Subsection (1) do not apply to the following:

78 (a) registration issued to government vehicles under Section 41-1a-221;

79 (b) registration issued to apportioned vehicles under Section 41-1a-301;

80 (c) multiyear registration issued under Section 41-1a-222;

81 (d) lifetime trailer registration issued under Section 41-1a-1206;

82 (e) partial year registration issued under Section 41-1a-1207;

83 (f) registration issued under Section 41-1a-215.5;

84 [~~(f)~~] (g) vintage vehicle registration issued under Section 41-1a-226; or

85 [~~(g)~~] (h) plates issued to a dealer, dismantler, manufacturer, remanufacturer, and
 86 transporter under Title 41, Chapter 3, Part 5, Special Dealer License Plates.

87 (3) Upon application of the owner or lessee of a fleet of commercial vehicles not

88 apportioned under Section 41-1a-301 and required to be registered in this state, the State Tax
89 Commission may permit the vehicles to be registered for a registration period commencing on
90 the first day of March, June, September, or December of any year and expiring on the last day
91 of March, June, September, or December in the following year.

92 (4) When the expiration of a registration plate is extended by affixing a registration
93 decal to it, the expiration of the decal governs the expiration date of the plate.

94 Section 4. Section **41-1a-215.5** is enacted to read:

95 **41-1a-215.5. Six-month registration.**

96 (1) As used in this section:

97 (a) "rental agreement" has the same meaning as defined in Section 31A-22-311;

98 (b) "rental company" has the same meaning as defined in Section 31A-22-311; and

99 (c) "rental fleet" means more than 25 motor vehicles that are:

100 (i) subject to a uniform fee under Section 59-2-405.1;

101 (ii) owned by a rental company;

102 (iii) offered for rental without hired drivers through a rental agreement; and

103 (iv) designated by the registered owner of the motor vehicle as a rental fleet vehicle at
104 the time of registration.

105 (2) (a) Beginning on January 1, 2007, a rental company owning or leasing a rental fleet
106 may register a motor vehicle in the rental fleet for a six-month period that begins on the first
107 day of the calendar month of registration and expires on the last day of the sixth month of
108 registration.

109 (b) If the last day of the registration period falls on a day in which the appropriate state
110 or county offices are not open for business, the registration of the vehicle is extended to
111 midnight of the next business day.

112 (3) A motor vehicle registered under this section that remains in the rental fleet at the
113 end of the original registration period shall be registered for twelve months as outlined under
114 Section 41-1a-216.

115 (4) A registration under Subsection (2) is subject to this chapter.

116 Section 5. Section **59-2-405.1** is amended to read:

117 **59-2-405.1. Uniform fee on certain vehicles weighing 12,000 pounds or less --**

118 **Distribution of revenues -- Appeals.**

119 (1) The property described in Subsection (2), except Subsection (2)(b)(ii), is exempt
120 from ad valorem property taxes pursuant to Utah Constitution Article XIII, Section 2,
121 Subsection (6).

122 (2) (a) Except as provided in Subsection (2)(b), there is levied as provided in this part a
123 statewide uniform fee in lieu of the ad valorem tax on:

124 (i) motor vehicles as defined in Section 41-1a-102 that:

125 (A) are required to be registered with the state; and

126 (B) weigh 12,000 pounds or less; and

127 (ii) state-assessed commercial vehicles required to be registered with the state that
128 weigh 12,000 pounds or less.

129 (b) The following tangible personal property is exempt from the statewide uniform fee
130 imposed by this section:

131 (i) aircraft;

132 (ii) vintage vehicles as defined in Section 41-21-1;

133 (iii) tangible personal property subject to a uniform fee imposed by:

134 (A) Section 59-2-405;

135 (B) Section 59-2-405.2; or

136 (C) Section 59-2-405.3; and

137 (iv) tangible personal property that is exempt from state or county ad valorem property
138 taxes under the laws of this state or of the federal government.

139 (3) (a) Except as provided in ~~Subsection~~ Subsections (3)(b) and (c), beginning on
140 January 1, 1999, the uniform fee for purposes of this section is as follows:

141 Age of Vehicle	Uniform Fee
142 12 or more years	\$10
143 9 or more years but less than 12 years	\$50
144 6 or more years but less than 9 years	\$80
145 3 or more years but less than 6 years	\$110
146 Less than 3 years	\$150

147 (b) For registrations under Section 41-1a-215.5, beginning on January 1, 2007, the
148 uniform fee for purposes of this section is as follows:

149 <u>Age of Vehicle</u>	<u>Uniform Fee</u>
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150	<u>12 or more years</u>	<u>\$5</u>
151	<u>9 or more years but less than 12 years</u>	<u>\$25</u>
152	<u>6 or more years but less than 9 years</u>	<u>\$40</u>
153	<u>3 or more years but less than 6 years</u>	<u>\$55</u>
154	<u>Less than 3 years</u>	<u>\$75</u>

155 ~~(b)~~ (c) Notwithstanding ~~[Subsection]~~ Subsections (3)(a) and (b), beginning on
156 September 1, 2001, for a motor vehicle issued a temporary sports event registration certificate
157 in accordance with Section 41-3-306, the uniform fee for purposes of this section is \$5 for the
158 event period specified on the temporary sports event registration certificate regardless of the
159 age of the motor vehicle.

160 (4) Notwithstanding Section 59-2-407, property subject to the uniform fee that is
161 brought into the state and is required to be registered in Utah shall, as a condition of
162 registration, be subject to the uniform fee unless all property taxes or uniform fees imposed by
163 the state of origin have been paid for the current calendar year.

164 (5) (a) The revenues collected in each county from the uniform fee shall be distributed
165 by the county to each taxing entity in which the property described in Subsection (2) is located
166 in the same proportion in which revenue collected from ad valorem real property tax is
167 distributed.

168 (b) Each taxing entity shall distribute the revenues received under Subsection (5)(a) in
169 the same proportion in which revenue collected from ad valorem real property tax is
170 distributed.

171 Section 6. **Effective date.**

172 This bill takes effect on January 1, 2007.

AMENDED NOTE

State Impact

Computer system changes can be handled within existing budgets. Revenues that the Tax Commission collects for local governments will decline as follows: -256,900 to schools, -88,000 to counties, -72,100 to cities, and -51,000 to special districts.

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2007</u>	<u>FY 2008</u>
	<u>Approp.</u>	<u>Approp.</u>	<u>Revenue</u>	<u>Revenue</u>
General Fund, One-Time	\$0	\$0	\$0	\$0
Local Revenue	\$0	\$0	(\$468,000)	(\$477,000)
TOTAL	\$0	\$0	(\$468,000)	(\$477,000)

Individual and Business Impact

Car rental companies will save \$468,000 in registration fees.

Office of the Legislative Fiscal Analyst