

HOUSE TAXATION COMMITTEE MEETING MINUTES
March 16, 1981

A meeting of the House Taxation Committee was held on Monday, March 16, 1981 at 8:00 a.m. in Room 102 of the State Capitol. All members were present. SENATE BILLS 17, 77 and 140 were heard and EXECUTIVE ACTION was taken on HOUSE BILLS 155 and 428 and SENATE BILL 47.

The first bill to be heard was SENATE BILL 140, sponsored by Sen. Harold Dover. This is one of four bills worked up by the Environmental Quality Council dealing with small power production facilities. This is an incentive bill to help those getting started in the field. This isn't a matter of taking away tax revenue; it just postpones the beginning of getting it. The present law considers buildings Class 4 property, and machinery is either taxed at 8% or 11%. The advantage of the bill is putting it into 3% of market value. He had an amendment from the Department of Revenue (See Exhibit "A," p.2) which would preclude the bigger companies from coming under the bill.

Leo Berry, Director of the Department of Natural Resources, then rose in support of the bill; see Exhibit "A."

There were no OPPONENTS to the bill. Questions were asked. Rep. Nordtvedt asked Mr. Berry, if the idea of the bill was to promote small hydro plants, what difference it would make who owned them, as far as the tax break. Mr. Berry said the idea was to encourage new industry to move in and to provide a tax incentive. The language was put in Subsection (c) so that the big corporations who didn't necessarily need the tax break to get into production wouldn't be given one. Sen. Dover stated that Montana Power wasn't supposed to need any tax relief, and that was why the amendment was put in. Rep. Nordtvedt said he thought the situation was becoming unduly conditional.

Rep. Sivertsen asked Sen. Dover if he was trying to encourage more electricity production. He replied that he was, and they were trying to augment current sources of electricity. Rep. Sivertsen wanted to know why he was so concerned, since Montana Power wouldn't be going to such small scale production, anyway. If the main objective of the bill was to give an incentive and to create more energy, he didn't see why it mattered who got the break. Sen. Dover said that Subsection (c) could be taken out.

Rep. Bertelsen commented that there were a lot of cases where the small operations would be done by someone who wouldn't have the tax backing that the big corporations would have. These bigger corporations already have the ability to do this, and would probably do it with or without the tax benefits, and this bill is aimed at encouraging those people who wouldn't have the backing.

Sen. Dover then closed and the hearing on SB 140 was closed.

SENATE BILL 19, sponsored by Sen. Bob Brown, was then heard. Present

law says the Tax Appeals Board shall meet not more than 60 days later than tax notices have been sent out. In recent years, due to the rollback tax and staggered automobile licensing the 60-day limitation has been hard to follow. This bill makes it clear that the State Tax Appeals Board can grant the County Tax Appeals Board the discretion to meet after the 60 days.

Bob Raundal, State Tax Appeals Board, then rose in support of the bill; it was introduced at their request. Regarding pay of the County Tax Appeals Board members, no provision was included in the title of the bill, so he didn't know if it could be included in the bill or not, but he felt their pay should be increased. He thought a bill was to have come out of the Senate Taxation Committee, but it didn't.

There were no OPPONENTS to the bill; questions were asked. Rep. Williams asked Mr. Raundal if there wasn't a similar bill two years ago. Mr. Raundal said it was extended 60 days beyond the last notice from the Department of Revenue last session.

Rep. Brand said he didn't think the salaries of the County Board members could be increased in this bill. He felt the Appropriations Committee would have to take care of the matter. Rep. Williams suggested that HB 500 could be amended. Rep. Burnett pointed out that this bill would also have to be amended.

Sen. Brown then closed. The Senate Committee did discuss the proposal to raise the salaries, and they were sympathetic to the situation but unable to address the matter through this bill. The hearing on SB 19 was then closed.

SENATE BILL 77, sponsored by Sen. Matt Himsl, was then heard. This law is already in existence and the past administration has used this permission very effectively. The net effect of the procedure is that the State borrows money at low interest and keeps investing the tax receipts at high interest rates until the notes are due. In 1980, \$40 million of notes were issued at 6 1/4% and the money was invested at a yield of 10.3% and the State made \$1,100,000. The 1981 yield is expected to be about \$1.4 million. Because of the full faith and credit of the State behind the notes, they are able to borrow at low interest. The bill asks that the authorization for this continue on. The bill provides that not more than \$50 millionworth of such notes could be outstanding at any one time. They issue the notes in anticipation of the tax revenues coming in.

Morris Brusett, Director of the Department of Administration, then rose in support of the bill. In the past, the General Fund has always tapped into the red and other funds have had to have their investments liquidated. To avoid borrowing from other funds, two years ago the State received the authorization to sell tax-exempt notes.

There were no OPPONENTS to the bill; questions were asked. Rep. Bertelsen wanted to know who lost the tax revenue from the tax-free bonds. Mr. Brusett said the Federal Government and the State are the ones who lose the revenue. It was confirmed that persons from out-of-State could also purchase the bonds. Rep. Nordtvedt pointed out that whoever used the credit market in the nation was also a loser.

Rep. Roth wanted to know if it was common for the State to have a deficit period, and Mr. Brusett said the State had had one for as long as he could remember. Rep. Williams asked Mr. Brusett if this bill was a change from the bill passed in 1979 in that this one allowed for investments at any time instead of just during periods of deficit. Mr. Brusett replied that the other law had a sunset provision and there was an aggregate of \$100 million which had been eliminated, as the program was to be continued.

Mr. Brusett explained that the notes are sold in the market. Money was previously pledged by the tax income expected to pay the notes off, and now it will be the full State's revenues.

Rep. Harp asked Sen. Hims1 if the State had ever gotten involved in buying CD's. Sen. Hims1 said they did; a lot of that money is put into the banks in the State in the form of short-term CD Certificates.

Sen. Hims1 then closed. This situation has been made possible in the last few years and won't always be an option, because the federal government will probably put an end to it. He stressed that the bill was not obligatory and it just permitted this privilege to be taken advantage of. The hearing on SB 77 was then closed.

The Committee then went into EXECUTIVE SESSION. Rep. Asay moved to take SENATE BILL 47 off the Table. Rep. Nordtvedt said that all the affected County governments didn't appear to care if the revenue was lost. Rep. Asay stressed that the important issue in the bill was equity. Rep. Sivertsen said equity depended on who was looking at it. The people paying the business inventory tax have a justification that that tax be repealed or replaced because that is not a fair situation. Therefore, the equity question is something that depends on who is looking at it. He felt the Legislature might be destroying the advalorem concept of taxation, and ultimately, another form of taxation would be needed; in the meantime the tax system will be fragmented and the Department of Revenue will be growing by leaps and bounds because of the many different forms of taxation. He expressed hope that the Committee would take a good look at where the State's taxation system was headed. He wanted the proponents of SB 47 to be able to "face up to the fire" when their Counties complained about the loss in revenue.

Rep. Burnett said the question was whether or not livestock was to be considered inventory. The tax shifts to be made have been scrutinized by him; the shift will be within agriculture. It isn't

a case of where the tax is, it is whether or not cattle are an inventory item.

Rep. Williams said he agreed that feeder stock should be considered an inventory item, but he didn't agree that a cow/calf operation was inventory. He added that the problem of how to replace the lost revenue needed addressing.

Rep. Roth said it would have to be admitted that property taxes was where this burden would go. Livestock has carried the burden all these years. Now, that industry needs to be encouraged to continue; the tax burden should at least be shared amongst other properties.

Rep. Williams said that the same Counties depending heavily on livestock for their tax base would still depend heavily on it, and they don't have another base except the land.

Rep. Roth said there were other developments on the land, and State leases in the Counties that have benefitted from oil and gas, and this has helped the County coffers. Rep. Brand wanted to know what would be done to pick up the loss in revenue to the Counties. Rep. Nordtvedt said nothing would be done, because according to the proponents of the bill, the Counties won't be in trouble.

Rep. Burnett said Garfield County was the most heavily hit county, and they are arguing the point that the tax is inequitable, so if it is taken off, they will pick it up all along. The commissioners say this tax won't make a bit of difference; other taxes will be raised. The Livestock Board is solely supported by livestock, and mills will have to be increased to continue supporting it.

Rep. Williams said it was true that the burden would be shifted to other property, but the townspeople would be taking up part of the burden, also. He pointed out that agriculture and grazing land had always been assessed pretty low in comparison to city property.

Rep. Roth pointed out that the City people were paying for their services with the higher property taxes.

Rep. Brand said he felt the valuation of farmlands should be increased.

Rep. Harp said that in Beaverhead County, total valuation was \$62 million in cattle and the total assessed value is \$179 million. Rep. Nordtvedt submitted that therefore, the tax base was being reduced by 1/6.

Rep. Burnett pointed out that the portion of the tax base was smaller before the tax went up; the Counties have received a windfall in revenue for the past few years.

Rep. Williams felt the bill should be amended to provide that no

mill levy increase could apply to any incorporated City or Town, to make the shift equitable.

Rep. Asay said this tax has had a very strong effect on the live-stock industry in the State already; feed lot operations have been reduced. There is no profit in feeder cattle anymore because of the tax. Regarding Counties that will be impacted, at present these Counties are losing their herds. There isn't a cow in eastern Montana this year that is going to make her price of feed. These cows will be leaving the State unless the tax is reduced.

Rep. Switzer presented an item from the Great Falls Tribune which pointed out that cattle sales have been running over normal for the past 1 1/2 years and it looks like they will continue the trend.

Rep. Williams pointed out that the feed lot operator only pays a few months' worth of taxes. Rep. Asay said the calf is not taxed until it is 9 months old; however, he is going to go in the feed lot, and will not be sold until he is several hundred pounds heavier.

Rep. Williams submitted that many calves were brought in the feed lots before they reach a taxable age. The operator pays the tax only for six months, and they are sold for slaughter and are gone. Therefore, he felt the feed lot should be on an inventory basis, but maintained that he had trouble with the cow-calf operation.

Rep. Devlin said the feed lot people didn't take only calves, they took yearlings. Many calves come out of the feed lot for the cows that lose their calves. Rep. Asay said most slaughter cattle were not the calves that were able to avoid taxation.

Rep. Roth said according to livestock reporting for the State, the income for livestock has gone down 25% in the last year, and expenses have gone up 15%; therefore, most of the livestock people are really suffering and this bill is one good thing the Legislature can do for the industry. Rep. Nordtvedt asked her if she felt that anytime an industry was in trouble, they should be given a tax break. She replied that if the industry had been supporting the State for its entire life, this was justified.

Rep. Brand asked Rep. Sivertsen if revenue from this tax wasn't once 33% of the State's revenue. He commented that in 1977 it was dropped to 20%. Rep. Asay said in that regard it was lowered, but the Department of Revenue didn't enact the reduction until they had figured out a new formula with the sole intent of the same number of dollars being raised. Therefore, the tax didn't go down at all. Rep. Brand said that because cattle prices went up is why it went up. Rep. Sivertsen said that from 33% it was dropped to 20%; then an actual tax rate was adopted of 12% and another bill changed it to 8%.

Rep. Nordtvedt said he felt it was stretching the facts when equity

was discussed. When there is a property tax classification system with many exceptions, there is no longer any issue of equity.

The question was then called for on the motion to take the bill off the TABLE; motion carried 14 - 2; see roll call vote. Rep. Burnett then moved that SB 47 BE CONCURRED IN.

Rep. Sivertsen said that he saw two arguments: one for equity, and a need for help; and another about the high price of agricultural land. If it is felt that the industry is in such dire straits, he couldn't understand why his bill on land prices was voted down. SB 47 is special interest legislation; although he intended to vote in favor of it, he stressed that the proponents of the bill must tell their Counties that they don't need any money.

Rep. Oberg said he had problems with the bill in that he didn't feel the County governments could take the loss in revenue. Taxes are being cut which the State doesn't have to account for. He didn't know if the Counties could afford to cut the money out of their budgets, and didn't know where the money would be made up. Other people not receiving the tax benefit will be taking up the slack. He said he wished that this bill could be held and included in the tax relief package.

Rep. Burnett said that his intern called 56 Counties and asked them if they had surplus money invested. All the Counties responding said they did; he felt the majority of the Counties were in favor of this bill.

Rep. Brand said he would vote for the bill, but had wished to keep it on the Table until a way to make up the loss was found. He submitted that the loss should be taken up by agricultural lands.

Rep. Roth said that Rep. Brand had a point, and legitimate livestock people weren't looking to sell their ranches; they were looking for a living; their entire income was from livestock. She told Rep. Sivertsen she understood that the Counties shouldn't complain.

Rep. Sivertsen said he didn't want to hear any more complaining for local government, and submitted that things weren't being put in proper perspective, and in the future revenue sharing might have to be adopted, because the loss would have to be addressed somewhere down the road.

Rep. Williams reminded the rural people that whenever there was any legislation on annexation, he would like it to be supported, because that is the only way the City residents could get tax relief.

Rep. Vinger rose in support of a sales tax.

The question was then called for on the motion that SB 47 BE CONCURRED IN: motion carried 13 -4; see roll call vote.

HOUSE BILL 155 was then considered. Amendments were submitted; see Exhibit "B." Rep. Nordtvedt said the real hangup in the fee bill question was whether or not the State can live with revenue sharing. He found all the versions offered objectionable. Many schemes hand out the State's General Fund money on an uneven basis. Even if it is done on a per capita basis, the problem remains of instituting a State-Local Government relationship, which has shown to be a disaster on the federal level. He wanted to propose an alternative of reducing vehicle taxes, but having no impact on local government revenues. This bill would do this, and would reduce vehicle taxes more than \$16 million over the biennium. This bill, as amended, would take the State equalization mills and replace them from personal income and corporate license tax revenue. Vehicle revenue will be replaced with the other revenue and the net effect would be that the school fund would be unaffected, but the 40 mills to be taken off would reduce vehicle taxes. He would like to see this bill make it to the Senate as an alternative if none of the fee bills passed or if a way to make up the loss of local revenue wasn't found.

In response to Rep. Underdal, Rep. Nordtvedt said that this bill and another bill which changed that basis for taxing vehicles to trade-in value were compatible. The other bill would have local impact, which it would have to be decided if the magnitude was significant enough to address by the Legislature. He stressed that he wanted to use this bill as an alternative.

Rep. Nordtvedt then explained the amendments to HB 155. He stressed that the Severance Tax had been amended entirely out of the bill. This is to create a vehicle for reducing vehicle taxes without tampering with local revenue, if the project of reducing vehicle taxes and tampering with local government revenue couldn't be solved by the Legislature.

Rep. Nordtvedt moved the amendments; motion carried unanimously. He then moved the bill. Discussion took place. Rep. Brand said he would like to have some of the bills in Committee until the Appropriations Committee made its decisions. Rep. Roth stressed that this bill was just a backup bill. Rep. Nordtvedt submitted that the Legislature knew within a few million dollars what revenue and appropriations would be. The Senate still needed to hear this bill if it was to survive; he stressed that the Senate needed to know what the alternatives were.

Rep. Brand wanted to know if the Committee shouldn't have another hearing on the bill because it had been so substantially amended. Rep. Nordtvedt said he felt there would be at least one bill coming out of the Taxation Committee on a vehicle fee or tax, and the Senate would also pass at least one out. In the meantime the Summit Committee was putting together their alternatives and he expressed the belief that because of the difficulty of the Revenue sharing issue, they needed this bill as one of their alternatives. By

moving this bill to second reading, no one has been committed to anything. From there it will still have to be heard in the Senate. But before that even happens, the Summit Committee should be focusing on its package. Revenue estimates are within \$5 - 7 million, so the picture is getting clearer as to where the State is at. There has been much interest and talk about vehicle taxes; therefore, one suspects something will be done in this area and this bill is simply another alternative to be available.

Rep. Dozier said he didn't see the urgency to get this bill to the Floor of the House. He never saw the Summit Committee have any problem in the past with bills left in Committee. His problem is that this bill going to the Floor will cause lots of problems and possibly the bill would die. He submitted that the bill would be safer left in Committee for the time.

Rep. Switzer said he felt the issue needed to be looked at outside of the Committee.

Rep. Dozier said this bill could be an alternative in Committee just as well as on the Floor.

The question was then called for on the motion that the bill DO PASS AS AMENDED. The motion carried, with Reps. Brand, Hart, and Dozier opposed.

Rep. Vinger then moved that HOUSE BILL 428 DO PASS. Rep. Nordtvedt described the bill. The total revenue loss to the State is \$8 million per year, which is the amount of the 40 mills. He stressed that all fee bills had a vastly different effect among local governments. He pointed out that a loss in local revenue was a gain to the local taxpayer. All the revenue impact statements for the fee bills have to be redone because a new list of all the vehicles in the State was discovered, showing about 100,000 more vehicles. Rep. Nordtvedt said this was the most drastic bill of the session, and the reason was because the total taxes on vehicles are about \$50 million per year, about 1/3 of the total income taxes of the State. Suggestions that there should be a more dramatic change in vehicle taxes would mean a big change in State revenue.

Rep. Vinger moved that the bill be amended to 2 1/2%.

A chart which John Clark, Department of Revenue, had made was distributed which showed the impact on several different vehicles' taxes; see Exhibit "C."

Rep. Nordtvedt rose in support of Rep. Vinger's proposed amendment, because it would help the Counties losing the livestock revenue. Also, the rural areas' objection to the vehicle tax would be removed because the argument that money was being put into the Equalization Fund would be eliminated. The way the bill has been amended, all

the revenue would stay in the County. Incentive to move registration to a cheaper County would be removed because the tax would be the same everywhere.

Rep. Hart brought up the possibility of reducing the \$20 to \$15. Rep. Nordtvedt said the \$20 represented quite a break from the lowest values on the Blue Book already, and he submitted that \$20 was a reasonable average. Rep. Hart thought that many people had an older car, and this would be an increase in their taxes.

Rep. Nordtvedt said that when one compares current law with the tax at 3%, 3 1/2%, and 2 1/2%, this is from the point of view of the taxpayer and the comparison can't be used on local government because 46 mills is presently going to the State. He pointed out that Exhibit "C" only applied to the taxpayer.

Rep. Asay wanted a breakdown by school district on the cars.

John Clark then spoke. P. 1 of the Fiscal Note (See Exhibit "D") explains the difference between average retail and average trade-in. The entire population of cars is divided into cohorts by year and the average retail value of all automobiles is listed out by County. This factor is then applied to the County and a justment of the taxable value from a certain car age is made. Each county is done year by year, going back. Rep. Nordtvedt said that the analysis had been very thorough and he commended the Department of Revenue.

The question was then called for on the motion to change the percentage to 3 1/2%; motion carried with Rep. Oberg opposed.

Rep. Nordtvedt then summarized what the bill would do: (1) State uniformity; (2) the ad valorem concept would be retained; (3) the bulk of the people could do everything by mail. Notices would come from Deer Lodge and the County treasurers would be paid and the tabs would be received; (4) 100% of the revenue would stay in the County; (5) the book used for determining value would be changed every six months; (6) bonded indebtedness: the rules for local government are changed so their ability to float bonds would remain the same.

John Clark then spoke up regarding motor home prorating of fees. The fee is prorated if the motor home is bought from a dealer, but if it is bought privately, there is no prorate.

Rep. Vinger then moved that HOUSE BILL 428 DO PASS AS AMENDED. Rep. Sivertsen moved a technical amendment regarding busses; motion carried unanimously. Mr. Oppedahl said that on Page 10, line 16 there was another technical amendment; "where the vehicle is registered" should be left in. Rep. Sivertsen moved the technical amendment. The question was called for on the additional technical amendments; motion carried unanimously.

In response to Rep. Neuman, Rep. Nordtvedt said that even with the 3 1/2%, the larger Counties would be affected by a loss in revenue. Rep. Neuman said he didn't see how the money would be recovered and therefore he would oppose the bill. Rep. Underdal pointed out that some revenue would be regained by vehicles starting to register in their rightful counties.

Rep. Dozier said he had a problem with lowering the taxes, but he said he understood that this was what the people wanted. Since nothing was perfect, he said he would vote in support of the bill.

Rep. Harrington pointed out that the older cars would increase the revenue. However, the loss in revenue would still have to be replaced. He submitted that the bill wouldn't pass if a way of making up the lost revenue wasn't also provided for.

Rep. Nordtvedt said that when \$40 million in local revenue is tinkered with, there must be 500 different jurisdictions with different mills, and it is almost impossible to not raise and lower in different jurisdictions, and involve the State in selective revenue sharing. That is the basic problem with the entire project.

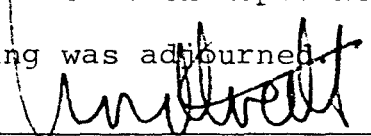
Rep. Harrington wanted to know what the chances would be of the larger Counties getting back their loss of revenue. Rep. Nordtvedt said that he couldn't live with any revenue sharing program, and therefore, HB 155 was being offered as an alternative, and this bill is also being offered.

Rep. Zabrocki pointed out that the Counties would be saved work because the State would be doing the assessing.

Rep. Nordtvedt agreed to hold the Committee report on the bill until a grey copy of the amended version could be made available. Also, a 3 1/2% breakdown would be made available.

The question was then called for on the motion of DO PASS AS AMENDED; motion carried with Reps. Neuman and Harrington opposed.

The meeting was adjourned.


Rep. Ken Nordtvedt, Chairman

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DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION
ENERGY DIVISION

TAXATION 2/16/81
EXHIBIT "A"



TED SCHWINDEN, GOVERNOR

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TESTIMONY ON SENATE BILL 140

My name is Leo Berry, Director of the Department of Natural Resources and Conservation. The Department supports Senate Bill 140 which provides for an incentive that will encourage the development of small power production and gasohol facilities in Montana.

I would like to propose an amendment to the definition of qualifying small power production facility. On page 4, line 20, following electricity, insert "other than electric power from a small power production facility". Without this amendment a corporation established for the sole purpose of developing small power production could not benefit from the provisions of this bill.



Amendment to S.B. 140, Third Reading

1. Page 4, line 20.

Following: "electricity"

Insert: "other than electric power from a small power production facility"

PROPOSED AMENDMENTS TO H.B. 155
Introduced copy

1. Title, lines 5 through 8.
Following: "PROGRAM" on line 5
Strike: line 5 through "THEM:" on line 8
2. Title, line 9.
Following: "AND BY"
Strike: "LOWERING"
Insert: "ELIMINATING"
Following: "MILL LEVY"
Insert: "ON CERTAIN VEHICLES"
3. Page 2, line 7.
Following: "Seventy-five"
Strike: "Sixty"
Insert: "Seventy-one"
4. Page 2, line 14.
Following: "25%"
Strike: "40%"
Insert: "29%"
5. Page 3, line 24.
Strike: section 2 in its entirety
Renumber: subsequent sections
6. Page 5, line 11.
Strike: section 3 in its entirety
Renumber: subsequent sections
7. Page 7, line 14.
Following: "25"
Strike: "18"
Insert: "25"
8. Page 7, line 15.
Following: "county"
Insert: ", excluding vehicles and light trucks with
a GVW capacity of 3/4 ton or less,"
9. Page 8, line 3.
Following: "25"
Strike: "18"
Insert: "25"

10. Page 9, line 17.

Following: "~~15~~"

Strike: "12"

Insert: "15"

11. Page 9, line 18.

Following: "county"

Insert: ", excluding vehicles and light trucks with a GVW capacity of 3/4 ton or less,"

12. Page 10, line 6.

Following: "~~15~~"

Strike: "12"

Insert: "15"

13. Page 11, line 13.

Following: "25%"

Strike: "40%"

Insert: "29%"

14. Page 11, line 15.

Following: "25%"

Strike: "40%"

Insert: "29%"

15. Page 12, lines 4 through 6.

Strike: subsection (g) in its entirety

CURRENT LAW TAX FOR 1981

| MODEL | YEAR | Avg. Trade-In | VALUE | Avg. Retail | Taxable Value (13%) | Lewis & Clark Helena SD#1 336.06 mills | Hill Havre, SD#16 274.58 mills | Richland Sidney, SD#5 194.92 mills | Petroleum Winnett (R) 127.65 mills | Tax at 3% of Average Trade-In Value | Tax at 3 1/2% of Average Trade-In Value | Tax at 2 1/2% of Average Trade-In Value |
|---|------|---------------|-------|-------------|---------------------|--|--------------------------------|------------------------------------|------------------------------------|-------------------------------------|---|---|
| Dodge Aspen Custom 6 ATPSAC | 1976 | \$1925 | | \$2500 | \$ 325.00 | \$ 109.22 | \$ 89.24 | \$ 63.35 | \$ 41.49 | \$ 57.75 | \$ 67.38 | \$ 48.13 |
| 4 Door Sedan Custom 6 std | 1976 | 1650 | | 2225 | \$ 289.25 | 97.21 | 79.42 | 56.38 | 36.92 | 49.50 | 57.75 | 41.25 |
| 4 D Sedan Datsun 810 std | 1978 | 4475 | | 5350 | \$ 695.50 | 233.73 | 190.97 | 135.57 | 88.78 | 134.25 | 156.63 | 111.88 |
| 5D Wagon Datsun B210 std | 1978 | 2700 | | 3425 | \$ 445.25 | 149.63 | 122.26 | 86.79 | 56.84 | 81.00 | 94.50 | 67.50 |
| Toyota Corolla std | 1976 | 2000 | | 2675 | \$ 347.75 | 116.86 | 95.48 | 67.78 | 44.39 | 60.00 | 70.00 | 50.00 |
| 4 D Wagon Deluxe Volks. Rabbit std | 1977 | 3025 | | 3800 | \$ 494.00 | 166.01 | 135.64 | 96.29 | 63.06 | 90.75 | 105.88 | 75.63 |
| 2 D Deluxe | | | | | | | | | | | | |
| Pontiac Lemans ATPS | 1978 | 3225 | | 3900 | \$ 507.00 | | \$ 139.21 | \$ 98.82 | \$ 64.72 | \$ 96.75 | \$ 112.88 | \$ 80.63 |
| 4 D Sedan V-6 Oldsmobile Cutlass std | 1974 | 900 | | 1400 | \$ 182.00 | 61.16 | 49.97 | 35.48 | 23.23 | 27.00 | 31.50 | 22.50 |
| 2 D Coupe V-6 Oldsmobile Omega std | 1978 | 3700 | | 4450 | \$ 578.50 | 194.41 | 158.84 | 112.76 | 73.85 | 111.00 | 129.50 | 92.50 |
| 4 D Sedan 4 Mercury Montego ATPS | 1980 | 4850 | | 5650 | \$ 734.50 | 246.84 | 201.68 | 143.17 | 93.76 | 145.50 | 169.75 | 121.25 |
| 2 D Sedan Hardtop V-8 Ford Granada ATPS | 1975 | 1000 | | 1500 | \$ 195.00 | 65.53 | 53.54 | 38.01 | 24.89 | 30.00 | 35.00 | 25.00 |
| 4 D Sedan 6 cyl. | 1975 | 1600 | | 2150 | \$ 279.50 | 93.93 | 76.75 | 54.48 | 35.68 | 48.00 | 56.00 | 40.00 |
| Ford Fairmont 4, AT | 1977 | 2375 | | 3000 | \$ 390.00 | 131.06 | 107.09 | 76.02 | 49.78 | 71.25 | 83.13 | 59.38 |
| 4 D Wagon Chev. Monte Carlo AT, PS | 1979 | 3650 | | 4375 | \$ 568.75 | 191.13 | 156.17 | 110.86 | 72.60 | 109.50 | 127.75 | 91.25 |
| 2 D Hardtop "S", V-8 STD Chev. Malibu V-6 Classic | 1978 | 3000 | | 3650 | \$ 474.50 | 159.46 | 130.29 | 92.49 | 60.57 | 90.00 | 105.00 | 75.00 |
| 4 D Sedan Citation-Chev-4- AT | 1976 | 2000 | | 2600 | \$ 338.00 | 113.59 | 92.81 | 65.88 | 43.15 | 60.00 | 70.00 | 50.00 |
| 4 D Hatchback Ford Ltd. V-8 PS,AT | 1978 | 2775 | | 3400 | \$ 442.00 | 148.54 | 121.36 | 86.15 | 56.42 | 83.25 | 97.13 | 69.38 |
| 4 D Hardtop | 1980 | 5075 | | 5875 | \$ 763.75 | 256.67 | 209.71 | 148.87 | 97.49 | 152.25 | 177.63 | 126.88 |
| | 1975 | 1050 | | 1550 | \$ 201.50 | 67.72 | 55.33 | 39.28 | 25.72 | 31.50 | 36.75 | 26.25 |
| | 1974 | 750 | | 1225 | \$ 159.25 | 53.52 | 43.73 | 31.04 | 20.33 | 22.50 | 26.25 | 18.75 |
| | 1973 | | | 925 | \$ 120.25 | 40.41 | 33.02 | 23.44 | 15.35 | 20.00 | 20.00 | 20.00 |
| | 1972 | | | 675 | \$ 87.75 | 29.50 | 24.10 | 17.11 | 11.20 | 20.00 | 20.00 | 20.00 |
| | 1971 | | | 500 | \$ 65.00 | 21.84 | 17.85 | 12.67 | 8.30 | 20.00 | 20.00 | 20.00 |
| | 1970 | | | 400 | \$ 52.00 | 17.48 | 14.28 | 10.14 | 6.64 | 20.00 | 20.00 | 20.00 |
| | 1969 | | | 325 | \$ 42.25 | 14.20 | 11.60 | 8.24 | 5.39 | 20.00 | 20.00 | 20.00 |

Mercedes-Benz

| | | | | | | | | | | | | |
|--------|--------------------------|---------|--|---------|------------|------------|------------|-----------|-----------|-----------|------------|-----------|
| 450 SL | 1980 | \$29900 | | \$31825 | \$4,137.25 | \$1,390.36 | \$1,136.01 | \$ 806.43 | \$ 528.12 | \$ 897.00 | \$1,046.50 | \$ 747.50 |
| | 1979 | 26650 | | 28450 | \$3,698.50 | 1,242.92 | 1,051.53 | 720.91 | 472.11 | 799.50 | 932.75 | 666.25 |
| | 1978 | 22800 | | 24450 | \$3,178.50 | 1,068.17 | 872.75 | 619.55 | 405.74 | 684.00 | 798.00 | 570.00 |
| | 1977 | 18700 | | 20200 | \$2,626.00 | 882.49 | 721.05 | 511.86 | 335.21 | 561.00 | 654.50 | 467.50 |
| | 1976 | 15900 | | 17275 | \$2,245.75 | 754.71 | 616.64 | 437.74 | 286.67 | 477.00 | 556.50 | 397.50 |
| | 1975 | 13950 | | 15250 | \$1,982.50 | 666.24 | 544.35 | 386.43 | 253.07 | 418.50 | 488.25 | 348.75 |
| | 1974 | 11900 | | 13125 | \$1,706.25 | 573.40 | 468.50 | 332.58 | 217.87 | 357.00 | 416.50 | 297. |
| | 1973 and before--no book | | | 9850 | \$1,280.50 | 430.00 | 360.60 | 276.60 | 121.55 | 20.00 | 20.00 | 20.00 |

STATE OF MONTANA

REQUEST NO. 208-81

FISCAL NOTE

Form BD 15

In compliance with a written request received March 7, 19 81, there is hereby submitted a Fiscal Note for House Bill 428 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

Description of Proposed Legislation

This bill would impose a uniform state tax on automobiles and light trucks. The tax would be based on average trade-in value and set at a rate of 3% with a minimum tax of \$20.

Assumptions

This fiscal note differs from previous notes dealing with the various proposals for motor vehicle fee systems or uniform taxes. The automobile data base used in this note is new; it is a full count for twelve months of 1980 from the Motor Vehicle Division computer tape.

1. The average statewide mill levy applied to motor vehicles is 260 mills.
2. Under present law, the total tax base of the state would be \$2.083 billion for 1982 and \$2.263 billion for 1983.
3. The relationship between average trade-in value and average retail value is:

| Age | 1 | 2 | 3 | 4 | 5 | 6 |
|---------|------|------|------|------|------|------|
| ATI/ARV | .839 | .818 | .795 | .767 | .736 | .678 |

4. The total taxable value of motor vehicles (in the absence of this proposal) would be 9.135% of the taxable value of the state in each year.
5. Age distribution of motor vehicles will remain constant.

Technique of Estimation

The data is used to compute total property tax paid in the base year and the total uniform vehicle tax for the base year. The relationship between the two amounts is calculated and applied to the projected property tax for 1982 and 1983 in order to compute the uniform tax for those years.

David M. Lewis

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 3-10-81

1. Tax at 3% of average trade-in value with \$20 minimum.

| <u>Year</u> | <u>Tax</u> | Current Law | <u>Proposed</u> <u>Tax</u> | (Decrease) | | (Decrease) |
|-------------|------------|------------------------------|-------------------------------|----------------------|--------------------|--------------------------------|
| | | <u>Local</u> <u>Share</u> | | <u>State Revenue</u> | <u>School Levy</u> | <u>Local</u> <u>Revenue</u> |
| 1982 | \$49.473 M | \$40.633 M | \$34.775 M | (\$1.153 M) | (\$7.687 M) | (\$5.858 M) |
| 1983 | \$53.749 M | \$44.145 M | \$37.780 M | (\$1.253 M) | (\$8.351 M) | (\$6.365 M) |

2. Tax at 3½% of average trade-in value with \$20 minimum*

| <u>Year</u> | <u>Tax</u> | Current Law | <u>Proposed</u> <u>Tax</u> | (Decrease) | | (Decrease) |
|-------------|------------|------------------------------|-------------------------------|----------------------|--------------------|--------------------------------|
| | | <u>Local</u> <u>Share</u> | | <u>State Revenue</u> | <u>School Levy</u> | <u>Local</u> <u>Revenue</u> |
| 1982 | \$49.473 M | \$40.633 M | \$39.474 M | (\$1.153 M) | (\$7.687 M) | (\$1.159 M) |
| 1983 | \$53.749 M | \$44.145 M | \$42.886 M | (\$1.253 M) | (\$8.351 M) | (\$1.259 M) |

3. Tax at 2½% of average trade-in value with \$20 minimum*

| <u>Year</u> | <u>Tax</u> | Current Law | <u>Proposed</u> <u>Tax</u> | (Decrease) | | (Decrease) |
|-------------|------------|------------------------------|-------------------------------|----------------------|--------------------|--------------------------------|
| | | <u>Local</u> <u>Share</u> | | <u>State Revenue</u> | <u>School Levy</u> | <u>Local</u> <u>Revenue</u> |
| 1982 | \$49.473 M | \$40.633 M | \$30.075 M | (\$1.153 M) | (\$7.687 M) | (\$10.558 M) |
| 1983 | \$53.749 M | \$44.145 M | \$32.674 M | (\$1.253 M) | (\$8.351 M) | (\$11.471 M) |

*An increase of \$1 in the minimum fee will produce approximately \$300,000 in local revenue.

Technical Note

For the sake of clarity, lines 22 through 25, page 1 should be changed to read:
"(a) trucks with a GVW-rates capacity of more... or less than 1½ tons and buses;"

Fiscal Impact to the Department of Justice

| Operating Expenses: | <u>FY 1982</u> | <u>FY 1983</u> |
|---|----------------|----------------|
| Expenditures: | | |
| Vehicle information tape from N.A.D.A. | \$ 400 | \$ 400 |
| Reprogramming and County Price Guide cost to update files in July of each year | 700 | 700 |
| Total | \$1,100 | \$1,100 |

IMPACT OF HB 428 APPLIED TO
CALENDAR YEAR 1980 DATA

| | (A) Estimated Tax 3% Avg. Trade-In | (C) Estimated Tax (present) | (B) Local Share (present) | Gain or (Loss) for Local Gov't (A) - (B) | Total Loss (State) (C) - (B) |
|-----------|---|--------------------------------------|---------------------------------|---|---------------------------------------|
| Number | | | | | |
| Ar Bow | 24,555 | 1,324,269 | 2,176,780 | (518738) | (333773) |
| de | 52,838 | 2,810,438 | 4,659,676 | (1134754) | (714484) |
| lowstone | 75,439 | 4,505,258 | 6,890,687 | (1232805) | (1152624) |
| ssoula | 49,988 | 2,866,250 | 4,779,220 | (1180156) | (732814) |
| & Clark | 29,582 | 1,698,554 | 2,838,850 | (705005) | (435291) |
| tin | 29,758 | 1,561,486 | 2,574,078 | (617900) | (394692) |
| thead | 38,704 | 2,174,010 | 3,320,145 | (590765) | (555370) |
| agus | 9,161 | 477,292 | 726,658 | (127816) | (121550) |
| er River | 1,847 | 127,618 | 106,511 | 53770 | (32663) |
| n | 6,177 | 334,071 | 401,413 | 16590 | (83932) |
| aps | 4,093 | 244,184 | 252,995 | 52440 | (61251) |
| ll | 12,267 | 721,214 | 885,396 | 20946 | (185128) |
| valli | 16,839 | 881,567 | 1,691,136 | 35977 | (223546) |
| r | 8,663 | 457,042 | 735,955 | (166067) | (112846) |
| | 13,696 | 740,136 | 917,386 | 14567 | (191817) |
| son | 3,793 | 545,907 | 747,950 | (64420) | (137623) |
| sevalc | 6,355 | 427,157 | 587,927 | (52591) | (108179) |
| thead | 6,168 | 389,412 | 424,358 | 62656 | (97602) |
| eau | 5,852 | 324,185 | 381,162 | 26515 | (83492) |
| y | 7,371 | 433,973 | 599,001 | (54812) | (110216) |
| le | 4,498 | 265,664 | 287,586 | 44223 | (66145) |
| horn | 6,860 | 499,093 | 417,466 | 209650 | (128023) |
| lsheil | 3,455 | 205,487 | 233,510 | 23127 | (51150) |
| | 4,657 | 300,364 | 365,268 | 11470 | (76371) |
| | 4,996 | 305,714 | 335,857 | 47104 | (771) |
| nde | 4,839 | 273,407 | 300,219 | 42239 | (69057) |
| land | 9,732 | 682,359 | 601,970 | 253455 | (173066) |
| l | 4,662 | 266,882 | 311,068 | 23952 | (68138) |
| ud | 6,754 | 431,781 | 384,662 | 157709 | (110590) |
| er Lodge | 7,562 | 373,498 | 779,420 | (683,811) | (95609) |
| on | 4,819 | 258,878 | 280,545 | 42858 | (64525) |
| water | 4,581 | 247,924 | 272,573 | 209,881 | (62692) |
| ure | 792 | 47,594 | 45,740 | 33,717 | (12023) |
| edan | 4,594 | 286,071 | 311,223 | 239,641 | (71582) |
| er's | 6,292 | 341,931 | 410,325 | 324,530 | (85795) |
| th Basin | 2,115 | 117,051 | 128,456 | 98,911 | (29545) |
| ls | 2,045 | 116,971 | 159,035 | 129,772 | (29263) |
| er | 7,219 | 459,548 | 513,364 | 395,290 | (118074) |
| on | 2,846 | 182,742 | 161,019 | 114,726 | (46293) |
| etgrass | 2,473 | 143,401 | 172,958 | 136,794 | (36164) |
| e | 1,697 | 105,724 | 109,549 | 83,027 | (26522) |
| r | 926 | 53,660 | 66,052 | 52,241 | (13811) |
| water | 2,595 | 153,145 | 167,025 | 128,610 | (38415) |
| atland | 1,545 | 79,001 | 98,692 | 78,953 | (19739) |
| irie | 1,261 | 67,438 | 77,288 | 60,358 | (16930) |
| te | 2,313 | 134,001 | 165,965 | 132,772 | (33193) |
| er | 1,709 | 101,553 | 111,423 | 85,796 | (25627) |
| erty | 2,147 | 136,709 | 133,017 | 99,024 | (33993) |
| ck | 10,725 | 587,135 | 705,666 | 558,118 | (147548) |
| field | 896 | 48,411 | 43,423 | 30,939 | (12484) |
| erson | 5,136 | 290,802 | 399,628 | 326,097 | (73531) |
| ix | 1,082 | 72,370 | 63,691 | 45,380 | (18311) |
| in Valley | 689 | 43,366 | 42,629 | 31,735 | (10894) |
| eral | 2,290 | 121,626 | 200,828 | 170,034 | (30794) |
| icus | 462 | 28,363 | 24,934 | 17,766 | (7168) |
| in | 12,235 | 663,591 | 909,468 | 742,126 | (167342) |
| 49,723 | \$31,537,278 | \$44,866,826 | \$36,850,282 | (5313004) | (8016541) |

HOUSE BILL 428, introduced (white), be amended as follows:

1. Title, line 7.

Following: "MAIL;"

Insert: "ADJUSTING THE PERCENTAGE LIMITS ON CERTAIN FINANCIAL ACTIVITIES
BY LOCAL GOVERNMENTS BECAUSE OF THE CHANGE IN TAX BASE;"

Following: "SECTIONS"

Insert: "7-1-2111, 7-3-1321, 7-6-2211, 7-6-4121, 7-6-4254, 7-7-107,
7-7-108, 7-7-2101, 7-7-2203, 7-7-4201, 7-7-4202, 7-13-4103, 7-14-236,
7-14-2524, 7-14-2525, 7-14-4402, 7-16-2327, 7-16-4104, 7-31-106,
7-31-107, 7-34-2131,"

2. Title, line 8.

Following: "15-6-140,"

Insert: "15-8-201, 15-8-202, 19-11-503, 19-11-504, 20-9-406, 20-9-502,"

3. Title.

Following: line 8

Strike: "AND"

Following: "61-3-509,"

Insert: "AND 85-7-2001,"

4. Page 1, line 15.

Following: "~~automobiles~~,"

Strike: "buses, and"

5. Page 1, line 18.

Following: "tons"

Insert: ", and buses"

6. Page 8, lines 22 through 24.

Following: "trucks"

Strike: line 22 through "shall" on line 24

Insert: ",

7. Page 9, line 5.

Following: "mail, the"

Strike: "department"

Insert: "county treasurer"

8. Page 9, line 6.

Following: "shall"

Strike: "notify the motor vehicle division of the department of justice;
the division shall then"

9. Page 9, lines 8 through 10.

Following: "owner." on line 8

Strike: lines 8 through 10 in their entirety

10. Page 9, line 13.

Following: "tax of"

Strike: "\$15 plus 2 1/2%"

Insert: "3 1/2%"

11. Page 9, line 15.

Following: "recent"

Insert: ",comprehensive, semiannual"

12. Page 9, line 18.

Following: "recent"

Insert: ",comprehensive, semiannual"

13. Page 9, line 21.

Following: "The"

Strike: "department of revenue and"

Following: "county"

```
Strike: "treasurers"
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Insert: "treasurer"

14. Page 9, line 22 through line 6 on page 10.

Following: "10]" on line 22

Strike: line 22 through "distributed" on page 10, line 6

Following: "to" on page 10, line 6

Strike: "the"

15. Page 10, line 7.

Following: "registered"

Strike: "to be allocated"

16. Page 10.

Following: line 8

Strike: "that taxing jurisdiction"

Insert: "the county"

17. Page 10.

Following: line 14

[illegible]

РЕННИНОВЫЕ КЛЕТКИ

ॐ नमो भगवते वासुदेवाय

Insert: attached material, page 10, line 24 through line 23 on page 35.

Following: line 24 on page 10 of the attached material

Insert: line 25, page 10 through line 23 on page 35 of the attached mat-

Renumber: subsequent sections

erial

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, and 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%~~ 3 1/2% 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 ~~(b)~~(c) motor homes and travel trailers subject to a
 21 fee in lieu of property tax;

22 ~~(c)~~(d) livestock;

23 ~~(d)~~(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 ~~fe)(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 ~~f3~~(c) third class--all counties having such a taxable
3 valuation of more than \$20 million and less than \$30
4 million;

5 ~~f4~~(d) fourth class--all counties having such a
6 taxable valuation of more than \$15 million and less than \$20
7 million;

8 ~~f5~~(e) fifth class--all counties having such a taxable
9 valuation of more than \$10 million and less than \$15
10 million;

11 ~~f6~~(f) sixth class--all counties having such a taxable
12 valuation of more than \$5 million and less than \$10 million;

13 ~~f7~~(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~~ 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 ~~18%~~ 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 ~~18%~~ 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 ~~18%~~
 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 ~~15%~~ 18.75% limitation of subsection (1)) an
 5 additional indebtedness not exceeding ~~10%~~ 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-

Lewiter yes
on Lopez for
HB 428

STANDING COMMITTEE REPORT

April 10, 19 81

MR. SPEAKER

We, your committee on TAXATION

having had under consideration SENATE Bill No. 19

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR AUTHORIZATION OF A COUNTY TAX APPEAL BOARD TO MEET BEYOND THE NORMAL TIME PERIOD IN CERTAIN CASES; AMENDING SECTIONS 15-2-201 AND 15-15-101, MCA."

Respectfully report as follows: That SENATE Bill No. 19,
third reading (blue), be amended as follows:

1. Title, line 7.

Following: "MCA"

Insert: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

2. Page 4.

Following: line 13

Insert: "Section 3. Immediate effective date. This act is effective on passage and approval."

AND AS AMENDED
BE CONCURRED IN

DO-PASS

STANDING COMMITTEE REPORT

April 10, 1921

MR. SPEAKER

TAXATION

We, your committee on

SENATE Bill No. 77
having had under consideration

A BILL FOR AN ACT ENTITLED: "AN ACT TO EXTEND UNTIL JUNE 30, 1923, THE AUTHORITY OF THE STATE BOARD OF EXAMINERS, UPON RECOMMENDATION OF THE DEPARTMENT OF ADMINISTRATION, TO ISSUE AND SELL NOTES IN ANTICIPATION OF TAXES AND REVENUES APPROPRIATED FOR EXPENDITURE DURING A FISCAL YEAR; PROVIDING THAT THE FULL FAITH AND CREDIT AND TAXING POWER OF THE STATE SHALL BE PLEDGED FOR THE PAYMENT OF ALL NOTES; AND PROVIDING THAT THE ACT IS EFFECTIVE ON PASSAGE BY A TWO-THIRDS VOTE OF THE MEMBERS OF EACH HOUSE OF THE LEGISLATURE AND APPROVAL BY THE GOVERNOR; AMENDING SECTIONS 17-1-202 AND 17-1-204, MCA."

Respectfully report as follows: That SENATE Bill No. 77
third reading (blue), be amended as follows:

1. Title, line 6.

Following: "EXTEND"

Insert: "UNTIL JUNE 30, 1923,"

2. Page 1, line 24.

Following: "1923"

Insert: "(2) No notes may be issued after June 30, 1923."

AND AS AMENDED
BE CONCURRED IN

DO PASS