



1 HOUSE BILL NO. 39

2 INTRODUCED BY PECK

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXCLUDE FROM  
5 TAXATION MOTOR VEHICLES OWNED BY CERTAIN ENTITIES THAT  
6 PROVIDE POTABLE WATER; AMENDING SECTION 15-6-201, MCA; AND  
7 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE  
8 APPLICABILITY DATE."

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

11 **Section 1.** Section 15-6-201, MCA, is amended to read:

12 "15-6-201. Exempt categories. (1) The following  
13 categories of property are exempt from taxation:

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15 (i) the United States, the state, counties, cities,  
16 towns, school districts, except, if congress passes  
17 legislation that allows the state to tax property owned by  
18 an agency created by congress to transmit or distribute  
19 electrical energy, the property constructed, owned, or  
20 operated by a public agency created by the congress to  
21 transmit or distribute electric energy produced at privately  
22 owned generating facilities (not including rural electric  
23 cooperatives);

24 (ii) irrigation districts organized under the laws of  
25 Montana and not operating for profit;

1 (iii) municipal corporations; and

2 (iv) public libraries;

3 (b) buildings, with land they occupy and furnishings  
4 therein, owned by a church and used for actual religious  
5 worship or for residences of the clergy, together with  
6 adjacent land reasonably necessary for convenient use of the  
7 buildings;

8 (c) property used exclusively for agricultural and  
9 horticultural societies, for educational purposes, and for  
10 nonprofit health care facilities, as defined in 50-5-101,  
11 licensed by the department of health and environmental  
12 sciences and organized under Title 35, chapter 2 or 3. A  
13 health care facility that is not licensed by the department  
14 of health and environmental sciences and organized under  
15 Title 35, chapter 2 or 3, is not exempt.

16 (d) property that meets the following conditions:

17 (i) is owned and held by any association or corporation  
18 organized under Title 35, chapter 2, 3, 20, or 21;

19 (ii) is devoted exclusively to use in connection with a  
20 cemetery or cemeteries for which a permanent care and  
21 improvement fund has been established as provided for in  
22 Title 35, chapter 20, part 3; and

23 (iii) is not maintained and operated for private or  
24 corporate profit;

25 (e) institutions of purely public charity;

1 (f) evidence of debt secured by mortgages of record  
2 upon real or personal property in the state of Montana;

3 (g) public art galleries and public observatories not  
4 used or held for private or corporate profit;

5 (h) all household goods and furniture, including but  
6 not limited to clocks, musical instruments, sewing machines,  
7 and wearing apparel of members of the family, used by the  
8 owner for personal and domestic purposes or for furnishing  
9 or equipping the family residence;

10 (i) a truck canopy cover or topper weighing less than  
11 300 pounds and having no accommodations attached. This  
12 property is also exempt from taxation under 61-3-504(2) and  
13 61-3-537.

14 (j) a bicycle, as defined in 61-1-123, used by the  
15 owner for personal transportation purposes;

16 (k) motor homes, travel trailers, and campers;

17 (l) all watercraft;

18 (m) motor vehicles, land, fixtures, buildings, and  
19 improvements owned by a cooperative association or nonprofit  
20 corporation organized to furnish potable water to its  
21 members or customers for uses other than the irrigation of  
22 agricultural land;

23 (n) the right of entry that is a property right  
24 reserved in land or received by mesne conveyance (exclusive  
25 of leasehold interests), devise, or succession to enter land

1 whose surface title is held by another to explore, prospect,  
2 or dig for oil, gas, coal, or minerals;

3 (o) property owned and used by a corporation or  
4 association organized and operated exclusively for the care  
5 of the developmentally disabled, mentally ill, or  
6 vocationally handicapped as defined in 18-5-101, which is  
7 not operated for gain or profit;

8 (p) all farm buildings with a market value of less than  
9 \$500 and all agricultural implements and machinery with a  
10 market value of less than \$100;

11 (q) property owned by a nonprofit corporation organized  
12 to provide facilities primarily for training and practice  
13 for or competition in international sports and athletic  
14 events and not held or used for private or corporate gain or  
15 profit. For purposes of this subsection (q), "nonprofit  
16 corporation" means an organization exempt from taxation  
17 under section 501(c) of the Internal Revenue Code and  
18 incorporated and admitted under the Montana Nonprofit  
19 Corporation Act.

20 (r) provided the tools are owned by the taxpayer, the  
21 first \$15,000 or less of market value of tools that are  
22 customarily hand-held and that are used to:

23 (i) construct, repair, and maintain improvements to  
24 real property; or

25 (ii) repair and maintain machinery, equipment,

1 appliances, or other personal property;

2 (s) harness, saddlery, and other tack equipment; and

3 (t) a title plant owned by a title insurer or a title  
4 insurance producer, as those terms are defined in 33-25-105.

5 (2) (a) The term "institutions of purely public  
6 charity" includes organizations owning and operating  
7 facilities for the care of the retired or aged or  
8 chronically ill, which are not operated for gain or profit.

9 (b) The terms "public art galleries" and "public  
10 observatories" include only those art galleries and  
11 observatories, whether of public or private ownership, that  
12 are open to the public without charge at all reasonable  
13 hours and are used for the purpose of education only.

14 (3) The following portions of the appraised value of a  
15 capital investment made after January 1, 1979, in a  
16 recognized nonfossil form of energy generation, as defined  
17 in 15-32-102, are exempt from taxation for a period of 10  
18 years following installation of the property:

19 (a) \$20,000 in the case of a single-family residential  
20 dwelling;

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22 dwelling or a nonresidential structure."

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24 applicability. [This act] is effective on passage and  
25 approval and applies retroactively, within the meaning of

1 1-2-109, to tax years beginning after December 31, 1990.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15


In compliance with a written request, there is hereby submitted a Fiscal Note for HB039, as introduced.

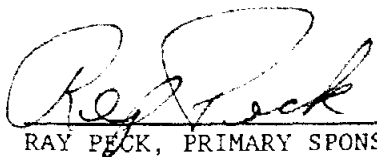
DESCRIPTION OF PROPOSED LEGISLATION:

An act to exclude from taxation motor vehicles owned by certain entities that provide potable water, amending section 15-6-201, MCA; and providing an effective date and a retroactive applicability date.

FISCAL IMPACT:

It is not possible to estimate the loss in property tax revenue associated with the proposal without motor vehicle ownership records, but the loss is expected to be minimal.

 1-5-91  
ROD SUNDSTED, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

 01/07/90  
RAY PECK, PRIMARY SPONSOR      DATE

Fiscal Note for HB039, as introduced

HB 39

APPROVED BY COMM.  
ON LOCAL GOVERNMENT

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 19 electrical energy, the property constructed, owned, or  
 20 operated by a public agency created by the congress to  
 21 transmit or distribute electric energy produced at privately  
 22 owned generating facilities (not including rural electric  
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 4 therein, owned by a church and used for actual religious  
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 12 sciences and organized under Title 35, chapter 2 or 3. A  
 13 health care facility that is not licensed by the department  
 14 of health and environmental sciences and organized under  
 15 Title 35, chapter 2 or 3, is not exempt.  
 16 (d) property that meets the following conditions:  
 17 (i) is owned and held by any association or corporation  
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 19 (ii) is devoted exclusively to use in connection with a  
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 21 improvement fund has been established as provided for in  
 22 Title 35, chapter 20, part 3; and  
 23 (iii) is not maintained and operated for private or  
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1 (f) evidence of debt secured by mortgages of record  
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5 (2) (a) The term "institutions of purely public

6 charity" includes organizations owning and operating

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9 (b) The terms "public art galleries" and "public

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11 observatories, whether of public or private ownership, that

12 are open to the public without charge at all reasonable

13 hours and are used for the purpose of education only.

14 (3) The following portions of the appraised value of a

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16 recognized nonfossil form of energy generation, as defined

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THIRD READING

HB 39



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