

HOUSE TAXATION COMMITTEE MEETING MINUTES  
March 5, 1981

A meeting of the House Taxation Committee was held on Thursday, March 5, 1981 at 8:00 a.m. in Room 102 of the State Capitol. All members were present. SENATE BILLS 3, 54 and 55 were heard and EXECUTIVE ACTION was taken on SENATE BILL 3.

SENATE BILL 3, sponsored by Sen. Bill Norman, was heard. The bill addresses a problem that arose with the County Assessors. There are various districts in a County taxing jurisdiction and from time to time, the boundaries are shifted, and the jurisdictions wish to partake of the taxes that are due them, but it is sometimes difficult for this to be done by the assessor because of the time element. This bill says that unless the jurisdictions make their requests before the tax statements are prepared they cannot collect the money that year.

There were no other PROPONENTS; there were no OPPONENTS to SB 3. Questions were then asked. Rep. Williams asked Ms. Ellen Feaver, Director of the Department of Revenue, for her opinion of the bill. She said it seemed to be a reasonable bill.

The sponsor then closed, and the hearing on SB 3 was closed.

Chairman Nordtvedt entertained a motion to move the bill. Rep. Zabrocki moved that SB 3 BE CONCURRED IN. Discussion took place. Rep. Williams wanted to know the reason why the bill had been drafted. Ms. Feaver said that probably some jurisdiction had been formed too late to be taken care of. The Assessors had requested this bill.

The question was then called for on the motion that the bill BE CONCURRED IN; motion carried unanimously.

Chairman Nordtvedt announced that Rep. Sales had asked if the Committee would be interested in reconsidering HB 160 and moving it to the Senate so they could also consider it. Discussion then took place regarding the bill. Rep. Dozier said that the Attorney General's office felt HB 160 would have better advantages than the one which had been passed out of Committee. Rep. Sivertsen requested that Rep. Dozier bring more information on the subject. Rep. Dozier withdrew his motion to take the bill off the table.

SENATE BILL 54 was then heard. The sponsor, Sen. Bob Brown, said the bill clarified a problem concerning tax appeals decisions. At present, if the matter is taken to District Court, the Department of Revenue is named as the defendant. However, there is no provision in the law which says the Department of Revenue has to be notified they are to appear in Court. This bill says that the Department has to be informed in writing that they are going to Court. This will ensure that the Department of Revenue won't be defaulted because they didn't know they were supposed to appear.

Ellen Feaver, Department of Revenue, then spoke. It seems only procedurally reasonable that this provision be made in the law.

There were no OPPONENTS to the bill. Questions were then asked. Rep. Brand asked Ms. Feaver why the Board of Appeals didn't notify the Department. Ms. Feaver replied that there was no communication between the two entities in this matter. She said the person bringing the suit would do the notifying, and added that in most cases, this already happens, but not always.

Sen. Brown then closed, and the hearing on SB 54 was closed.

SENATE BILL 55, also sponsored by Sen. Bob Brown, was then heard. This bill eliminates the requirement that certain tax returns be notarized.

Ellen Feaver, Department of Revenue, then rose in support of the bill. The notarization is not needed because taxpayers are held liable for what they sign whether or not their signature has been notarized. The notarization serves no useful purpose. Also, the bill eliminates a filing requirement for certain businesses, which presently serves only as a harrassment, since the Department receives this information through other channels already.

There were no OPPONENTS to the bill. Questions were asked. Rep. Nordtvedt wanted to know what tax returns presently required the notarization. Ms. Feaver replied that most of them were in the miscellaneous and the severance tax areas. Mostly, they are dealing with miners. The signature requirements will remain the same other than the notarization requirement. Rep. Devlin wanted to know how far the bill extended. Ms. Feaver said the notarization added nothing as far as she was aware of.

Sen. Brown then closed and the hearing on SENATE BILL 55 was closed.

The Committee then went into EXECUTIVE SESSION and the Vehicle Fee Bill Subcommittee made a report on HOUSE BILL 428; see Exhibit "A." Rep. Sivertsen went through the bill and explained what had been done. He explained that originally the bill had provided for a \$15 fee plus 2 1/2% of the average trade-in value. The Subcommittee decided to do away with the \$15 fee and raise the percentage to 3%. Also, they decided to have the Blue Book updated twice a year.

Rep. Williams wanted to know if it had been figured out if the 3% figure would be sufficient. Rep. Nordtvedt said that when the fiscal impact of the bill, as amended, was figured, this would be done for several different percentage amounts, and the 3% wasn't a firm figure yet.

Rep. Sivertsen explained that August was the month of the second Blue Book being started. Rep. Nordtvedt explained that the January and July comprehensive books would be used and the rule-making authority of the Department of Revenue would be used to implement those books in a timely manner. They need a certain amount of time lag to get the tabulations implemented into the computer.

It was pointed out that Section 10 of the bill provides that no car will pay less than a \$20 tax. At present, the minimum is from \$8 - \$10; some vehicles will have to pay more under the bill; specifically, ones more than eight years old.

Section 11 provides that all of the money will be left in the County except the 25, 15, and 6-mill school levies. Rep. Nordtvedt said, under this system, 100% of the revenue from vehicles stays in the County where the vehicles are registered. The State will have to pick up the difference on the Foundation Program.

Rep. Nordtvedt said a separate bill would address how to make up the loss in revenue to local government. Rep. Sivertsen said a computation was being done to find out what kind of impact the Counties would be having. Rep. Nordtvedt said that any bill that was going to do what HB 428 does is going to hurt some Counties and help others. Rep. Sivertsen added that if a uniform tax is adopted, there would have to be some adjustments.

Rep. Williams said that if a Statewide average was taken, the effect of HB 428 would be about a 15% loss in revenue to local governments, but this will be uneven among the Counties. Rep. Asay commented that there is as much difference within the County as between the Counties, and the School District is what makes the difference in the taxation level. Rep. Nordtvedt said that if a car was in Great Falls, the tax would be the same, no matter where it was registered. However, if the car was registered in Great Falls, the money would be used for Great Falls funding, and if it was licensed in a rural area, the funds would go towards rural budgets. 100% of the revenue is allocated proportionally among the local mills.

Rep. Dozier submitted that some cars still in the Blue Book would also be paying more than previously. He submitted that the rural Counties would be getting windfalls. Rep. Sivertsen said that in the high mill jurisdictions the tax would go down and in the rural Counties the amount would remain the same as at present. Rep. Nordtvedt said that the break-even point was 185 mills.

Rep. Bertelsen wanted to know what would happen to taxable valuation. Rep. Sivertsen said that bonding limits would be adjusted to take care of the decrease in the tax base. Rep. Bertelsen wanted to know what the bonding companies felt about this. Rep. Sivertsen said that so far, no problem had been detected in this area.

Rep. Brand wanted to know if HB 428 would be held in Committee until a bill was found to make up the loss in revenue. Rep. Sivertsen said this would have to be done. Rep. Nordtvedt pointed out that the live-stock bill would have its impact on the rural Counties whereas this bill would have its impact in the urban Counties. Put together, the impact of these two bills would be somewhat even around the State. Tax indexing plus these two bills is a possibility.

Rep. Dozier submitted that the Revenue Code was being amended to say that all State revenues would be collected from first- and second-class Cities only. Rep. Sivertsen disagreed.

Rep. Zabrocki wanted to know if it was correct that the license fee would be going to the Counties, but none of it would go to the education system. Rep. Nordtvedt explained that all the mills in the present property tax going to local sources would be unaffected and only the mills going towards State equalization would be taken off. The 46 mills to be taken off have been supported by vehicles in the past and now would have to be picked up by the State. Rep. Asay submitted that the State would only be picking up that portion of the 46 mills that was funded by vehicles, and Rep. Sivertsen confirmed this.

Rep. Underdal brought up the problem of a discrepancy in the tax on a high-priced car. For example, a 1974 Mercedes-Benz registered in Lewis & Clark County would presently cost \$600, and after eight years (1982) the tax would be going to \$32 under HB 428. Rep. Sivertsen said that the philosophy that the car has paid its fair share in the past has to be adhered to. Rep. Nordtvedt said that on the average, the tax of a car would be about 3/4 of its present tax.

Rep. Sivertsen, in response to a question from Rep. Asay, said that air conditioning and other options are taken into consideration when the State figured the tax, and nothing would be added on at the County level; the County Assessor does nothing.

Mr. Oppedahl (Legislative Council) explained Subsection (2) on Page 14. This addresses the salaries of County officials, and compensates for dropping vehicles out of the taxable valuation of the County and freezes in the portion of taxable value for vehicles for this one time. Rep. Underdal wanted to know what would happen in the future concerning this. Mr. Oppedahl said it would go up proportional to other property. The automobile valuation will still be there; it is just looked on as a base figure that is used. It is as it was on December 31, 1981. Rep. Williams pointed out that this amount could be changed by the Legislature when they felt the value needed increasing.

Rep. Dozier wanted to know why some of the percentage jumps were so great. It was pointed out that on the bigger changes the word "taxable" had also been inserted, and this accounted for the jump. This was just cleaning up previous language, plus changing the figures somewhat.

Rep. Sivertsen entertained comments from any witnesses who wanted to have some input. Mr. John Clark, Department of Revenue, commented that on Page 1, line 22 the Committee might put busses in Subsection (b) instead of Subsection (c). Rep. Sivertsen said that vehicles above 3/4 of a ton would stay in the same classes as they were presently in; a bill sponsored by Sen. Severson addresses these vehicles.

Rep. Dozier requested that the Department of Revenue make up an example sheet showing what would be happening with several different types of cars under this bill. Mr. Clark agreed to do this.

Rep. Williams also wanted to know how many automobiles were presently on the road that would not be in the Blue Book. Rep. Sivertsen announced that this had been broken down by County, and would be addressed later.

Rep. Bertelsen wanted the total effect broken down by County. Rep. Sivertsen said the extremes at least would be taken.

Rep. Switzer moved that the Subcommittee's recommendations be presented to the Taxation Committee. The Subcommittee members then voted unanimously to do this. The bill was then officially put before the Taxation Committee. Rep. Nordtvedt said that data would be provided for statistical information. Rep. Williams added that he would like Mr. Oppedahl to review the figures changing the bonding limitations and make sure they were correct. Rep. Nordtvedt agreed that this would be done. Also, figures based on the 3% provision needed to be provided and Rep. Nordtvedt agreed to have this also done.

The meeting was adjourned at 9:20 a.m.



Rep. Ken Nordtvedt, Chairman

da

VISITORS' REGISTER

HOUSE Taxation COMMITTEE

BILL SB54  
SPONSOR B. Brown

Date 3/5/81

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPO
<i>Ell Seaver</i>	<i>Helena</i>	<i>Dept of Rev</i>	✓	

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

## VISITORS' REGISTER

HOUSE Taxation COMMITTEEBILL SB 55Date 3/5/81SPONSOR B. Brown

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPO
<i>Ell Selove</i>	<i>Helena</i>	<i>Deputy Rep</i>	<input checked="checked" type="checkbox"/>	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## 1 HOUSE BILL NO. 428

2 INTRODUCED BY NORDTVEDT, GOODOVER, FABREGA

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH A UNIFORM  
 5 VEHICLE TAX SYSTEM FOR AUTOMOBILES AND LIGHT TRUCKS;  
 6 PROVIDING FOR THE DISPOSITION OF THE TAX; PROVIDING FOR  
 7 REREGISTRATION BY MAIL; ADJUSTING THE PERCENTAGE LIMITS ON  
 8 CERTAIN FINANCIAL ACTIVITIES BY LOCAL GOVERNMENTS BECAUSE OF  
 9 THE CHANGE IN TAX BASE; AND AMENDING SECTIONS 7-1-2111,  
 10 7-3-1321, 7-6-2211, 7-6-4121, 7-6-4254, 7-7-107, 7-7-108,  
 11 7-7-2101, 7-7-2203, 7-7-4201, 7-7-4202, 7-13-4103, 7-14-236,  
 12 7-14-2524, 7-14-2525, 7-14-4402, 7-16-2327, 7-16-4104,  
 13 7-31-106, 7-31-107, 7-34-2131, 15-6-139, 15-6-140, 15-8-201,  
 14 15-8-202, 19-11-503, 19-11-504, 20-9-406, 20-9-502,  
 15 61-3-303, 61-3-304, 61-3-322, 61-3-503, 61-3-504, AND  
 16 61-3-509, AND 85-7-2001, MCA."

17  
18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

19 Section 1. Section 15-6-139, MCA, is amended to read:

20 "15-6-139. Class nine property -- description --  
 21 taxable percentage. (1) Class nine property includes:  
 22 (a) automobiles, buses, and trucks weighing 1-1/2 tons  
 23 or less with a GVW-rated capacity of more than  
 24 three-quarters of a ton and equal to or less than 1 1/2  
 25 tons; † Buses



- 1 (b) stock, camping, and travel trailers;
- 2 (c) truck campers and toppers weighing more than 300
- 3 pounds, except those included in class five;
- 4 (d) motor homes except those included in class five;
- 5 (e) furniture, fixtures, and equipment, except that
- 6 specifically included in another class, used in commercial
- 7 establishments as defined in this section;
- 8 (f) x-ray and medical and dental equipment; and
- 9 (g) citizens' band radios and mobile telephones.

10 (2) "Commercial establishment" includes any hotel;

11 motel; office; petroleum marketing station; or service,

12 wholesale, retail, or food-handling business.

13 (3) Class nine property is taxed at 13% of its market

14 value."

15 Section 2. Section 15-6-140, MCA, is amended to read:

16 "15-6-140. Class ten property -- description --

17 taxable percentage. (1) Class ten property includes:

18 (a) radio and television broadcasting and transmitting

19 equipment;

20 (b) cable television systems;

21 (c) centrally assessed utility allocations after

22 deductions of locally assessed properties, except as

23 provided in:

24 (i) class five for cooperative rural electrical and

25 cooperative rural telephone associations; and

1 (ii) class seven for rural telephone and electrical  
2 organizations;

3 (d) coal and ore haulers;

4 (e) trucks weighing with a GVW-rated capacity of more  
5 than 1 1/2 tons, including those prorated under 15-24-102;

6 (f) trailers, except those included in classes five,  
7 eight, or nine, including those prorated under 15-24-102;

8 (g) theater projectors and sound equipment; and

9 (h) all other property not included in the preceding  
10 nine classes.

11 (2) Class ten property is taxed at 16% of its market  
12 value."

13 Section 3. Section 61-3-303, MCA, is amended to read:

14 "61-3-303. Application for registration. (1) Every  
15 owner of a motor vehicle operated or driven upon the public  
16 highways of this state shall for each motor vehicle owned,  
17 except as herein otherwise expressly provided, file or cause  
18 to be filed in the office of the county treasurer where the  
19 motor vehicle is owned or taxable an application for  
20 registration or reregistration upon a blank form to be  
21 prepared and furnished by the division. The application  
22 shall contain:

23 (a) name and address of owner, giving county, school  
24 district, and town or city within whose corporate limits the  
25 motor vehicle is taxable;

1 (b) name and address of the holder of any security  
2 interest in the motor vehicle;

3 (c) description of motor vehicle, including make, year  
4 model, engine or serial number, manufacturer's model or  
5 letter, gross weight, type of body, and if truck, the rated  
6 capacity;

7 (d) in case of reregistration, the license number for  
8 the preceding year; and

9 (e) such other information as the division may  
10 require.

11 (2) A person who files an application for registration  
12 or reregistration of a motor vehicle, except of a mobile  
13 home as defined in 15-1-101(1), shall upon the filing of the  
14 application pay to the county treasurer:

15 (a) the registration fee, as provided in 61-3-311 and  
16 61-3-321; and

17 (b) the personal property taxes assessed, the new  
18 motor vehicle sales tax against the vehicle for the current  
19 year of registration, or in the case of a motor home, travel  
20 trailer, or camper, the fee in lieu of property tax for the  
21 current year of registration, unless the same shall have  
22 been theretofore paid for the year, before the application  
23 for registration or reregistration may be accepted by the  
24 county treasurer.

25 (3) The county treasurer may make full and complete

1 investigation of the tax status of the vehicle. Any  
2 applicant for registration or reregistration must submit  
3 proof from the tax records of the proper county at the  
4 request of the county treasurer.

5 (4) Vehicles subject to the uniform state vehicle tax  
6 provided for in [section 10] shall be registered under the  
7 procedure set forth in subsections (1) through (3) for their  
8 initial registration by an owner. Reregistration of such  
9 vehicle by the same owner shall be governed by the  
10 provisions of [section 9]."

11 Section 4. Section 61-3-304, MCA, is amended to read:  
12 "61-3-304. Previous registration receipt to accompany  
13 application for registration. (1) The treasurer of any  
14 county shall not accept any application for registration or  
15 reregistration of any motor vehicle unless such application  
16 be accompanied by the immediately previous registration  
17 receipt issued by the division or an affidavit upon a form  
18 prescribed by the division stating under oath that the  
19 vehicle had not been operated on the highways of the state  
20 during the immediately previous year, except in cases of  
21 automobiles not previously licensed in Montana. No  
22 application for registration or reregistration of any motor  
23 vehicle hereafter need be verified.

24 (2) The requirements of this section do not apply to  
25 the reregistration of vehicles under [section 9]."

1 Section 5. Section 61-3-322, MCA, is amended to read:

2 "61-3-322. Certificates of registration -- issuance.

3 Except as provided in [section 9]:

4 (1) Upon upon completion of the application for  
5 registration on forms furnished by the division, the county  
6 treasurer shall file one copy in his office and issue to the  
7 applicant two copies of the application marked "Owner's  
8 Certificate of Registration and Tax Receipt", one of which  
9 shall be marked "file copy";

10 (2) ~~The~~ the certificate of registration shall contain  
11 upon the face thereof the information described in  
12 61-3-202(2);

13 (3) ~~Every~~ every owner, upon receiving a registration  
14 receipt, shall write his signature thereon with pen and ink  
15 in the space provided. Every registration receipt or a  
16 notarized photostatic copy or a duplicate thereof furnished  
17 by the division shall at all times be carried in the vehicle  
18 to which it refers or shall be carried by the person driving  
19 or in control of such vehicle, who shall display it upon  
20 demand of a police officer or any officer or employee of the  
21 division or the highway department;

22 (4) ~~The~~ the county treasurer shall daily forward to  
23 the division one copy of all applications for registration  
24 received that day;

25 (5) ~~It~~ it shall not be necessary for the county

1 treasurer to segregate the amount of taxes for state,  
2 county, school district, and municipal purposes in the  
3 receipt."

4 Section 6. Section 61-3-503, MCA, is amended to read:

5 "61-3-503. Assessment. (1) \* Except as provided in  
6 [section 9], a person who files an application for  
7 registration or reregistration of a motor vehicle, other  
8 than a motor home, travel trailer, or a mobile home as  
9 defined in 15-1-101(1), shall before filing such application  
10 with the county treasurer submit the application to the  
11 county assessor. The county assessor shall enter on the  
12 application in a space to be provided for that purpose the  
13 market value and taxable value of the vehicle for the year  
14 for which the application for registration is made.

15 (2) Except as provided in subsection (3), motor  
16 vehicles, other than motor homes, travel trailers, or mobile  
17 homes as defined in 15-1-101(1), are assessed for taxes on  
18 January 1 in each year irrespective of the time fixed by law  
19 for the assessment of other classes of personal property and  
20 irrespective of whether the levy and tax may be a lien upon  
21 real property within the state. In no event may any motor  
22 vehicle be subject to assessment, levy, and taxation more  
23 than once in each year.

24 (3) Vehicles subject to the provisions of 61-3-313  
25 through 61-3-316 shall be assessed as of the first day of

1 the registration period, and a lien for taxes and fees due  
2 thereon shall occur on the anniversary date of the  
3 registration and shall continue until such fees and taxes  
4 have been paid."

5 Section 7. Section 61-3-504, MCA, is amended to read:

6 "61-3-504. Computation of tax. The amount of taxes on  
7 a motor vehicle, other than a motor home, travel trailer,  
8 automobile, light truck, or a mobile home as defined in  
9 15-1-101(1), is computed and determined by the county  
10 treasurer on the basis of the levy of the year preceding the  
11 current year of application for registration or  
12 reregistration. The determination is entered on the  
13 application form in a space provided therefor."

14 Section 8. Section 61-3-509, MCA, is amended to read:

15 "61-3-509. Disposition of taxes and fees in lieu of  
16 tax. Except as provided in [section 11], the the county  
17 treasurer shall credit all taxes on motor vehicles and fees  
18 in lieu of tax on motor homes and travel trailers collected  
19 to a motor vehicle suspense fund, and at some time between  
20 March 1 and March 10 of each year and every 60 days  
21 thereafter, the county treasurer shall distribute the money  
22 in the motor vehicle suspense fund in the relative  
23 proportions required by the levies for state, county, school  
24 district, and municipal purposes in the same manner as other  
25 personal property taxes are distributed."

1        NEW SECTION. Section 9. Renewal of registration --  
 2 automobiles and light trucks. The motor vehicle division of  
 3 the department of justice shall prepare notices of  
 4 reregistration for automobiles and light trucks, and ~~in a~~  
 5 ~~timely manner forward the notices to the department of~~  
 6 ~~revenue. The department of revenue shall~~ calculate the  
 7 registration fee and tax due for each automobile or light  
 8 truck and mail the renewal notice to the owner of the  
 9 vehicle. The owner of a vehicle may pay the amount due  
 10 directly by mail ~~to the department of revenue~~ or in person  
 11 to the county treasurer of the county in which the vehicle  
 12 is registered. If the tax is paid by mail, the department  
 13 COUNTY TREASURER shall ~~notify the motor vehicle division of~~  
 14 ~~the department of justice. The division shall then~~ mail the  
 15 registration and tax receipt to the vehicle owner. ~~if the~~  
 16 ~~tax is paid to the county treasurer, the treasurer shall~~  
 17 ~~issue the registration and tax receipt at that time.~~

18        NEW SECTION. Section 10. Uniform state vehicle tax.  
 19 (1) The owner of an automobile or light truck shall pay a  
 20 uniform state vehicle tax of \$15 ~~plus 2-1/2%~~ <sup>3 1/2</sup> ~~3%~~ of the  
 21 average trade-in value of the vehicle as contained in the  
 22 most recent, COMPREHENSIVE, SEMIANNUAL volume of the  
 23 Mountain States Edition of the National Automobile Dealers  
 24 Association Official Used Car Guide.

25        (2) If a vehicle is of such an age that it is not



1 contained in the most recent, COMPREHENSIVE, SEMIANNUAL  
 2 volume of the used car guide referred to in subsection (1),  
 3 the tax is \$20.

4 NEW SECTION. Section 11. Disposition of uniform state  
 5 vehicle tax. The department-of-revenue-and county treasurers  
 6 TREASURER shall distribute the tax collected under [section  
 7 10] ~~in the following manner:~~

8 ~~(1) 17.5% of the tax shall be distributed to the state~~  
 9 ~~school equalization aid account;~~

10 ~~(2) 2.5% of the tax shall be distributed to the~~  
 11 ~~earmarked revenue fund for the support, maintenance, and~~  
 12 ~~improvement of the Montana university system and other~~  
 13 ~~public educational institutions subject to the board of~~  
 14 ~~regents' supervision;~~

15 ~~(3) 80% of the tax shall be distributed to the local~~  
 16 ~~government units where the vehicle is registered to be~~  
 17 ~~allocated in proportion to all of the mill levy funds of~~  
 18 ~~that taxing jurisdiction THE COUNTY, excluding the 25-mill~~  
 19 ~~mandatory levy for elementary schools, the 15-mill mandatory~~  
 20 ~~levy for high schools, and the 6-mill levy for the~~  
 21 ~~university system.~~

22 NEW SECTION. Section 12. Light truck. "Light truck"  
 23 means a truck whose GVW-rated capacity is three-quarters of  
 24 a ton or less.

25 SECTION 13. SECTION 15-8-201, MCA, IS AMENDED TO READ:

1           "15-8-201. General assessment day. (1) The department  
 2 of revenue or its agent must, between January 1 and the  
 3 second Monday of July in each year, ascertain the names of  
 4 all taxable inhabitants and assess all property subject to  
 5 taxation in each county. The department or its agent must  
 6 assess property to the person by whom it was owned or  
 7 claimed or in whose possession or control it was at midnight  
 8 of January 1 next preceding. It must also ascertain and  
 9 assess all mobile homes arriving in the county after  
 10 midnight of January 1 next preceding. No mistake in the name  
 11 of the owner or supposed owner of real property, however,  
 12 renders the assessment invalid.

13           (2) The procedure provided by this section may not  
 14 apply to:

15           (a) motor vehicles that are required by 15-8-202 to be  
 16 assessed on January 1 or upon their anniversary registration  
 17 date;

18           **(b) automobiles and trucks having a rated capacity of**  
 19 **three-quarters of a ton or less;**

20           **(c)** motor homes and travel trailers subject to a  
 21 fee in lieu of property tax;

22           **(d)** livestock;

23           **(e)** property defined in 61-1-104(2) as "special  
 24 mobile equipment" that is subject to assessment for personal  
 25 property taxes on the date that application is made for a

1 special mobile equipment plate; and

2 ~~(e)~~(f) mobile homes held by a distributor or dealer of  
3 mobile homes as a part of his stock-in-trade.

4 (3) Credits must be assessed as provided in  
5 15-1-101(1)(c)."

6 SECTION 14. SECTION 15-8-202, MCA, IS AMENDED TO READ:

7 "15-8-202. Motor vehicle assessment. (1) (a) The  
8 department or its agent must, in each year, ascertain and  
9 assess all motor vehicles other than automobiles, trucks  
10 having a rated capacity of three-quarters of a ton or less,  
11 motor homes, travel trailers, or mobile homes in each county  
12 subject to taxation as of January 1 or as of the anniversary  
13 registration date of those vehicles subject to 61-3-313  
14 through 61-3-316 and 61-3-501. The motor vehicles shall be  
15 assessed in each year to the persons by whom owned or  
16 claimed or in whose possession or control they were at  
17 midnight of January 1 or the anniversary registration date  
18 thereof, whichever is applicable.

19 (b) No tax may be assessed against motor vehicles  
20 subject to taxation that constitute inventory of motor  
21 vehicle dealers as of January 1. These vehicles and all  
22 other motor vehicles subject to taxation brought into the  
23 state subsequent to January 1 as motor vehicle dealers'  
24 inventories shall be assessed to their respective purchasers  
25 as of the dates the vehicles are registered by the

1 purchasers.

2 (c) "Purchasers" includes dealers who apply for  
3 registration or reregistration of motor vehicles, except as  
4 otherwise provided by 61-3-502.

5 (d) Goods, wares, and merchandise of motor vehicle  
6 dealers, other than new motor vehicles and new mobile homes,  
7 shall be assessed at market value as of January 1.

8 (2) In all cases where taxes or a fee in lieu of tax  
9 were required to be paid, the applicant for registration or  
10 reregistration of a motor vehicle, other than a mobile home,  
11 is not relieved of the duty of paying taxes or the fee in  
12 lieu of tax if the taxes or fees have not been paid by a  
13 prior applicant or owner."

14 SECTION 15. SECTION 7-1-2111, MCA, IS AMENDED TO READ:

15 "7-1-2111. Classification of counties. (1) For the  
16 purpose of regulating the compensation and salaries of all  
17 county officers, not otherwise provided for, and for fixing  
18 the penalties of officers' bonds, the several counties of  
19 this state shall be classified according to that percentage  
20 of the true and full valuation of the property therein upon  
21 which the tax levy is made, as follows:

22 ~~(1)~~(a) first class--all counties having such a taxable  
23 valuation of \$50 million or over;

24 ~~(2)~~(b) second class--all counties having such a  
25 taxable valuation of more than \$30 million and less than \$50

1 million;

2 ~~(3)~~(c) third class--all counties having such a taxable  
3 valuation of more than \$20 million and less than \$30  
4 million;

5 ~~(4)~~(d) fourth class--all counties having such a  
6 taxable valuation of more than \$15 million and less than \$20  
7 million;

8 ~~(5)~~(e) fifth class--all counties having such a taxable  
9 valuation of more than \$10 million and less than \$15  
10 million;

11 ~~(6)~~(f) sixth class--all counties having such a taxable  
12 valuation of more than \$5 million and less than \$10 million;

13 ~~(7)~~(g) seventh class--all counties having such a  
14 taxable valuation of less than \$5 million.

15 (2) As used in this section, taxable valuation means  
16 the taxable value of taxable property in the county as of  
17 the time of determination plus that portion of the taxable  
18 value of the county on December 31, 1981, attributable to  
19 automobiles and trucks having a rated capacity of  
20 three-quarters of a ton or less."

21 SECTION 16. SECTION 7-3-1321, MCA, IS AMENDED TO READ:

22 "7-3-1321. Authorization to incur indebtedness --  
23 limitation. (1) The consolidated municipality may borrow  
24 money or issue bonds for any municipal purpose to the extent  
25 and in the manner provided by the constitution and laws of

1 Montana for the borrowing of money or issuing of bonds by  
2 counties and cities and towns.

3 (2) The municipality ~~shall~~ may not become indebted in  
4 any manner or for any purpose to an amount, including  
5 existing indebtedness, in the aggregate exceeding 5% 28% of  
6 the taxable value of the taxable property therein, as  
7 ascertained by the last assessment for state and county  
8 taxes prior to incurring such indebtedness. All warrants,  
9 bonds, or obligations in excess of such amount given by or  
10 on behalf of the municipality shall be void."

11 SECTION 17. SECTION 7-6-2211, MCA, IS AMENDED TO READ:

12 "7-6-2211. Authorization to conduct county business on  
13 a cash basis. (1) In case the total indebtedness of a  
14 county, lawful when incurred, exceeds the limit of ~~10%~~ 22.5%  
15 established in 7-7-2101 by reason of great diminution of  
16 taxable value, the county may conduct its business affairs  
17 on a cash basis and pay the reasonable and necessary current  
18 expenses of the county out of the cash in the county  
19 treasury derived from its current revenue and under such  
20 restrictions and regulations as may be imposed by the board  
21 of county commissioners of the county by a resolution duly  
22 adopted and included in the minutes of the board.

23 (2) Nothing in this section restricts the right of the  
24 board to make the necessary tax levies for interest and  
25 sinking fund purposes, and nothing in this section affects

1 the right of any creditor of the county to pursue any remedy  
2 now given him by law to obtain payment of his claim."

3 SECTION 18. SECTION 7-6-4121, MCA, IS AMENDED TO READ:

4 "7-6-4121. Authorization to conduct municipal business  
5 on a cash basis. (1) In case the total indebtedness of a  
6 city or town has reached ~~11%~~ 17% of the total taxable value  
7 of the property of the city or town subject to taxation, as  
8 ascertained by the last assessment for state and county  
9 taxes, the city or town may conduct its affairs and business  
10 on a cash basis as provided by subsection (2).

11 (2) (a) Whenever a city or town is conducting its  
12 business affairs on a cash basis, the reasonable and  
13 necessary current expenses of the city or town may be paid  
14 out of the cash in the city or town treasury and derived  
15 from its current revenues, under such restrictions and  
16 regulations as the city or town council may by ordinance  
17 prescribe.

18 (b) In the event that payment is made in advance, the  
19 city or town may require a cash deposit as collateral  
20 security and indemnity, equal in amount to such payment, and  
21 may hold the same as a special deposit with the city  
22 treasurer or town clerk, in package form, as a pledge for  
23 the fulfillment and performance of the contract or  
24 obligation for which the advance is made.

25 (c) Before the payment of the current expenses

1 mentioned above, the city or town council shall first set  
 2 apart sufficient money to pay the interest upon its legal,  
 3 valid, and outstanding bonded indebtedness and any sinking  
 4 funds therein provided for and shall be authorized to pay  
 5 all valid claims against funds raised by tax especially  
 6 authorized by law for the purpose of paying such claims."

7 SECTION 19. SECTION 7-6-4254, MCA, IS AMENDED TO READ:

8 "7-6-4254. Limitation on amount of emergency budgets  
 9 and appropriations. (1) The total of all emergency budgets  
 10 and appropriations made therein in any one year and to be  
 11 paid from any city fund shall ~~not~~ may not exceed 25% 38% of the  
 12 total amount which could be produced for such city fund by a  
 13 maximum levy authorized by law to be made for such fund, as  
 14 shown by the last completed assessment roll of the county.

15 (2) The term "taxable property", as used herein, means  
 16 the percentage of the value at which such property is  
 17 assessed and which percentage is used for the purposes of  
 18 computing taxes and does not mean the assessed value of such  
 19 property as the same appears on the assessment roll."

20 SECTION 20. SECTION 7-7-107, MCA, IS AMENDED TO READ:

21 "7-7-107. Limitation on amount of bonds for  
 22 city-county consolidated units. (1) Except as provided in  
 23 7-7-108, no city-county consolidated local government may  
 24 issue bonds for any purpose which, with all outstanding  
 25 indebtedness, may exceed 27% 39% of the taxable value of the



1 property therein subject to taxation as ascertained by the  
2 last assessment for state and county taxes.

3 (2) The issuing of bonds for the purpose of funding or  
4 refunding outstanding warrants or bonds is not the incurring  
5 of a new or additional indebtedness but is merely the  
6 changing of the evidence of outstanding indebtedness."

7 SECTION 21. SECTION 7-7-108, MCA, IS AMENDED TO READ:

8 "7-7-108. Authorization for additional indebtedness  
9 for water or sewer systems. (1) For the purpose of  
10 constructing a sewer system or procuring a water supply or  
11 constructing or acquiring a water system for a city-county  
12 consolidated government which shall own and control such  
13 water supply and water system and devote the revenues  
14 therefrom to the payment of the debt, a city-county  
15 consolidated government may incur an additional indebtedness  
16 by borrowing money or issuing bonds.

17 (2) The additional indebtedness which may be incurred  
18 by borrowing money or issuing bonds for the construction of  
19 a sewer system or for the procurement of a water supply or  
20 for both such purposes may not in the aggregate exceed 10%  
21 over and above the ~~27%~~ 39% referred to in 7-7-107 of the  
22 taxable value of the property therein subject to taxation as  
23 ascertained by the last assessment for state and county  
24 taxes."

25 SECTION 22. SECTION 7-7-2101, MCA, IS AMENDED TO READ:

1           "7-7-2101. Limitation on amount of county  
2 indebtedness. (1) No county may become indebted in any  
3 manner or for any purpose to an amount, including existing  
4 indebtedness, in the aggregate exceeding ~~10%~~ 23% of the  
5 taxable value of the property therein subject to taxation as  
6 ascertained by the last assessment for state and county  
7 taxes previous to the incurring of such indebtedness.

8           (2) No county may incur indebtedness or liability for  
9 any single purpose to an amount exceeding \$40,000 without  
10 the approval of a majority of the electors thereof voting at  
11 an election to be provided by law, except as provided in  
12 7-21-3413 and 7-21-3414."

13           SECTION 23. SECTION 7-7-2203, MCA, IS AMENDED TO READ:

14           "7-7-2203. Limitation on amount of bonded  
15 indebtedness. (1) Except as provided in subsections (2) and  
16 (3), no county may issue general obligation bonds for any  
17 purpose which, with all outstanding bonds and warrants  
18 except county high school bonds and emergency bonds, will  
19 exceed 9% 11.25% of the taxable value of the property  
20 therein, to be ascertained by the last assessment for state  
21 and county taxes prior to the proposed issuance of bonds.

22           (2) A county may issue bonds which, with all  
23 outstanding bonds and warrants, will exceed 9% 11.25% but  
24 will not exceed 29% 37% of the taxable value of such  
25 property, when necessary to do so, for the purpose of

1 acquiring land for a site for county high school buildings  
 2 and for erecting or acquiring buildings thereon and  
 3 furnishing and equipping the same for county high school  
 4 purposes.

5 (3) The foregoing limitation shall not apply to  
 6 refunding bonds issued for the purpose of paying or retiring  
 7 county bonds lawfully issued prior to January 1, 1932."

8 SECTION 24. SECTION 7-7-4201, MCA, IS AMENDED TO READ:

9 "7-7-4201. Limitation on amount of bonded  
 10 indebtedness. (1) Except as otherwise provided, no city or  
 11 town may issue bonds or incur other indebtedness for any  
 12 purpose in an amount which with all outstanding and unpaid  
 13 indebtedness will exceed ~~18%~~ 28% of the taxable value of the  
 14 property therein subject to taxation, to be ascertained by  
 15 the last assessment for state and county taxes.

16 (2) The issuing of bonds for the purpose of funding or  
 17 refunding outstanding warrants or bonds is not the incurring  
 18 of a new or additional indebtedness but is merely the  
 19 changing of the evidence of outstanding indebtedness."

20 SECTION 25. SECTION 7-7-4202, MCA, IS AMENDED TO READ:

21 "7-7-4202. Special provisions relating to water and  
 22 sewer systems. (1) Notwithstanding the provisions of  
 23 7-7-4201, for the purpose of constructing a sewer system,  
 24 procuring a water supply, or constructing or acquiring a  
 25 water system for a city or town which owns and controls the

1 water supply and water system and devotes the revenues  
 2 therefrom to the payment of the debt, a city or town may  
 3 incur an additional indebtedness by borrowing money or  
 4 issuing bonds.

5 (2) The additional total indebtedness that may be  
 6 incurred by borrowing money or issuing bonds for the  
 7 construction of a sewer system, for the procurement of a  
 8 water supply, or for both such purposes, including all  
 9 indebtedness theretofore contracted which is unpaid or  
 10 outstanding, may not in the aggregate exceed ~~36%~~ 55% over  
 11 and above the ~~18%~~ 28%, referred to in 7-7-4201, of the  
 12 taxable value of the property therein subject to taxation as  
 13 ascertained by the last assessment for state and county  
 14 taxes."

15 SECTION 26. SECTION 7-13-4103, MCA, IS AMENDED TO

16 READ:

17 "7-13-4103. Limitation on indebtedness for acquisition  
 18 of natural gas system. The total amount of indebtedness  
 19 authorized to be contracted in any form, including the  
 20 then-existing indebtedness, must not at any time exceed ~~11%~~  
 21 17% of the total taxable value of the property of the city  
 22 or town subject to taxation as ascertained by the last  
 23 assessment for state and county taxes."

24 SECTION 27. SECTION 7-14-236, MCA, IS AMENDED TO READ:

25 "7-14-236. Limitation on bonded indebtedness. The

1 amount of bonds issued to provide funds for the district and  
 2 outstanding at any time shall not exceed ~~5%~~ 28% of the  
 3 taxable value of taxable property therein as ascertained by  
 4 the last assessment for state and county taxes previous to  
 5 the issuance of such bonds."

6 SECTION 28. SECTION 7-14-2524, MCA, IS AMENDED TO

7 READ:

8 "7-14-2524. Limitation on amount of bonds issued --  
 9 excess void. (1) Except as otherwise provided hereafter and  
 10 in 7-7-2203 and 7-7-2204, no county shall issue bonds which,  
 11 with all outstanding bonds and warrants except county high  
 12 school bonds and emergency bonds, will exceed 9% 11.25% of  
 13 the taxable value of the property therein. The taxable  
 14 property shall be ascertained by the last assessment for  
 15 state and county taxes prior to the issuance of such bonds.

16 (2) A county may issue bonds which, with all  
 17 outstanding bonds and warrants except county high school  
 18 bonds, will exceed 9% 11.25% but will not exceed ~~10%~~ 22.5%  
 19 of the taxable value of such property when necessary for the  
 20 purpose of replacing, rebuilding, or repairing county  
 21 buildings, bridges, or highways which have been destroyed or  
 22 damaged by an act of God, disaster, catastrophe, or  
 23 accident.

24 (3) The value of the bonds issued and all other  
 25 outstanding indebtedness of the county, except county high

1 school bonds, shall not exceed ~~18%~~ 22.5% of the taxable  
 2 value of the property within the county as ascertained by  
 3 the last preceding general assessment."

4 SECTION 29. SECTION 7-14-2525, MCA, IS AMENDED TO  
 5 READ:

6 "7-14-2525. Refunding agreements and refunding bonds  
 7 authorized. (1) Whenever the total indebtedness of a county  
 8 exceeds ~~18%~~ 22.5% of the taxable value of the property  
 9 therein and the board determines that the county is unable  
 10 to pay such indebtedness in full, the board may:

11 (a) negotiate with the bondholders for an agreement  
 12 whereby the bondholders agree to accept less than the full  
 13 amount of the bonds and the accrued unpaid interest thereon  
 14 in satisfaction thereof;

15 (b) enter into such agreement;

16 (c) issue refunding bonds for the amount agreed upon.

17 (2) These bonds may be issued in more than one series,  
 18 and each series may be either amortization or serial bonds.

19 (3) The plan agreed upon between the board and the  
 20 bondholders shall be embodied in full in the resolution  
 21 providing for the issue of the bonds."

22 SECTION 30. SECTION 7-14-4402, MCA, IS AMENDED TO  
 23 READ:

24 "7-14-4402. Limit on indebtedness to provide bus  
 25 service. The total amount of indebtedness authorized under

1 7-14-4401(1) to be contracted in any form, including the  
 2 then-existing indebtedness, may not at any time exceed ~~±8%~~  
 3 28% of the total taxable value of the property of the city  
 4 or town subject to taxation as ascertained by the last  
 5 assessment for state and county taxes. No money may be  
 6 borrowed or bonds issued for the purposes specified in  
 7 7-14-4401(1) until the proposition has been submitted to the  
 8 vote of the taxpayers of the city or town and the majority  
 9 vote cast in its favor."

10 SECTION 31. SECTION 7-16-2327, MCA, IS AMENDED TO

11 READ:

12 "7-16-2327. Indebtedness for park purposes. (1)  
 13 Subject to the provisions of subsection (2), a county park  
 14 board, in addition to powers and duties now given under law,  
 15 shall have the power and duty to contract an indebtedness in  
 16 behalf of a county, upon the credit thereof, for the  
 17 purposes of 7-16-2321(1) and (2).

18 (2) (a) The total amount of indebtedness authorized to  
 19 be contracted in any form, including the then-existing  
 20 indebtedness, must not at any time exceed ~~3%~~ 13% of the  
 21 taxable value of the taxable property of in the county  
 22 ascertained by the last assessment for state and county  
 23 taxes previous to the incurring of such indebtedness.

24 (b) No money ~~must~~ may be borrowed on bonds issued for  
 25 the purchase of lands and improving same for any such

1 purpose until the proposition has been submitted to the vote  
2 of those qualified under the provisions of the state  
3 constitution to vote at such election in the county affected  
4 thereby and a majority vote is cast in favor thereof."

5 SECTION 32. SECTION 7-16-4104, MCA, IS AMENDED TO  
6 READ:

7 "7-16-4104. Authorization for municipal indebtedness  
8 for various cultural, social, and recreational purposes. (1)  
9 A city or town council or commission may contract an  
10 indebtedness on behalf of the city or town, upon the credit  
11 thereof, by borrowing money or issuing bonds:

12 (a) for the purpose of purchasing and improving lands  
13 for public parks and grounds;

14 (b) for procuring by purchase, construction, or  
15 otherwise swimming pools, athletic fields, skating rinks,  
16 playgrounds, museums, a golf course, a site and building for  
17 a civic center, a youth center, or combination thereof; and

18 (c) for furnishing and equipping the same.

19 (2) The total amount of indebtedness authorized to be  
20 contracted in any form, including the then-existing  
21 indebtedness, may not at any time exceed ~~3%~~ 16.5% of the  
22 taxable value of the taxable property of the city or town as  
23 ascertained by the last assessment for state and county  
24 taxes previous to the incurring of such indebtedness. No  
25 money may be borrowed on bonds issued for the purchase of



1 lands and improving the same for any such purpose until the  
2 proposition has been submitted to the vote of the qualified  
3 electors of the city or town and a majority vote is cast in  
4 favor thereof."

5 SECTION 33. SECTION 7-31-106, MCA, IS AMENDED TO READ:

6 "7-31-106. Authorization for county to issue bonds --  
7 election required. (1) If the petition is presented to the  
8 board of county commissioners, it shall be the duty of the  
9 board, for the purpose of raising money to meet the payments  
10 under the terms and conditions of said contract and other  
11 necessary and proper expenses in and about the same and for  
12 the approval or disapproval thereof:

13 (a) to ascertain, within 30 days after submission of  
14 the petition, the existing indebtedness of the county in the  
15 aggregate; and

16 (b) to submit, within 60 days after ascertaining the  
17 same, to the electors of such county the proposition to  
18 approve or disapprove the contract and the issuance of bonds  
19 necessary to carry out the same.

20 (2) The amount of the bonds authorized by this section  
21 ~~shall~~ may not exceed ~~5%~~ 22.5% of the taxable value of the  
22 taxable property therein, inclusive of the existing  
23 indebtedness thereof, to be ascertained by the last  
24 assessment for state and county taxes previous to the  
25 issuance of said bonds and incurring of said indebtedness."

1        SECTION 34. SECTION 7-31-107, MCA, IS AMENDED TO READ:

2        "7-31-107. Authorization for municipality to issue  
3 bonds -- election required. (1) If said petition is  
4 presented to the council of any incorporated city or town,  
5 the council, for the purpose of raising money to meet the  
6 payments under the terms and conditions of said contract and  
7 other necessary and proper expenses in and about the same  
8 and for the approval or disapproval thereof:

9        (a) shall ascertain, within 30 days after submission  
10 of the petition, the aggregate indebtedness of such city or  
11 town; and

12        (b) shall submit, within 60 days after ascertaining  
13 the same, to the electors of such city or town the  
14 proposition to approve or disapprove said contract and the  
15 issuance of bonds necessary to carry out the same.

16        (2) The amount of the bonds authorized by this section  
17 ~~shall~~ may not exceed ~~3%~~ 16.5% of the taxable value of the  
18 taxable property therein, inclusive of the existing  
19 indebtedness thereof, to be ascertained in the manner  
20 provided in this part."

21        SECTION 35. SECTION 7-34-2131, MCA, IS AMENDED TO  
22 READ:

23        "7-34-2131. Hospital district bonds authorized. (1) A  
24 hospital district may borrow money by the issuance of its  
25 bonds to provide funds for payment of part or all of the

1 cost of acquisition, furnishing, equipment, improvement,  
 2 extension, and betterment of hospital facilities and to  
 3 provide an adequate working capital for a new hospital.

4 (2) The amount of bonds issued for such purpose and  
 5 outstanding at any time shall ~~may~~ not exceed 5% 22.5% of the  
 6 taxable value of the property therein as ascertained by the  
 7 last assessment for state and county taxes previous to the  
 8 issuance of such bonds.

9 (3) Such bonds shall be authorized, sold, and issued  
 10 and provisions made for their payment in the manner and  
 11 subject to the conditions and limitations prescribed for  
 12 bonds of second- or third-class school districts by Title  
 13 20, chapter 9, part 4.

14 (4) Nothing herein shall be construed to preclude the  
 15 provisions of Title 50, chapter 6, part 1, allowing the  
 16 state to apply for and accept federal funds."

17 SECTION 36. SECTION 19-11-503, MCA, IS AMENDED TO

18 READ:

19 "19-11-503. Special tax levy for fund required. (1)  
 20 The purpose of this section is to provide a means by which  
 21 each disability and pension fund may be maintained at a  
 22 level equal to 2% 3% of the taxable valuation of all taxable  
 23 property within the limits of the city or town.

24 (2) Whenever the fund contains less than 2% 3% of the  
 25 taxable valuation of all taxable property within the limits

1 of the city or town, the governing body of the city or town  
 2 shall, at the time of the levy of the annual tax, levy a  
 3 special tax as provided in 19-11-504. The special tax shall  
 4 be collected as other taxes are collected and, when so  
 5 collected, shall be paid into the disability and pension  
 6 fund."

7 SECTION 37. SECTION 19-11-504, MCA, IS AMENDED TO  
 8 READ:

9 "19-11-504. Amount of special tax levy. (1) Whenever  
 10 the total amount of the fund is less than ~~2%~~ 3% of the  
 11 taxable valuation of all taxable property within the limits  
 12 of the city or town, the special tax levy shall be:

13 (a) not less than 1 mill or more than 4 mills on each  
 14 dollar of taxable valuation of all taxable property within  
 15 the limits of the city or town; and

16 (b) an amount sufficient to provide a growth per year  
 17 in the fund, considering all sources of income to the fund  
 18 and the payment of obligations out of the fund, equal to the  
 19 sum produced by 1 mill levied on the taxable valuation of  
 20 all the taxable property in the city or town.

21 (2) The special tax levy shall be a fractional part of  
 22 1 mill whenever:

23 (a) the total amount of the fund is less than ~~2%~~ 3%  
 24 but more than ~~1%~~ 1.5% of the taxable valuation of all  
 25 taxable property within the city or town; and

1 (b) the special tax levy of a fractional part of 1  
 2 mill will produce sufficient revenue to cause the fund,  
 3 considering all sources of income to the fund and all  
 4 payments to be made out of the fund, to exceed 2% 3% of the  
 5 taxable valuation of all taxable property within the city or  
 6 town.

7 (3) In cities of the third class, when the fund  
 8 contains an amount which is less than 2% 3% of the taxable  
 9 valuation of all taxable property in the city or town, the  
 10 city council shall levy an annual special tax of not less  
 11 than 1 mill and not more than 4 mills on each dollar of  
 12 taxable valuation of all taxable property within the city or  
 13 town."

14 SECTION 38. SECTION 20-9-406, MCA, IS AMENDED TO READ:

15 "20-9-406. Limitations on amount of bond issue. (1)  
 16 The maximum amount for which each school district may become  
 17 indebted by the issuance of bonds, including all  
 18 indebtedness represented by outstanding bonds of previous  
 19 issues and registered warrants, is 29% 45% of the taxable  
 20 value of the property subject to taxation as ascertained by  
 21 the last completed assessment for state, county, and school  
 22 taxes previous to the incurring of such indebtedness. The  
 23 29% 45% maximum, however, may not pertain to indebtedness  
 24 imposed by special improvement district obligations or  
 25 assessments against the school district. All bonds issued

1 in excess of such amount shall be null and void, except as  
2 provided in this section.

3 (2) When the total indebtedness of a school district  
4 has reached the 29% 45% limitation prescribed in this  
5 section, the school district may pay all reasonable and  
6 necessary expenses of the school district on a cash basis in  
7 accordance with the financial administration provisions of  
8 this chapter.

9 (3) Whenever bonds are issued for the purpose of  
10 refunding bonds, any moneys to the credit of the debt  
11 service fund for the payment of the bonds to be refunded are  
12 applied towards the payment of such bonds and the refunding  
13 bond issue is decreased accordingly."

14 SECTION 39. SECTION 20-9-502, MCA, IS AMENDED TO READ:

15 "20-9-502. Purpose and authorization of a building  
16 reserve fund by an election. (1) The trustees of any  
17 district, with the approval of the qualified electors of the  
18 district, may establish a building reserve for the purpose  
19 of raising money for the future construction, equipping, or  
20 enlarging of school buildings or for the purpose of  
21 purchasing land needed for school purposes in the district.  
22 In order to submit to the qualified electors of the district  
23 a building reserve proposition for the establishment of or  
24 addition to a building reserve, the trustees shall pass a  
25 resolution that specifies:

1 (a) the purpose or purposes for which the new or  
 2 addition to the building reserve will be used;

3 (b) the duration of time over which the new or  
 4 addition to the building reserve will be raised in annual,  
 5 equal installments;

6 (c) the total amount of money that will be raised  
 7 during the duration of time specified in subsection (1)(b);  
 8 and

9 (d) any other requirements under 20-20-201 for the  
 10 calling of an election.

11 (2) The total amount of building reserve when added to  
 12 the outstanding indebtedness of the district shall not be  
 13 more than ~~5%~~ 45% of the taxable value of the taxable  
 14 property of the district. Such limitation shall be  
 15 determined in the manner provided in 20-9-406. A building  
 16 reserve tax authorization shall not be for more than 20  
 17 years.

18 (3) The election shall be conducted in accordance with  
 19 the school election laws of this title, and the electors  
 20 qualified to vote in the election shall be qualified under  
 21 the provisions of 20-20-301. The ballot for a building  
 22 reserve proposition shall be substantially in the following  
 23 form:

24 OFFICIAL BALLOT

25 SCHOOL DISTRICT BUILDING RESERVE ELECTION

1           INSTRUCTIONS TO VOTERS: Make an X or similar mark in  
 2 the vacant square before the words "BUILDING RESERVE--YES"  
 3 if you wish to vote for the establishment of a building  
 4 reserve (addition to the building reserve); if you are  
 5 opposed to the establishment of a building reserve (addition  
 6 to the building reserve) make an X or similar mark in the  
 7 square before the words "BUILDING RESERVE--NO".

8           Shall the trustees be authorized to impose an  
 9 additional levy each year for .... years to establish a  
 10 building reserve (add to the building reserve) of this  
 11 school district to raise a total amount of .... dollars  
 12 (\$....), for the purpose(s) .... (here state the purpose or  
 13 purposes for which the building reserve will be used)?

14           BUILDING RESERVE--YES.

15           BUILDING RESERVE--NO.

16           (4) The building reserve proposition shall be approved  
 17 if a majority of those electors voting at the election  
 18 approve the establishment of or addition to such building  
 19 reserve. The annual budgeting and taxation authority of the  
 20 trustees for a building reserve shall be computed by  
 21 dividing the total authorized amount by the specified number  
 22 of years. The authority of the trustees to budget and  
 23 impose the taxation for the annual amount to be raised for  
 24 the building reserve shall lapse when, at a later time, a  
 25 bond issue is approved by the qualified electors of the



1 district for the same purpose or purposes for which the  
 2 building reserve fund of the district was established.  
 3 Whenever a subsequent bond issue is made for the same  
 4 purpose or purposes of a building reserve, the money in the  
 5 building reserve shall be used for such purpose or purposes  
 6 before any money realized by the bond issue is used."

7 SECTION 40. SECTION 85-7-2001, MCA, IS AMENDED TO

8 READ:

9 "85-7-2001. Limitations on debt-incurring power. (1)  
 10 The board of commissioners or other officers of the district  
 11 may not incur any debt or liability, either by issuing bonds  
 12 or otherwise, except as provided in this chapter. No  
 13 irrigation district may become indebted, in any manner or  
 14 for any purpose in any one year, in an amount exceeding  $\pm 5\%$   
 15 18.75% of the assessed valuation of the district, except as  
 16 provided in subsection (2).

17 (2) (a) For the purpose of organization; for any of  
 18 the immediate purposes of this chapter; to make or purchase  
 19 surveys, plans, and specifications; for stream gauging and  
 20 gathering data; or to make any repairs occasioned by any  
 21 calamity or other unforeseen contingency, the board of  
 22 commissioners may, in any one year, incur the indebtedness  
 23 of as many dollars as there are acres in the district and  
 24 may cause warrants of the district to issue therefor.

25 (b) For the purpose of organization, for any of the

1 immediate purposes of this chapter, or to meet the expenses  
 2 occasioned by any calamity or other unforeseen contingency,  
 3 the board of commissioners may, in any one year, incur (in  
 4 addition to the ~~±5%~~ 18.75% limitation of subsection (1)) an  
 5 additional indebtedness not exceeding ~~±0%~~ 12.5% of the  
 6 assessed valuation of the district and may cause warrants of  
 7 the district to issue therefor.

8 (c) The limitation of subsection (1) does not apply to  
 9 warrants issued for unpaid interest on the valid bonds of  
 10 any irrigation district.

11 (d) The limitation of subsection (1) does not apply to  
 12 any bonds issued under this chapter pursuant to a provision  
 13 which expressly supersedes the limitation.

14 (3) Any debt or liability incurred in excess of the  
 15 limitations provided by the irrigation district laws is  
 16 void."

17 SECTION 41. VALIDATION. NOTWITHSTANDING ANY PROVISIONS  
 18 OF THIS ACT, ANY OUTSTANDING INDEBTEDNESS OR BOND ISSUE ON  
 19 JANUARY 1, 1982, OF ANY GOVERNMENTAL SUBDIVISION IS NOT  
 20 INVALIDATED BECAUSE OF ANY CHANGES IN THE TAXABLE VALUATION  
 21 OF THE SUBDIVISION DUE TO REMOVAL OF AUTOMOBILES AND TRUCKS  
 22 HAVING A RATED CAPACITY OF THREE-QUARTERS OF A TON OR LESS  
 23 FROM THE TAX BASE.

24 Section 42. Codification instruction. (1) Section 9 is  
 25 intended to be codified as an integral part of Title 61,

1 chapter 3, part 3, and the provisions of Title 61, chapter  
2 3, part 3, apply to section 9.

3 (2) Sections 10 and 11 are intended to be codified as  
4 integral parts of Title 61, chapter 3, part 5, and the  
5 provisions of Title 61, chapter 3, part 5, apply to sections  
6 10 and 11.

7 (3) Section 12 is intended to be codified as an  
8 integral part of Title 61, chapter 1, part 1, and section 12  
9 applies to Title 61, and Title 61 applies to section 12.

10 Section 43. Applicability. This act is applicable to  
11 automobiles and light trucks registered during and after  
12 1982.

-End-

DATE: 02/25/81

DEPARTMENT OF JUSTICE  
DATA PROCESSING DIVISION

PAGE: 57

REPORT: MOTOR VEHICLE VALUATIONS SUMMARY

COUNTY: STATEWIDE

VEHICLE AGE	CARS 0 THRU 2,800 LBS		CARS 2,900 LBS AND UP		TRUCKS 0 - 8,000 LBS GVW		TOTALS
	NUMBER OF VEHICLES	MARKET VALUE	NUMBER OF VEHICLES	MARKET VALUE	NUMBER OF VEHICLES	MARKET VALUE	
0 YEARS	2,513		1,346		1,303		5,162
1 YEARS	18,985	\$101,332,627	8,197	\$55,287,535	9,108	\$51,755,936	\$208,376,098
2 YEARS	14,530	\$76,184,277	16,891	\$101,496,329	16,672	\$91,011,447	\$268,692,053
3 YEARS	13,616	\$59,654,146	18,217	\$86,825,865	15,215	\$69,936,660	\$216,416,671
4 YEARS	9,811	\$36,193,269	20,997	\$79,311,338	14,399	\$57,509,318	\$173,013,925
5 YEARS	10,649	\$30,701,812	17,949	\$54,535,882	14,336	\$48,236,912	\$133,474,606
6 YEARS	7,119	\$17,155,722	14,392	\$34,679,107	10,454	\$30,346,498	\$82,181,327
7 YEARS	11,123	\$20,619,928	17,090	\$32,259,254	12,828	\$29,617,029	\$82,496,211
8 YEARS	8,730	\$12,639,905	20,020	\$27,264,437	13,157	\$24,795,813	\$64,700,155
9 YEARS	8,767	\$9,358,597	15,609	\$16,563,646	10,636	\$14,620,458	\$40,542,701
10 YEARS	7,196	\$6,104,294	12,383	\$9,200,940	7,904	\$8,062,870	\$23,368,104
11 YEARS	5,444	\$3,495,211	12,503	\$7,153,716	7,686	\$5,913,608	\$16,562,535
12 YEARS AND UP	25,896	\$6,199,243	54,581	\$12,840,726	46,638	\$12,463,072	\$31,503,041
TOTALS	141,866	\$379,639,031	228,829	\$517,418,775	179,033	\$444,269,621	\$341,327,427
TOTALS 0 - 12	144,379		230,175		180,336		554,890

State of Montana  
Department of Justice  
Motor Vehicle Division  
**REGISTRAR'S BUREAU**  
925 Main, Deer Lodge, Montana 59722 (406) 846-1423

March 5, 1981

Jim Oppedahl  
Research Division  
Legislative Council  
Room 138, State Capitol  
Helena, Montana 59601

Dear Jim:

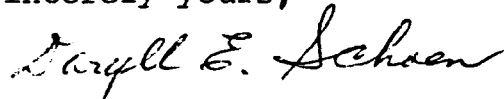
The motor vehicle valuation summary that was prepared for the House Taxation Subcommittee was compiled from motor vehicle records in the following manner:

1. Passenger cars and light trucks (with a gross vehicle weight of 8,000 lbs. or less) that had a registration expiration date of 12/31/80. This would consist of staggered vehicles which were due to be renewed by January 25, 1981, but the renewal receipts had not yet been entered on the computer file.
2. Passenger cars and light trucks that were renewed during 1980 and currently have a 1981 expiration date.
3. Passenger cars and light trucks that were renewed in January and February of 1981. The registration renewal receipts of these vehicles have been entered on the computer file and have an expiration date of 1982.

This represents total passenger cars and light trucks for a 12-month registration year.

I am available to answer any questions you may have.

Sincerely yours,



Daryll E. Schoen, Chief  
Registrar's Bureau  
Motor Vehicle Division  
Department of Justice  
Deer Lodge, Montana 59722

DES/11f

# STANDING COMMITTEE REPORT

March 6 19 51

MR. SPEAKER

We, your committee on TAXATION

having had under consideration SENATE Bill No. 3

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THAT THE DEPARTMENT OF REVENUE MAY NOT BE REQUIRED TO LEVY OR COMPUTE A TAX RESULTING FROM ANY CHANGE IN AN EXISTING TAXING JURISDICTION UNLESS FORMALLY NOTIFIED OF THE CHANGE BY JANUARY 1 OF THE YEAR IN WHICH THE TAXES ARE TO BE LEVIED; AMENDING SECTION 15-10-321, MCA."

Respectfully report as follows: That SENATE Bill No. 3

BE CONCURRED IN  
BY PASS

# STANDING COMMITTEE REPORT

March 7, 1951

MR. SPEAKER

We, your committee on TAXATION

having had under consideration SENATE Bill No. 54

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 15-2-303, MCA, TO REQUIRE SERVICE OF THE APPEAL PETITION ON THE DEPARTMENT OF REVENUE IN THE CASE OF AN APPEAL FROM A DECISION OF THE STATE TAX APPEAL BOARD."

Respectfully report as follows: That SENATE Bill No. 54

BE CONCURRED IN

~~BY~~

— STANDING COMMITTEE REPORT

March 17, 19 21

MR. SPEAKER

We, your committee on TAXATION

having had under consideration SENATE Bill No. 55

A BILL FOR AN ACT ENTITLED: "AN ACT TO SIMPLIFY REPORTING REQUIREMENTS FOR CERTAIN TAXES BY ELIMINATING THE REQUIREMENT OF VERIFIED RETURNS AND REPORTS AND ELIMINATING THE REQUIREMENT OF FILING UPON COMMENCEMENT OF OPERATIONS FOR CERTAIN TAXES; AMENDING SECTIONS 15-35-104, 15-36-105, AND 15-38-105, MCA; AND REPEALING SECTIONS 15-36-111, 15-37-113, 15-37-208, 15-58-103, 15-59-103, AND 15-59-202, MCA."

Respectfully report as follows: That SENATE Bill No. 55

BE CONCURRED IN

~~XXXXXXXX~~



# STANDING COMMITTEE REPORT

March 7, 19 21

MR. SPEAKER

We, your committee on TAXATION

having had under consideration SENATE Bill No. 55

**A BILL FOR AN ACT ENTITLED: "AN ACT TO SIMPLIFY REPORTING REQUIREMENTS FOR CERTAIN TAXES BY ELIMINATING THE REQUIREMENT OF VERIFIED RETURNS AND REPORTS AND ELIMINATING THE REQUIREMENT OF FILING UPON COMMENCEMENT OF OPERATIONS FOR CERTAIN TAXES; AMENDING SECTIONS 15-35-104, 15-36-105, AND 15-38-105, MCA; AND REPEALING SECTIONS 15-36-111, 15-37-113, 15-37-208, 15-58-103, 15-59-103, and 15-59-202, MCA."**

Respectfully report as follows: That SENATE Bill No. 55

BE CONCURRED IN

~~DO PASS~~