

MINUTES OF THE HOUSE TAXATION COMMITTEE MEETING
January 20, 1981

A meeting of the House Taxation Committee was called to order by Chairman Rep. Ken Nordtvedt at 8:00 a.m. on Tuesday, January 20, 1981 in Room 102 of the State Capitol. All members were present except Rep. Harp, who was excused. HOUSE BILLS 177, 204, 305 and 308 were heard.

HB 177, sponsored by Rep. Ralph Eudaily, was heard first. This bill puts school busses that qualify on a \$25 per year fee schedule, instead of strict property taxation as they are at present. He pointed out that school busses, if owned by School Districts, are presently tax-exempt.

Charles Simonsen, Chairman of the Montana School Bus Transportation Association, then rose as a PROPONENT of HB 177, on behalf of the 68 private school bus contractors who are members of the Association. See prepared statement Exhibit "A."

Robert Beach, a school bus contractor from Missoula, then rose in support of HB 177. He pointed out that this type of legislation has been enacted in several other states. 55% of tax dollars go to the school districts and 25% go to the city, of which 3% goes to a Mass Transit District. Mass transit in Montana pays no vehicle taxes whatsoever, and neither do the school districts. In Missoula County, he pays \$24,000 in taxes, and charges the School District for the expense. Contract bids have to be increased on new busses because of the higher licensing fees; therefore, the situation is unfair. Safety programs will be increased with the savings this bill would produce. Also, the cost to School Districts will be lowered, because the contract prices will be lowered.

Wayne Buchanan from the Montana School Board Association then spoke, saying that he had assumed for many years that all school busses were tax-exempt. He said he was positive this bill would pass on a savings to the School Districts. The School Boards Association will play its part in getting the word out that this savings is being passed on. He added that more schools were going to private contractors.

There were no OPPONENTS to HB 177. Questions were then asked.

Rep. Nordtvedt asked Mr. Simonsen what assurance the Legislature would have that the savings to the private contractors would be passed on to the School Districts. He replied that with the publicity this legislation has, the next time contracts were negotiated, this would be part of that. With this relief, they might be able to go one or two more years with the 8% cap.

In response to questioning from Rep. Hart, Mr. Simonsen said that

busses used for school-sponsored functions would also be covered under the bill. Rep. Williams wanted to know who would be responsible for segregating busses used for school functions and busses used for other purposes. This function would be up to the Highway Patrol. However, the bill provides for an identifying decal. Additional fees would be paid for summer use by firefighters and other groups.

In response to a question from Rep. Roth, Mr. Buchanan stated that many of the larger School Districts have found it more economical to go to private contractors rather than owning their own fleet. It was clarified that private vehicles would not qualify under this bill.

Rep. Williams asked the sponsor if this bill wouldn't fall in the category of special interest legislation, and suggested that other groups such as private contractors to garbage haulers, might want the same treatment.

Mr. Simonsen confirmed that passage of this bill would create a savings of about \$20,000 to the Billings School District's budget of more than \$1 million.

Rep. Bertelsen asked why the contractors couldn't just increase their contracts to cover the cost of an increased safety program. Mr. Beach replied that under present law, contracts could only be increased by 5% per year, and the last session of the Legislature raised this to 8%. Rather than bidding for five years and escalating the bid to cover inflation, they do a per year bid and try to live with the 8% figure. Also, bidding is competitive and this inhibits increasing bids to cover additional programs. A school bus driver from Boulder, Montana added that the 8% cap provides that the contractor can be reissued a contract without negotiation. The problem with renegotiating is, that if a contractor bids too high, he can be underbid by someone else. It costs \$700 to license a 1980 bus and \$100 to license a 1970 bus. This causes a situation where the contractor with old busses can bid lower, which creates an unfair situation. Thus licensing creates a problem because it penalizes a contractor for updating his equipment.

Rep. Devlin wanted to know how much of the licensing money goes back to the School District. Mr. Beach said that in Missoula and Gallatin Counties, 55% went back. However, it depends on the mill levies. One of the important points against Rep. Williams's argument is that \$55 out of every \$100 cycles again and the garbage taxes don't revert that much back to garbage services.

It was brought out that the School District is not obligated to take the lowest bid, but in practice they usually do.

Rep. Eudaily stated that passage of HB 177 would mean about \$67,000 in lost tax bases, statewide.

Rep. Eudaily then closed. He stressed that any losses would be offset by lower contract rates. The hearing was then closed.

HOUSE BILL 204 was then heard. The sponsor, Rep. Eudaily, said that the Legislature inadvertently failed to include motorboats in the fee schedule when the original legislation was passed. This bill would reduce the taxes paid on motorboats. He submitted several amendments to make the language more uniform; see Exhibit "B." The amendments would include in the bill units such as sailboats, which are presently tax-free.

Ken Hoovestol, representing the Montana Marine Trade Association, then spoke up in favor of HB 204, expressing their concurrence with the proposed amendments.

Dave Seyfert, Legislative Chairman and Vice President of the Montana Trade Association, then spoke in favor of the bill. With the fee schedule, revenue in Flathead County would probably increase. The Fish and Game feels that 10% of all boats aren't registered now that would be under a fee schedule. Revenue would increase slightly because watercraft on the high end of the scale would be paying less, but watercraft on the low end would be paying more. Also, this would simplify the paperwork for counties. Idaho has just put in a fee schedule using the length of the vessel as the determining factor.

Jim Manion, Montana Automobile Association, then rose as a PROPONENT to HB 204. Their association is in support of a flat fee system for all vehicles and feels that this bill will take care of an inadvertent error.

Thor Hauge, President of the Montana Marine Trade Association also rose in support of HB 204, as did Curt Wheeling, Past President of the Canyon Ferry Yacht Club.

There were no opponents to HB 204. The hearing was then opened to questions.

Rep. Sivertsen questioned Mr. Seyfert about the fairness of a system which based the fee on straight footage. Mr. Seyfert replied that this was a use fee system rather than a person tax, and the small owner was simply paying his fair share. In addition he added that

the small owners probably made more use of public facilities. He stressed that there was no equity in the system as it now existed; the small boats in his county alone can pay anywhere from \$1.51 to \$37.00.

Rep. Brand wanted to know if the present system assessed value according to horsepower. He was told that this was the case; however, the problem exists in that the owner's word has to be taken in the case of horsepower, and there have been cases of people falsifying information and thus getting lower assessments.

Rep. Bertelsen asked Mr. Seyfert what kind of an effect the bill would have on taxable valuation; he feels that it would be very small.

Rep. Williams solicited the opinion of Mr. Hoovestol regarding the theory that a fee system would bring more watercraft into the category of being registered. He replied that right now the chances of getting caught were fairly slim, and the fine was only \$10. Since property taxes are often much higher, many people feel they are better off not registering.

The possibility of adding a stiffer penalty section to the law was discussed, and Mr. Hoovestol expressed agreement that the \$10 amount should be increased. Mr. Hoovestol said sailboaters concur with the bill and the amendments.

Rep. Switzer expressed concern that the value of the boat would have no bearing on the amount of the fee. He brought up that the "ability to pay" was being ignored and that those least able to pay would have to take on the burden of the tax shift.

Rep. Eudaily then closed. He stressed there was no equity in the system as it now stands and that boats should be on a fee system, just as are motor homes. The hearing was then closed.

HOUSE BILL 308, sponsored by Rep. Dan Yardley, was then heard. The bill deals with personal property tax payment deadlines. Currently if personal property is owned, but not the land it sits on, you pay at a different time than the land owner. Inventory taxes have to be paid in the spring and the land owner pays at another time. If this bill were passed, payment would be set up the same as it presently is in the case of mobile homes: half of the personal property tax would be paid within 30 days of notice and the remainder would be due on September 30. From an administrative point of view, if a person doesn't own the land, the agency doesn't feel they are protected, and they might not have anything to put a lien on if taxes aren't paid.

Rep. Bengtson, co-sponsor of HB 308, then spoke.

The Yellowstone County Treasurer's Office has a lot of trouble with business and livestock people, who at present have to pay their taxes in one payment. She pointed out that personal property taxes are never assessed at the same time of the year, and because of this, raising enough money to pay them within 30 days isn't always easy. She expressed the belief that more taxes could be collected if two payments were allowed.

Rep. Vinger then rose in support of the measure. He added that inventory taxes often have to be paid with borrowed money and passage of this bill would help prevent this.

Mike Stephen, Executive Director of the Montana Association of Counties then rose in support of HB 308. He pointed out that even though the tax base of the counties is determined by the amount of property, not all of the taxes are collectable, and this bill would help that. Also, it allows for more cash flow in the counties.

There were no OPPONENTS to HB 308. Questions followed.

Rep. Switzer expressed the concern that the bill might pose some budgeting problems for the counties that were used to getting a large sum of money at a certain time of the year. It was pointed out that conversely, this bill would also help them in times when funds were low.

Rep. Williams asked Rep. Yardley why the "mobile home route" was taken instead of the "real property route" when the bill was drawn up. Rep. Yardley replied that Yellowstone County had convinced him that if they had to wait till September to get the final payment, it wouldn't be a problem but if they had to wait a year the Treasurer might never get the second payment.

Rep. Dozier brought up the possibility of the tax notice coming in August, and thus leaving the property owner with 30 days to make the entire payment. Jess Munro from the Department of Revenue pointed out that the state sends the county assessors their notices between January and the end of April, and it was up to the counties to get the notices out from that point.

Rep. Roth brought up the problem of removal of private property to avoid the tax. Rep. Yardley said that the Department of Revenue has used the current law which states that, if property is likely to be removed from the state, the 30-day provision is applicable. Mr. Munro pointed out a few instances when property had been removed. Ellen Feaver, Director of the Department of Revenue, admitted that this might be somewhat of a problem under this proposal.

Rep. Brand spoke up in favor of mandating deadlines for the Counties to get out the tax notices. Ms. Feaver said that the Department of Revenue had no control when the counties got their notices out, but the matter would be looked into.

Rep. Dozier wanted to know if there would be any impact from the loss of interest income from the normally deposited taxes. Mr. Stephen replied that the Counties would rather receive all of the money, but with this bill they would at least receive some of the money that they might otherwise not have received at all.

Rep. Yardley then closed, and the hearing on HB 308 was closed.

HOUSE BILL 305, sponsored by Rep. Dozier, was then heard. He explained that he was carrying the bill at the request of the Department of Revenue. A problem arose when the state went to staggered vehicle registration. Even though it wasn't the intention of the original bill, some feel now that evaluations should also be staggered. The Department of Revenue has been using January 1 assessment figures for the entire year; otherwise they would have to send out notices several times per year. Some test cases are challenging the law right now. Provided the fee system bills don't pass, this needs to be cleared up in the law.

Ellen Feaver, Director of the Department of Revenue, then rose as a PROPONENT to HB 305. She stated that even if a fee system were enacted, this bill would be needed, because large trucks will still be on staggered registration. Licensees can now choose when they want their vehicle registered. If the Department of Revenue were forced to go to monthly assessment figures, everyone would choose to be licensed in October which is the month the books are lowest. Also, the administrative costs of monthly evaluation changes would be fairly substantial. A handout was circulated which presented the Department's position; see Exhibit "C."

Mike Stephen, Montana Association of Counties, then rose in support of HB 305, stating his main reason as being that it would help streamline county government.

There were no opponents to HB 305. Questions were asked.

Rep. Asay brought up the question of assessment not being in line with actual value. Ms. Feaver replied that it didn't change the method of assessment, and Rep. Dozier expressed opposition to amending the bill to address this question. Ms. Feaver added that prior to staggered licensing, people paid licenses for a year, and this bill would enable that posture to be maintained.

Chairman Nordtvedt asked Ms. Feaver if it wouldn't be everyone's advantage to have taxes paid for a full year, thus postponing their renewal date for a full year, if the assessment figures were being frequently changed. If the state is trying to stick as close as possible to taxing through value of vehicles, the tax should establish that there is a difference in value, between October and January. Ms. Feaver agreed that this was true, if that is what the Legislature wanted to do.

Rep. Williams brought up the possibility of the valuation being changed to once a month.

Rep. Nordtvedt expressed the conviction that assessed values would not average out over time to create equity between different purchase dates on identical vehicles; thus, if one vehicle were bought in January and one in November, and both kept for a number of years, the late buyer would own a lower valued object, but he would be paying the same tax, and the disparity would not level out.

Rep. Nordtvedt disagreed with Rep. Zabrocki's assumption that after one year, things would be equalized. The question was left for EXECUTIVE SESSION.

Rep. Dozier then closed. The bill was designed to do a very simple thing; bring the Department of Revenue into compliance with the law. The hearing was then closed.

The Committee then went into EXECUTIVE SESSION. Rep. Asay moved that HOUSE BILL 121 be considered. Chairman Nordtvedt expressed a disinclination to consider the bill until the rest of the bills concerning the same subject could be heard. Rep. Asay expressed his desire that this bill not be confused with the other bills seeking to change the distribution of the Coal Fund. The Chairman submitted that the bill would have effectively changed the amount of funding for the schools by \$2.8 million over the past biennium, had this bill been in effect. Chairman Nordtvedt entertained that unless there was a clear Committee agreement with Rep. Asay, that executive action be delayed on HB 121; action was postponed.

The meeting adjourned at 9:50 a.m.

Rep. Ken Nordtvedt, Chairman

da

NAME Charles M. Simonson BILL No. HB 177

ADDRESS 435 Maple Ave. Pittsboro, N.C. 27561 DATE 1-2-81

WHOM DO YOU REPRESENT W. I. School Improvement Association

SUPPORT OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

EXHIBIT "A"
1/20/81
T. Arapahoe Assoc.

Montana School Transportation Association

425 Sugar Avenue
Billings, Montana 59101
January 20, 1981

President: Charles Simonsen

Phone: 248-3667

Kenneth Nordtvedt, Chairman
Committee on Taxation for
Montana 1981 Legislature

Testimony on House Bill 177

I represent Montana School Transportation Association's 68 members who are school bus contractors to school districts in Montana. We own 333 regular route school buses of the 654 contractor-owned route buses in Montana. That is 50.92%. In addition to the 654 route buses owned by contractors in Montana, they own 53 spare buses.

Rationale for passage of HB 177

1. Buses owned by school districts do not pay tax, and reduction of taxes on contractor-owned buses would put our costs in a more competitive position.
2. The Congress of the United States has passed legislation during the last four years repealing many of the excise taxes previously paid by school bus contractors. This is a change which makes taxes more comparable with district-owned buses. Federal Excise Taxes were exempted or refunded beginning April 20, 1977 on school bus chassis and bodies, and December 1, 1978 on parts, accessories, tires, tubes, gasoline, diesel fuel and lubricants.
3. With the state law which has been interpreted by some to mean no rates for school buses can increase more than 8% per year at a time when Consumer Price Index for the United States year to date as of November 1980 was running at 12.7%, the reduction of taxes on school buses would allow some school bus contractors to operate one or two more years before rebidding the transportation contract and raising rates more than the 8%. Result - holding down school district costs.
4. Passage of the bill would relieve a cash flow pinch for school bus contractors in January each year when they buy licenses.

NAME Robert D. Boock BILL No. HB 177
ADDRESS 4810 Miller Cr - Missouri DATE Jan 20 - 81
WHOM DO YOU REPRESENT School Bus Contractors
SUPPORT OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME Gene DaBlanc BILL No. 43199
ADDRESS 10409 1st St NW DATE 1 20 80
WHOM DO YOU REPRESENT none
SUPPORT OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME Walter A. Bates BILL No. HB 177
ADDRESS W. Lowell, Wash. DATE 1-20-81
WHOM DO YOU REPRESENT Mont. School Transportation Assoc.
SUPPORT yes OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

TAVATON
1/22/81
EXHIBIT "B"

Proposed Amendments to HB 204

1. Title, line 5.
Following: "ON"
Strike: "MOTORBOATS"
Insert: "DESIGNATED WATERCRAFT"
2. Page 1, line 21.
Following: "except"
Strike: "motorboats"
Insert: "those"
3. Page 2, line 24.
Following: "homes,"
Strike: "motorboats"
Insert: "watercraft"
4. Page 4, line 13
Following: "except"
Strike: "motorboats"
Insert: "watercraft"
5. Page 5, line 22.
Following: "except"
Strike: "motorboats"
Insert: "those"
6. Page 10.
Following: line 15
Insert: "(12) The requirements of this section apply to all watercraft subject to a fee in lieu of tax."
7. Page 12, line 17.
Following: "tax on the"
Strike: "motorboat"
Insert: "watercraft"
8. Page 13, line 5.
Following: line 4
Strike: "motorboats"
Insert: "designated watercraft"
9. Page 13, line 6.
Following: "motorboats"
Insert: "and watercraft 18 feet in length or longer"
10. Page 13, line 12.
Following: "section 9."
Strike: "Motorboat"
Insert: "Watercraft"

11. Page 13, line 20.
Following: "fee for a"
Strike: "motorboat"
Insert: "watercraft"

12. Page 13, line 24.
Following: "collected on"
Strike: "motorboat"
Insert: "watercraft"

VISITORS' REGISTER

HOUSE 77-1111

COMMITTEE

PULL 100 208

Date 1/20/61

SPONSOR Ch. DeW

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPO
Mike Stephen	Heaven	MT State of Co.	X	
Arthur L. Linton	Shelburne	Yellowstone County	X	
Wm. Fisher	Heaven	Dept of Justice		
Joe Burns	Heaven	Dept of Revenue		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

TAXATION
1/20/81
EXHIBIT "C"

DEPARTMENT OF REVENUE
HOUSE BILL NO. 305

HB 305 is concerned with the standard for determining market value of motor vehicles subject to staggered registration. These vehicles are registered at varying times during the year and according to the present statutes, these vehicles should be valued as of the first day of the registration period. The Department of Revenue has not done so and has valued all motor vehicles as of January 1 of the year of registration. The purpose of the staggered registration procedure was to eliminate lines at the Treasurer's office and not to reduce taxes for individuals registering later in the year. A 1975 Chevrolet should be taxed the same in 1981 no matter when the vehicle is registered. The discrepancy between the statute and the Department's procedure was recognized when taxpayers began appealing to the County Tax Appeal Board for reassessment. There would be substantial administrative costs involved with a valuation based on the first day of the registration period. HB 305 provides that while registration continues under the staggered system, valuation is based on January 1 values.

Section Analysis

Section 1. Amends 15-8-202. Explicit language is added to clarify that value is computed as of January 1.

Section 2. Amends 61-3-503. This section is also amended to make clear that market value is determined as of January 1 for all motor vehicles.

STANDING COMMITTEE REPORT

January 22,

1961

MR. **SPEAKER:**

We, your committee on **TAXATION**

having had under consideration **House** Bill No. **177**

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT SCHOOL BUSES LEASED OR PRIVATELY CONTRACTED EXCLUSIVELY TO SCHOOL DISTRICTS FOR THE STATE-APPROVED TRANSPORTATION OF STUDENTS ARE EXEMPT FROM PROPERTY TAXATION FOR THE PERIOD OF TIME ENGAGED IN STATE-APPROVED SCHOOL BUS SERVICE; TO REQUIRE INSTEAD A FEE IN LIEU OF PROPERTY TAX OF \$25 FOR EACH REGISTRATION YEAR; AMENDING SECTIONS 15-6-139, 15-8-202, 61-3-332, 61-3-501, 61-3-503, 61-3-504, 61-3-509, AND 61-3-521, MCA."

Respectfully report as follows: That **House** Bill No. **177**

DO NOT PASS

~~DO NOT~~
DO PASS

Rep. Ken Nordqvist,

Chairman.

STANDING COMMITTEE REPORT

January 29,

19 81

MR. SPEAKER

We, your committee on TAXATION

having had under consideration HOUSE Bill No. 204

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR A PET IN LIEU OF PROPERTY TAX ON MOTORBOATS; AMENDING SECTIONS 15-6-138, 15-8-201, 15-8-301, 15-8-404, 23-2-512, 23-2-513, AND 23-2-515, MCA."

Respectfully report as follows: That HOUSE Bill No. 204,

introduced (white), be amended as follows:

1. Title, line 3.
Following: "ON"
Strike: "MOTORBOATS"
Insert: "DESIGNATED WATERCRAFT; EXEMPTING CERTAIN WATERCRAFT FROM TAXATION"
2. Title, line 6.
Following: "15-6-138,"
Insert: "15-8-201,"
3. Title, line 7.
Following: "MCA"
Insert: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

XDC:KAS

(Page 1 of 5 pages)

COMMITTEE ON TAXATION AMENDMENTS TO HOUSE BILL 204

4. Page 1, lines 21 and 22.

Strike: subsection (c) in its entirety

Renumber: all subsequent subsections

5. Page 2, line 6 through line 9 on page 3.

Strike: section 2 in its entirety

Insert: Section 2. Section 15-6-201, MCA, is amended to read:

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

(a) the property of:

(i) the United States, the state, counties, cities, towns, school districts;

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

(iii) municipal corporations; and

(iv) public libraries;

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

(c) property used exclusively for agricultural and horticultural societies, for educational purposes, and for hospitals;

(d) property that meets the following conditions:

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

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

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

(e) institutions of purely public charity;

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

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

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

(i) a truck canopy cover or topper weighing less than 300 pounds and having no accommodations attached. Such property is also exempt from the fee in lieu of tax.

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

(k) a watercraft under 11 feet in length and a canoe or a kayak regardless of length.

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

COMMITTEE ON TAXATION AMENDMENTS TO HOUSE BILL 204

4. Page 1, lines 21 and 22.

Strike: subsection (c) in its entirety

Renumber: all subsequent subsections

5. Page 2, line 6 through line 9 on page 3.

Strike: section 2 in its entirety

Insert: * Section 2. Section 15-6-201, MCA, is amended to read:

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(iii) municipal corporations; and

(iv) public libraries;

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

(c) property used exclusively for agricultural and horticultural societies, for educational purposes, and for hospitals;

(d) property that meets the following conditions:

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

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

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

(e) institutions of purely public charity;

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

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

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

(i) a truck canopy cover or topper weighing less than 300 pounds and having no accommodations attached. Such property is also exempt from the fee in lieu of tax.

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

(k) a watercraft under 11 feet in length and a canoe or a kayak regardless of length.

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

COMMITTEE ON TAXATION AMENDMENTS TO HOUSE BILL 204

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

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

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

(b) \$100,000 in the case of multifamily residential dwelling or a nonresidential structure."

Numbers: all subsequent sections

6. Page 4, line 12.

Following: "property"

Strike: ", including all vessels, steamers, and other watercraft except motorboats subject to a fee in lieu of tax"

7. Page 5, line 21.

Following: "companies"

Strike: ", steamboats, vessels, and other watercraft except motorboats subject to a fee in lieu of tax"

8. Page 10, line 15.

Following: "use."

Insert: "(12) The requirements of this section apply to all watercraft subject to a fee in lieu of tax."

9. Page 12, line 17.

Following: "on the"

Strike: "motorboat"

Insert: "watercraft"

10. Page 13.

Following: line 4

Strike: "motorboats"

Insert: "designated watercraft"

11. Page 13, line 5.

Following: "on"

Strike: "motorboats"

Insert: "watercraft 11 feet in length or longer"

12. Page 13, line 10.

Following: "for"

Strike: "motorboats"

Insert: "watercraft"

COMMITTEE ON IRRIGATION AMENDMENTS TO HOUSE BILL 204

13. Page 13, line 13.
Following: "section 9."
Strike: "motorboat"
Insert: "watercraft"
14. Page 13, line 13
Following: "of a"
Strike: "motorboat"
Insert: "watercraft"
15. Page 13.
Following: line 13
Strike: "motorboat"
Insert: "watercraft"
16. Page 13, line 15.
Following: "s"
Strike: "motorboat 14"
Insert: "watercraft 15"
17. Page 13, line 17.
Following: "e"
Strike: "motorboat"
Insert: "watercraft"
Following: "than"
Strike: "14"
Insert: "15"
18. Page 13, line 18
Following: "than"
Strike: "18"
Insert: "19"
19. Page 13.
Following: line 19
Insert: "(4) The fee for a watercraft more than 19 feet in length but less than 25 feet in length is \$4 a foot or fraction of a foot."
Renumber: subsequent subsection
20. Page 13, line 20.
Following: "a"
Strike: "motorboat 16"
Insert: "watercraft 25"
21. Page 13, line 21
Following: "is \$"
Strike: "4"
Insert: "5"

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COMMITTEE ON LEGISLATION AMENDMENTS TO HOUSE BILL 274

22. Page 13, line 24.

Following: "on"

Strike: "motorboats"

Insert: "watercraft"

23. Page 14.

Following: line 3

Insert: "NEW SECTION. Section 11. Penalty.

The failure to pay the fee in lieu of tax as provided in [sections 8, 8, and 9] is a misdemeanor, punishable by a fine equal to 25% of the fee in lieu of tax that is due upon the watercraft for the current year of registration."

Repeal: all subsequent sections

24. Page 14, line 8.

Following: "12."

Strike: "Applicability"

Insert: "Effective date"

Following: "act"

Insert: "is effective on passage and approval and"

25. Page 14.

Following: line 2

Strike: "motorboats"

Insert: "watercraft"

AND AS SO AMENDEDDO PASS

(Page 5 of 5 pages)

STANDING COMMITTEE REPORT

March 11, 191

MR. SPEAKER

We, your committee on TAXATION

having had under consideration HOUSE Bill No. 305

A BILL FOR AN ACT ENTITLED: "AN ACT TO USE MARKET VALUE AS OF JANUARY 1 OF THE ASSESSMENT YEAR IN ASSESSING MOTOR VEHICLES SUBJECT TO STAGGERED REGISTRATION; AMENDING SECTIONS 15-8-202 AND 61-3-503, MCA; AND PROVIDING AN APPLICABILITY DATE."

Respectfully report as follows: That HOUSE Bill No. 305, introduced (white), be amended as follows:

1. Title, line 5.

Following: "USE"

Insert: "A SEMIANNUAL"

Following: "VALUE"

Strike: "AS OF JANUARY 1 OF THE ASSESSMENT YEAR"

2. Page 1, line 20.

Following: "using"

Insert: "the"

Following: "value"

Strike: "as of January 1 of the year of assessment"

Insert: "of the vehicle as contained in the most recent, comprehensive, semiannual volume of the Mountain States Edition of the National Automobile Dealers Association Official Used Car Guide"

(Page 1 of 2 pages)

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COMMITTEE ON TAXATION AMENDMENTS TO HOUSE BILL 305:

3. Page 2, line 21.

Following: "(1)"

Strike: "A"

Insert: "Except as provided in subsection (3), a"

4. Page 3, line 17.

Following: "using"

Insert: "the"

Following: "value"

Strike: "as of January 1 of the year of assessment"

Insert: "of the vehicle as contained in the most recent, comprehensive, semiannual volume of the Mountain States Edition of the National Automobile Dealers Association Official Used Car Guide"

5. Page 3, line 23.

Following: "1,"

Strike: "1932"

Insert: "1981"

AND AS AMENDED

DO PASS

STANDING COMMITTEE REPORT

January 22, 1921

MR. SPEAKER

We, your committee on TAXATION

having had under consideration HOUSE Bill No. 308

A BILL FOR AN ACT ENTITLED: "AN ACT TO PERMIT THE PAYMENT OF PERSONAL PROPERTY TAXES THAT ARE NOT A LIEN ON REAL PROPERTY ON THE SAME DATES AS PROPERTY TAXES ON MOBILE HOMES IF THE PROPERTY CANNOT OR WILL NOT BE REMOVED FROM THE STATE; AMENDING SECTIONS 15-16-113 AND 15-24-905, MCL."

Respectfully report as follows: That HOUSE Bill No. 308

DO PASS