

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
MONTANA STATE SENATE

April 17, 1979

The seventy-fourth meeting of the Taxation Committee was held on the above date in Room 415 of the State Capitol Building, with Chairman Turnage presiding. The 8 a.m. meeting found all the members in attendance for ROLL CALL.

Chairman Turnage opened the meeting by telling the committee that the cattlemen were very divided about HB639, a cattle inventory bill. He said after speaking with several interested legislators, they wished to explore the possibility of letting stockmen choose either method of inventoring their cattle and also, to build in a reserve act so counties would have a more substantial refund account. These were some of the primary objections of the group that had opposed the bill originally. The amendments, they agreed, should also state that if a cattlemen elected one or other method, he would have to continue with that method for a specified number of years.

Researcher Terry Cohea went through the proposed amendments and explained them. The committee discussed these amendments and asked for comments from interested persons attending the meeting. Mons Teigen of the Montana Stockgrowers Association was present and said he felt this was a good compromise providing it is legal and could be administered without too many problems. He said further, that stockgrowers believed that the average inventory method created equity between livestock producers. Mr. Burr of the Department also commented on the bill and said if the producer failed to elect (which method) they would automatically be on the annual basis, or lien date method of inventory. Rep. Lien was also present and said he had no time to look through the amendments but said he had many reservations about them. He stated his appreciation for what this committee was attempting to do, but he said he saw many problems.

Senator Graham, also a livestock producer, gave some testimony on the bill, and the amendments, and said he believed it to be a good compromise (the proposed amendments). He said as long as the producer declared early enough his intentions he should be able to make his own decision as to which method he would use. He said also he believed they should take feed lot operations into consideration as well, and with the choice of using both methods these operators could then be assessed more fairly.

The Chairman asked for other interested persons to comment on the proposed amendments, or the bill, and said as there was such great interest and conflict in the bill and amendments, he hoped the bill could go back to the House and into a conference committee. If it did, he asked Sen. Graham to serve on it. Rep. Thoeft was also present because of an expressed interest in the bill and may also serve on the conference committee.

Mr. Burr of the Department of Revenue said he saw no major prob-

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lems in administrating the bill, and said he assumed the majority of producers would opt for the lien date method of assessing. Senator McCallum cautioned that feed lot operators who buy cattle in July, cattle whose owner had paid taxes on them for the March 1st assessment date, would not then be taxed by the operators, and he felt this would create complex problems for the Department.

Senator Towe suggested an amendment that would put a producer automatically under the lien date method if he failed to notify the assessor by February 1st deadline. The committee, agreeing on the proffered amendments, approved the motion made by Senator Manley to Adopt Amendments to HB639.

Senator Manley then Moved HB639 As Amended, Be Concurred In. Motion carried. Note for the record the absence of Senator Roskie.

CONSIDERATION OF HOUSE JOINT RESOLUTION 66: Representative Nordtvedt introduced this bill which he said would address the three prime areas where inflation greatly affects the calculations of profit or loss, interest income and expense and depreciation deductions. The bill calls for the Revenue Oversight Committee to study these areas, particularly during high inflationary periods. He said it is hoped the results of this study might make it possible to determine if there are some reasonable modifications that can be made to the Montana tax codes so taxes can be calculated more accurately and equitably.

Following his presentation the Chairman called for further statements on the resolution, and discussion by the committee. The points raised during the discussion included the comments that state and corporate license tax have been tied to the federal so if trends, or tax changes, were adopted in Montana, the state would be deviating from the federal. Rep. Nordtvedt responded that he would hope the federal might adopt such changes, trends, and if so, he hoped Montana would be prepared to change with them. One example he favored would be to allow people to depreciate their property over a shorter lifetime, thereby releasing more tax moneys which in turn could be invested in the state, helping the individual and the state's economy. Following this discussion the bill was moved:

Senator Goodover Moved HJR66 Do Pass. Motion carried.

The committee then discussed HB646, a bill which had been tabled, and amended. Senator Goodover moved to strike all the new material on page 4. His motion carried. Senator Towe then moved to amend the bill by inserting the word "based" to ensure that only such companies "based" in the state could take advantage of the tax exemption. The bill would give tax exemptions as an incentive to insurance companies to open offices in Montana. Mike Felt was present to further explain and speak for the legislation and told the committee it would do much to encourage companies to come into the state. He said also, more

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companies would ensure more competition and thus, should lead to lower insurance rates in the state, in addition to the advantages of more businesses, increase in tax base and jobs then available to Montanans. He said that well-established companies have assets which can be and are invested in the state and this bill would assist other fledgling companies to get a start here.

Senator Goodover then Moved HB646 be taken from the table and reconsidered by the committee. His motion carried.

Senator Goodover Moved HB646 As Amended, Be Concurred In.  
His motion carried.

Next up for discussion was HB873, a bill introduced by Representative Fabrega, which dealt with taxing premiums paid on workers' compensation and requiring the filing of an annual statement by health service corporations. The committee, in discussing the bill, debated about referring in the statutes to a particular form of a private company, when specifying the filing of their annual statement. Following discussion, it was decided to insert the following language: "....form containing information substantially the same as...." to cover the using of the referred-to form. Senator Towe moved this amendment and motion was carried.

Senator Towe then Moved HB873 As Amended, Be Concurred In.  
Motion carried.

House Bill 649 was then brought up again for discussion, and further explained. The bill would give loans to their customers, by utilities to encourage their insulating, etc., for fuel conservation. The companies would then be able to grant these loans at low-interest and the homeowner would then repay such loans in periodic installments. The committee discussed several amendments to the bill, agreeing to remove "financial institutions" from it and also to specify that "the utility may charge interest not less than 2 percentage points below the federal discount rate....."

Senator Towe moved amendments regarding interest rates; his motion carried. Sen. Goodover moved to delete financial institutions. This motion also carried.

Senator Towe then Moved HB649 As Amended, Be Concurred In.  
Motion carried.

The committee further discussed the Statement of Intent accompanying the bill. The committee agreed to add to that Statement the following: "It is further the specific intent of the legislature that any reduction in a utility's taxes under this law shall be reflected in the tax figures submitted for rate purposes to the Montana public service commission. The tax figure used for rate purposes shall have been reduced by the amount of the credit."

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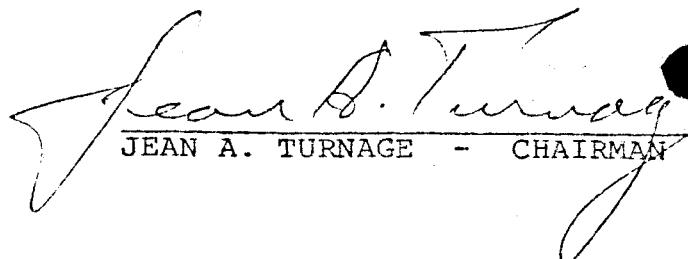
This amendment was moved by Senator Towe; motion carried.

Senator Watt then Moved the Statement of Intent, as amended, Be Adopted. Motion carried.

Senator Watt then stated he wished to make a motion at the request of Representative Huennekins, remarking that the House Tax Committee wished to use HB398 in solving the tax relief problem. He proposed to strike all the amendments that had been made to the bill and wished to give it a Be Concurred In. The committee discussed the proposals of Senator Mathers, insofar as homeowners and renters' tax relief are concerned. The committee agreed, however, that before any bills were moved out they should see what the 'summit committee' (the negotiating body of House and Senate leadership) agreed upon regarding a so-called 'tax package'.

HB221 and HB287, previously passed out of committee, both on April 6, have come back into the committee and awaited further consideration. The Chairman stated Without Objection the bills will both be considered as Tabled. The records will so note.

Following disposition of these bills, meeting was adjourned.



JEAN A. TURNAGE - CHAIRMAN

Date 4-17-79

**ROLL CAGE.**

SENATE TAXATION COMMITTEE

46th LEGISLATIVE SESSION - 1979

Each Day Attach to Minutes.

# STANDING COMMITTEE REPORT

.....April 17.....19....79..

MR. President.....

We, your committee on.....**Taxation**.....

having had under consideration .....**House Joint Resolution**..... Bill No.....**66**.....

Respectfully report as follows: That.....**House Joint Resolution**..... Bill No.....**66**.....

DO PASS.....

# STANDING COMMITTEE REPORT

April 17 1979

MR. President

We, your committee on Taxation

having had under consideration House Bill No. 639

Respectfully report as follows: That House Bill No. 639, third reading bill, be amended as follows:

1. Title, line 7.

Following: "LIVESTOCK"

Insert: "BY ALLOWING OWNERS TO CHOOSE THE METHOD OF ASSESSMENT"

2. Title, line 11.

Following: "INFORMATION;"

Insert: "PROVIDING A RESERVE FUND FOR REFUNDING OVERPAYMENT OF PROPERTY TAX ON LIVESTOCK;"

3. Title, line 12.

Following: "15-24-904"

Strike: "THROUGH"

Insert: ", 15-24-904,"

4. Title, lines 13 and 14.

Following: "15-24-905,"

Insert: "AND 15-25-908 THROUGH 15-24-910,"

Following: "REPEALING"

Strike: "SECTIONS"

Insert: "SECTION"

Following: "15-24-907"

Strike: "THROUGH 15-24-910

(continued)

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5. Page 2, line 12.

Following: "LIVESTOCK"

Strike: remainder of lines 12 and 13

Insert: ";"

6. Page 2, line 24.

Following: line 23

Strike: Section 2 in its entirety

Renumber: subsequent sections

7. Page 4, line 5.

Following: "is"

Strike: remainder of line 5 and lines 6-10 in their entirety

Insert: "The tax on all livestock fed in a feedlot or confined feeding area in any county other than their home county may not be apportioned as provided in [section 4], but shall be paid to the treasurer of the home county of the livestock."

8. Page 7, line 19.

Following: "is"

Strike: "is"

Insert: "is"

9. Page 7, line 20.

Following: "month"

Strike: "March 1"

Insert: "the assessment date"

10. Page 8, line 8.

Following: "assessment."

Strike: "the"

Insert: "(1) Each owner of livestock shall determine whether his livestock will be assessed on:

(a) March 1 of each year; or

(b) the average inventory basis provided in 15-24-207 through 15-24-910.

(2) By February 1 of each year, the owner of livestock or his agent must notify the assessor in the county in which his cattle are located the method of assessment he has chosen.

(3) Any person failing to notify the assessor of his choice by February 1, or acquiring cattle after February 1 shall be deemed to have chosen the March 1 assessment date.

(4) If an owner chooses the method of assessment provided in (1)(a), the"

11. Page 8, line 9.

Following: "assess"

Strike: "all"

Insert: "the owner's"

12. Page 8, line 10.

Following: "year."

Strike: "livestock"

Insert: "his livestock"

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13. Page 8, line 11.

Following: "year"

Strike: remainder of line 12 and lines 13 and 14 in their entirety

Insert: "."

14. Page 8, line 15.

Following: line 14

Insert: "Section 10. Section 15-24-903, MCA, is amended to read:

"15-24-908. Computation of estimated value of livestock. (1)

If the owner selects an average inventory basis of assessment, the estimated value of livestock in a county on assessment day is computed by adding the assessed value of all livestock more than 9 months of age owned by the taxpayer in the county on the last day of each month since the last assessment day and dividing the sum by 12. (2) On the last day of the year in which the estimate is made, the taxpayer must file a current statement setting forth the number of all livestock more than 9 months of age owned by him in each county on the last day of each month during the current tax year.

(3) The taxpayer is entitled to an adjustment of the estimated assessed value of livestock and recompensation of any tax levied and a refund of taxes paid if the amount paid is higher than the estimate.

(4) All remedies available to the taxpayer who owned livestock are available to him notwithstanding the fact that an estimated assessed value of livestock is submitted on or after the tax assessment day, subject to the end-of-the-year adjustment."

Section 11. Section 15-24-909, MCA, is amended to read:

"15-24-909. Taxpayer not owning livestock on assessment day.

(1) If a taxpayer who selects the average inventory basis of assessment does not own livestock on assessment day but owned livestock during the preceding tax year, he is not subject to taxes for the current tax year if he files a statement with the appropriate county assessor stating that he does not intend to own or acquire livestock during the tax year.

(2) If the taxpayer does acquire livestock during the year, he must file a current statement on the last day of the year and be subject to the provisions of 15-24-908."

Section 12. Section 15-24-910, MCA, is amended to read:

"15-24-910. Procedure for correcting assessed value and receiving refunds for overpayments. (1) If the taxpayer owning livestock has filed an estimate pursuant to 15-24-908(1) and a current statement pursuant to 15-24-908(2) which shows that the number of livestock actually owned differs from the estimated number of livestock, the county assessor must within 30 days correct the assessed value of the livestock or provide the taxpayer with a written statement setting forth his reasons for not making the correction.

(2) If the taxpayer has already paid the tax levied or any portion, the county treasurer must within 30 days make a refund from the livestock reserve fund to the taxpayer of that portion of the tax improperly levied or provide the taxpayer with a written statement setting forth his reasons for not making the refund.



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- (3) Within 60 days of receipt of the written statement from the county assessor, the taxpayer may commence a lawsuit to correct the assessment or recover the tax paid in a court of competent jurisdiction against the county treasurer, the county or municipality on whose behalf the tax was levied or collected, or the department of revenue, which must be served with summons and a copy of the complaint.
- (4) When a tax is paid in installments, the first installment or a portion may be the basis of the lawsuit, and, if any subsequent installment becomes due before the lawsuit is finally determined, the subsequent installment or portion may be paid under protest and incorporated into the pending lawsuit with all rights, duties, and obligations determined by the result of the lawsuit.
- (5) Payment and disposition of taxes paid under protest are governed by the provisions of 15-1-402."

Section 13. THERE IS A NEW MCA SECTION THAT READS:

- Livestock reserve fund. (1) The county treasurer shall deposit 5% of the property tax collected each year on livestock assessed on the average inventory basis in a livestock reserve fund.
- (2) Refunds for overpayment of property tax on livestock made under the provisions of 15-24-910 shall be issued from this fund.
- (3) When the amount in a livestock reserve fund exceeds 10% of the total property tax collected in a year on livestock, the excess funds shall be transferred to the county general fund and included in the next year's county budget."

Renumber: Subsequent sections

15. Page 8, lines 15 and 16.

Following: "Repealer."

Strike: "Sections"

Insert: "Section"

Following: "15-24-907"

Strike: "through 15-24-910"

16. Page 8, line 17.

Following: "Sections"

Strike: "4 through 6"

Insert: "3, 4, 5, and 13"

17. Page 8, line 20.

Following: "Sections"

Strike: "4 through 6"

Insert: "3, 4, 5, and 13"

And, as so amended,  
BE CONCURRED IN

# STANDING COMMITTEE REPORT

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MR. President

We, your committee on Taxation

having had under consideration Statement of Intent - House Bill No. 649

Respectfully report as follows: That Statement of Intent - House Bill No. 649,

be amended as follows:

1. Page 1, line 19.

Following: line 18

Insert: "It is further the specific intent of the legislature that any reduction in a utility's taxes under this law shall be reflected in the tax figures submitted for rate purposes to the Montana public service commission. The tax figure used for rate purposes shall have been reduced by the amount of the credit."

And, as so amended,

BE ADOPTED

DONALD *[Signature]*

# STANDING COMMITTEE REPORT

.....April 17.....1979.....

MR. ....President.....

We, your committee on .....Taxation.....

having had under consideration .....House..... Bill No....649.....

Respectfully report as follows: That.....House..... Bill No....649.....  
third reading bill, be amended as follows:

1. Title, line 6.

Following: "UTILITIES"

Strike: "AND FINANCIAL INSTITUTIONS"

2. Page 1, line 12.

Following: "utilities"

Strike: "and financial institutions"

3. Page 1, line 22.

Following: "the"

Strike: "equivalent TO a rate BETWEEN 5% AND 7% per year"

Insert: "at a rate not less than 2 percentage points below the  
discount rate on 90-day commercial paper in effect at the  
federal reserve bank in the ninth federal reserve district"

4. Page 1, line 24.

Following: line 23

Strike: subsection (2) in its entirety

DOFESS Penultimo: subsequent subsections

(Continued)

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HB 643

Page Two

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5. Page 2, line 4.

Following: "utility"

Strike: "or a financial institution"

6. Page 2, lines 13-16.

Following: "part 1"

Strike: remainder of line 13 and lines 14-16

Insert: ", provided the reduction in taxes resulting from this credit is reflected in the tax figures submitted to the Montana public service commission for rate purposes."

And, as so amended,  
BE CONCURRED IN

Q.A.

# STANDING COMMITTEE REPORT

April 2, 1967

MR. President.....

We, your committee on ..... **Taxation** .....

having had under consideration ..... House Bill No. 873.

Respectfully report as follows: That ..... House Bill No. 873, third reading bill, be amended as follows:

1. Title, line 5.

Following: "TO"

Strike: remainder of title

Insert: "REQUIRE HEALTH SERVICE CORPORATIONS TO FILE ANNUAL STATEMENTS."

2. Page 2, line 2.

Following: line 1

Strike: section 1 in its entirety

Renumber: subsequent section

3. Page 3, line 18.

Following: "on"

Insert: "a form containing substantially the same information as that contained in"

And, as so amended,

BE CONCURRED IN

GUYERICK

GR.

**STANDING COMMITTEE**

April 17

MR. President.....

We, your committee on ..... **Taxation** .....

having had under consideration ..... **House** ..... Bill No. .... 843 .....

Respectfully report as follows: That ..... **House** ..... Bill No. .... 848 .....

third reading bill, be amended as follows:

1. Title, lines 4 and 5.

Following: "A"

Strike: "FEE IN LIEU OF"

2. Title, line 5.

Following: "FOR"

Insert: "AUTOMOBILES, LIGHT TRUCKS, MOTORCYCLES,"

3. Title, line 6.

Following: "SECTIONS"

Insert: "10-2-301,"

4. Title, line 7.

Following: "15-6-111,"

Insert: "15-6-113,"

Following: "15-6-201,"

Strike: remainder of line 7 and lines 8 and 9 in their entirety

Insert: "61-3-502, 61-3-503, AND"

50% ASK

(Continued)

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## 5. Title, line 10.

Following: "61-3-504,"

Strike: "AND 61-3-509."

## 6. Title, lines 10 and 11.

Following: "REPEALING"

Strike: "SECTIONS"

Insert: "SECTION"

Following: "15-6-121"

Strike: "AND 15-8-203"

## 7. Title, line 11.

Following: "MCA"

Insert: "; AND PROVIDING FOR COORDINATION WITH HOUSE BILL 213"

## 8. Page 1, line 14.

Following: line 13

Strike: section 1 in its entirety

Insert: "Section 1. Legislative finding. It is the determination of the legislature that the existing method of property taxation for motor vehicles is difficult to administer and inefficient.

Therefore the legislature hereby provides a new method for determination of property tax, which is more equitable and easier to administer.

## Section 2. THERE IS A NEW MCA SECTION THAT READS:

Class [eleven] property - description. (1) Class [eleven] property includes:

- (a) automobiles;
- (b) light trucks;
- (c) motor homes;
- (d) travel trailers;
- (e) snowmobiles;
- (f) motorcycles; and
- (g) campers.

(2)(a) "Light truck" means a truck with a manufacturer's rated capacity of three-quarters of a ton or less.

(b) "Motor home" means a self-propelled motor vehicle originally designed or permanently altered to provide temporary facilities for recreational, travel, or camping use.

(c) "Travel trailer" means a trailer 32 feet or less in length and 8 feet or less in width originally designed or permanently altered to provide temporary facilities for recreational, travel, or camping use.

(3) There is a property tax imposed on class [eleven] property in accordance with the schedules provided in [sections 3 through 7] and collected under the procedure established in Title 15, chapter 16. The tax imposed in [sections 3 through 7] need not be paid by a dealer for vehicles that constitute inventory of the dealership.

(4) Local and state mill levies may not be applied against the value of property in this class. However, that portion of a county's taxable value represented by the taxable value of

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automobiles, light trucks, mobile homes, travel trailers, campers, motorcycles, and snowmobiles registered in the county during calendar year 1979 shall remain in the county's taxable value for all purposes except mill levy calculations.

Section 3. THERE IS A NEW MCA SECTION THAT READS:

Schedules of property taxes for automobiles and light trucks.

- (1) The owner of an automobile or a light truck weighing more than 3,000 pounds, manufacturer's shipping weight, shall pay a property tax based on the age of the vehicle according to the following schedule:

less than 2 years old	\$125
2 years old and less than 3 years old	110
3 years old and less than 4 years old	95
4 years old and less than 5 years old	80
5 years old and less than 6 years old	65
6 years old and less than 7 years old	50
7 years old and less than 8 years old	35
8 years old and less than 9 years old	20
9 years old and older	15

- (2) The owner of an automobile or light truck weighing 3,000 pounds or less, manufacturer's shipping weight, shall pay a property tax based on the age of the vehicle according to the following schedule:

less than 2 years old	\$115
2 years old and less than 3 years old	100
3 years old and less than 4 years old	85
4 years old and less than 5 years old	70
5 years old and less than 6 years old	55
6 years old and less than 7 years old	40
7 years old and less than 8 years old	25
8 years old and older	15

- (3) The age of an automobile or light truck is determined by subtracting the manufacturer's designated model year from the current calendar year.

Section 4. THERE IS A NEW MCA SECTION THAT READS:

Schedule of property taxes for motorcycles. (1) Except as provided in 15-6-201, the owner of a motorcycle with a piston displacement of more than 100 cubic centimeters shall pay a property tax based on the age of the motorcycle according to the following schedule:

less than 3 years old	\$ 25
3 years old and less than 4 years old	20
4 years old and less than 6 years old	10
6 years old and older	5

- (2) Except as provided in 15-6-201, the owner of a motorcycle with a piston displacement of 100 cubic centimeters or less shall pay a

(Continued)

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property tax of one-half of the amount required for the age of the motorcycle under the schedule in subsection (1) except that the minimum property tax for a motorcycle under this subsection is \$5."

Renumber: subsequent sections

9. Page 1, line 21.

Following: "of"

Strike: "fees"

Insert: "property taxes"

10. Page 1, line 22.

Following: "pay a"

Strike: "fee"

Insert: "tax"

11. Page 2, line 11.

Following: "of"

Strike: "fees"

Insert: "property taxes"

12. Page 2, line 12.

Following: "The"

Strike: "fee imposed by [section 1]"

Insert: "property tax"

13. Page 2, line 14.

Following: "the"

Strike: "fee"

Insert: "property tax"

14. Page 2, line 15.

Following: "The"

Strike: "fee imposed by [section 1]"

Insert: "property tax"

15. Page 2, line 16.

Following: "the"

Strike: "fee"

Insert: "property tax"

16. Page 2, line 20.

Following: "4."

Strike: "Fee in lieu of tax"

Insert: "Schedule of property tax"

17. Page 2, line 21.

Following: "(1)"

Strike: "There is a fee in lieu of tax on snowmobiles.

(2) The fee"

Insert: "The property tax"

18. Page 2, line 24.

Following: "the"

Strike: "fee"

(Continued)

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Insert: "property tax"  
Renumber: subsequent subsection

19. Page 3, line 3.  
Following: line 2  
Strike: lines 3-25, pages 4-10, and lines 1-15 on page 11.  
Renumber: subsequent sections

20. Page 12, line 15.  
Following: "is"  
Strike: "not"  
Following: "to"  
Strike: "any other assessment, taxation, or fee in lieu of tax"  
Insert: "property taxation as well as the sales tax imposed in this section"

21. Page 14, line 11.  
Following: "of"  
Strike: "other than a motor home, travel trailer, or"  
Insert: "except of"

22. Page 14, line 16.  
Following: "the"  
Strike: "market value and taxable value of"  
Insert: "property tax due on"

23. Page 14, line 20.  
Following: "except"  
Strike: "other than motor homes, travel trailers, or"  
Insert: "except"

24. Page 15, lines 11 and 12.  
Following: "than"  
Strike: "a motor home, travel trailer,"  
Insert: "property listed in [section 2]"

25. Page 15, line 18.  
Following: line 17  
Strike: lines 13-25, and lines 1-8 on page 16  
Renumber: subsequent sections

26. Page 16, line 19.  
Following: "(a)"  
Strike: "automobiles, motor trucks, and other"

27. Page 16, line 21.  
Following: "trailers,"  
Insert: "automobiles, motorcycles, light trucks,"

28. Page 19, line 9.  
Following: "taxation"  
Strike: "and the fee in lieu of tax"

(Continued)

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29. Page 18.

Following: line 8

Insert: "(4) A motorcycle rated at 2 horsepower or less is exempt from taxation."

30. Page 19, line 9.

Following: line 8

Strike: lines 9-25 on page 19, pages 20-23, and lines 1-22 on page 30 in their entirety

31. Page 30.

Following: line 22

Insert: "Section 15. Section 15-6-113, MCA, IS AMENDED TO READ:  
"15-6-113. Class twelve property -- description -- taxable percentage. (1) Class twelve property includes:

(a) boats and all watercraft;

(b) aircraft; and

(c)--motorcycles--and

{d}(c) large farm machinery valued in the official guide tractors and farm implements and department valuation schedules.

(2) Class twelve property is taxed at 11 $\frac{1}{2}$  of its market value."

Section 16. Section 10-2-301, MCA, IS AMENDED TO READ:

"10-2-301. Free license plates to disabled veterans.

Any person who is a veteran of the armed service of the United States and 100% disabled because of an injury which that has been determined by the veterans administration to be service connected and who is a citizen and resident of the state of Montana and who is the owner of a passenger automobiles or off-a truck up to and including three-quarter ton GVW-rated capacity shall-be-provided with is entitled to receive free license plates upon-payment-of personal-property-tax-equal-to-it-of-the-taxable-value-for-such automobile-or-truck-and upon proof of 100% service-connected disability."

"Section 17. Coordination with House Bill 213. If House Bill 213, introduced in the 46th legislature, is passed and signed by the governor:

(1) property in the following subsections of House Bill 213 are classified in section 2 of House Bill 848:

(a) subsections (1)(d) and (1)(b) of section 8;

(b) automobiles and light trucks in subsection (1)(a) of section 9; and

(c) subsections (1)(b) through (1)(d) of section 9; and

(2) section 5 of House Bill 213 is amended to read as follows:

NEW SECTION. Section 5. Class five property -- description -- taxable percentage. (1) Class five property includes:

(a) all property used and owned by cooperative rural electrical and cooperative rural telephone associations organized under the laws of Montana, except property owned by cooperative organizations described in subsection (1)(c) of [section 7];

(b) air and water pollution control equipment as defined in this section; and

(Continued)

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(c) (6) -- truck-campers, -motor-homes--and-camping-and-travel trailers, -including-fifth-wheel-trailers, -owned-by-and-actually used-primarily-by-a-person-60-years-of-age-or-older-who-

(d) --is-retired-from-full-employment--and

(d) --whose-total-income-from-all-sources-is-not-more-than \$7,000-for-a-single-person-or-\$8,000-for-a-married-couple;

(d) (c) new industrial property as defined in this section.

(2) "Air and water pollution equipment" means facilities, machinery, or equipment used to reduce or control water or atmospheric pollution or contamination by removing, reducing, altering, disposing, or storing pollutants, contaminants, wastes, or heat. The department of health and environmental sciences shall determine if such utilization is being made.

(3) "New industrial property" means any new industrial plant, including land, buildings, machinery, and fixtures, used by new industries during the first 3 years of their operation. The property may not have been assessed within the state of Montana prior to July 1, 1961.

(4) (a) "New industry" means any person, corporation, firm, partnership, association, or other group that establishes a new plant in Montana for the operation of a new industrial endeavor, as distinguished from a mere expansion, reorganization, or merger of an existing industry.

(b) New industry includes only those industries that:

(i) manufacture, mill, mine, produce, process, or fabricate materials;

(ii) do similar work, employing capital and labor, in which materials unserviceable in their natural state are extracted, processed, or made fit for use or are substantially altered or treated so as to create commercial products or materials; or

(iii) engage in the mechanical or chemical transformation of materials or substances into new products in the manner defined as manufacturing in the 1972 Standard Industrial Classification Manual prepared by the United States office of management and budget.

(5) New industrial property does not include:

(a) property used by retail or wholesale merchants, commercial services of any type, agriculture, trades, or professions;

(b) a plant that will create adverse impact on existing state, county, or municipal services; or

(c) property used or employed in any industrial plant that has been in operation in this state for 3 years or longer.

(6) Class five property is taxed at 3% of its market value."

Renumber: subsequent sections

32. Page 30, lines 23 and 24.

Following: "Repealer."

Strike: "Sections"

Insert: "Section"

Following: "15-6-121"

Strike: "and 15-6-203, MCA, are"

Insert: ", MCA, is"

(Continued)

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33. Page 31, line 1.  
Following: "campers,"  
Insert: "automobiles, light trucks, motorcycles,"

And, as so amended,  
BE CONCURRED IN

AC

Jean A. Turnage,

Chairman,