

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

January 21, 1985

The seventh meeting of the Taxation Committee was called to order in room 312-1 of the capitol building at 9:07 a.m. by Chairman Gerry Devlin.

ROLL CALL: All members were present with the exception of Representative Keenan, who was excused. Dave Bohyer, Researcher for the Legislative Council, and Alice Omang, secretary, were also present.

CONSIDERATION OF HOUSE BILL 172: Representative Sands, District 90, Billings, stated that this bill is solely one of clarifying the law the way it is written now. The current law is changed, he said, by making it clear that "leasehold improvements" include improvements other than those on mobile homes.

PROPOSERS: There were none.

OPPOSERS: There were no opponents.

QUESTIONS ON HOUSE BILL 172:

Representative Raney noted on page 2, lines 9, 10, and 11, it said, "The term "leasehold improvements" means improvements and mobile homes located on land owned by another person." He asked what this means.

Representative Sands replied that this means that leasehold improvements means any improvements as well as mobile homes on land owned by another person.

There were no further questions.

Representative Sands stated that he was offering this bill at the request of the County Assessors' Association and he has been assured that they are in support of it.

The hearing on this bill was closed.

Taxation Committee
January 21, 1985
Page Two

EXECUTIVE SESSION:

DISPOSITION OF HOUSE BILL 172: Representative Sands moved that this bill DO PASS. The motion carried unanimously.

FURTHER CONSIDERATION OF HOUSE BILL 101 AND HOUSE BILL 36: Representative Hanson indicated that the subcommittee on these bills met the other day and they have some proposed amendments to HB 101. See Exhibits 1 and 2.

Chairman Devlin indicated that they would need a fiscal note on these amendments as it is a brand new ballgame.

Chairman Devlin asked if it was easier to go and amend HB 101 than HB 36.

Representative Hanson replied that that was the consensus of the committee.

Representative Schye clarified that this bill had everything written into it about quadricycles, where the other bill did not, and they changed the matrix to go into this bill.

Representative Gilbert explained that the problem he is having is that everything that has occurred so far is from those who want to be exempt or to have their taxes lowered and he is having some problem with how they can keep exempting and lowering taxes without cutting services or increasing revenues and he thought they would eventually have a shift in the burden of taxes.

Chairman Devlin informed the committee that last session Representative Kitselman brought in an almost identical bill and he was unsuccessful in getting it passed.

Representative Ellison asked if there has been any estimate of about how many quadricycles might be picked up in this bill.

Representative Schye replied that he thinks that is a real hard thing to guess and he told of an individual in his district, who is disabled, who has a quadricycle and drives downtown - first, they would not license it at all and finally, they licensed it as a car and he is under the fee system as a car. He thought there would be more of this.

Taxation Committee
January 21, 1985
Page Three

Representative Patterson said that if they allow these things to be on the highways, that means that they are also going to have to carry proof of insurance papers and registration; and he understands, from the testimony given, that they were not designed to go down interstates, but with lights, fenders, turn signals, etc., they could put these things on the interstates and with a 500 cc engine, they could develop speeds in excess of 70 to 80 miles per hour.

Representative Schye responded that that is not covered in this bill anyway - they are talking about a fee system.

Representative Gilbert said that he questioned that there were 100 quadricycles in the state - he knew a guy that has four of them and another that has five and he thought that their assumption on the fiscal note is completely out of reason.

Chairman Devlin indicated that if everyone has their questions answered about the form of the bill, they shouldn't even look at the fiscal impact until they get the new fiscal note.

There were no other questions and they agreed to wait for a new fiscal note.

DISPOSITION OF HOUSE BILL 27: Chairman Devlin passed out information on liens for salaries and wages. See Exhibit 3. He indicated that the biggest question that the committee had on this bill was that if this lien that the department was going to take on took precedent over wages owed. He asked Mr. Morrison if he would make a comment on this.

Ken Morrison, Administrator of the Income Tax Division, of the Department of Revenue, that this sheet shows that wages would have precedent.

Representative Schye moved that this bill DO PASS. The motion carried with Representative Zabrocki, Representative Koehnke, Representative Sands and Representative Iverson voting no.

Taxation Committee
January 21, 1985
Page Four

DISPOSTION OF HOUSE BILL 68: Chairman Devlin indicated that on this bill, there was a question about the fiscal note - it didn't jibe with what the testimony was.

Gregg Groepper, Administrator of the Property Assessment Division of the Department of Revenue, pass out to the committee Exhibit 4. He explained the figures and also explained the discrepancy.

Representative Cohen stated that he did not understand the net impact on this.

Mr. Groepper said that the fiscal impact of this bill, as he understands it, just deals with fraternal organizations and does not deal with veterans' organizations, which is the left-hand column or \$364,800 of taxes that will be lost revenue.

Chairman Devlin said that the fiscal note is on the way and by the time, this hits the floor, the new fiscal note would be there and he felt the committee had a pretty good idea of the local impact.

Representative Williams moved that this bill DO NOT PASS. He indicated that he did not think it was the right approach to pick up the tax on any fraternal organization.

Representative Harp made a substitute motion that we TABLE this bill. The motion carried with Representative Zabrocki voting no.

ADJOURNMENT: There being no further business, the meeting was adjourned at 10:00 a.m.

GERRY DEVLIN, Chairman

Alice Omang, Secretary

DAILY ROLL CALL

HOUSE TAXATION

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date _____

NAME	PRESENT	ABSENT	EXCUSED
DEVLIN, GERRY, Chrm.			
WILLIAMS, MEL, V. Chrm.			
ABRAMS, HUGH			
ASAY, TOM			
COHEN, BEN			
ELLISON, ORVAL			
GILBERT, BOB			
HANSON, MARIAN			
H HARRINGTON, DAN			
HARP, JOHN			
IVERSON, DENNIS			
KEENAN, NANCY 24			
KOEHNKE, FRANCIS			
H PATTERSON, JOHN			
RANEY, BOB			
14 REAM, BOB 24			
SANDS, JACK			
SCHYE, TED			
SWITZER, DEAN			
ZABROCKI, CARL			

DAILY ROLL CALL

HOUSE TAXATION

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date _____

NAME	PRESENT	ABSENT	EXCUSED
DEVLIN, GERRY, Chrm.	X		
WILLIAMS, MEL, V. Chrm.	X		
ABRAMS, HUGH	X		
ASAY, TOM	X		
COHEN, BEN	X		
ELLISON, ORVAL	X		
GILBERT, BOB	X		
HANSON, MARIAN	X		
HARRINGTON, DAN	X		
HARP, JOHN	X		
IVERSON, DENNIS	X		
KEENAN, NANCY	X		
KOEHNKE, FRANCIS	X		
PATTERSON, JOHN	X		
RANEY, BOB	X		
REAM, BOB	X		
SANDS, JACK	X		
SCHYE, TED	X		
SWITZER, DEAN	X		
ZABROCKI, CARL	X		

STANDING COMMITTEE REPORT

.....January 21,..... 19 85.....

MR. SPEAKER.....

We, your committee onTAXATION.....

having had under considerationHOUSE..... Bill No.27.....

Fire reading copy (white)
color

AN ACT TO DEFINE AND ESTABLISH LIEN PRIORITY OF WITHHOLDING
TAXES; ETC.

Respectfully report as follows: That.....HOUSE..... Bill No.27.....

DO PASS

STANDING COMMITTEE REPORT

.....January 21,..... 1985.....

MR. SPEAKER.....

We, your committee on.....TAXATION.....

having had under consideration.....HOUSE..... Bill No.....27.....

Fire..... reading copy (white)
color

~~AN ACT TO DEFINE AND ESTABLISH LIEN PRIORITY OF WITHHOLDING
TAXES; ETC.~~

*Need copy of
HB 172*

Respectfully report as follows: That.....HOUSE..... Bill No.....27.....

SCR

DO PASS

Exhibit 1
HB 101
1/21/85

PROPOSED AMENDMENTS TO HOUSE BILL NO. 101

INTRODUCED COPY

1. Page 1, line 24.

Following: "horsepower."

Insert: "The term does not include golf carts."

Exhibit 2
HB 101
1/21/85

AMENDMENTS TO HOUSE BILL NO. 101
(Introduced copy)

1. Page 2, line 9.

Following: "age"

Insert: "and size"

2. Page 2, line 10.

Following: line 10

Strike: lines 11 and 12 in their entirety

Insert:

<u>"Motorcycle or Quadricycle Age</u>	<u>Motorcycle or Quadricycle Size</u>	
	<u>500 cc or less</u>	<u>more than 500 cc</u>
less than 5 years old	\$25	\$40
5 years old and older	\$10	\$20"

DAVEB3/ee/Amendments to HB 101

HB 27

Part 3

Liens for Salaries and Wages

Exhibit 3

HB 27

1/21/85

71-3-301. Priority when assignment of property made. In all assignments of property made by any person to trustees or assignees on account of the inability of the person, at the time of the assignment, to pay his debts or in proceedings of insolvency, the wages of the miners, mechanics, salesmen, servants, clerks, or laborers employed by such person, to the amount actually owed and for services rendered within the previous 4 months, are preferred claims and must be paid by such trustees or assignees before any other creditor of the assignor.

History: En. Sec. 2050, 5th Div. Comp. Stat. 1887; amd. Sec. 2150, C. Civ. Proc. 1895; re-en. Sec. 7302, Rev. C. 1907; re-en. Sec. 8351, R.C.M. 1921; Cal. C. Civ. Proc. Sec. 1204; re-en. Sec. 8351, R.C.M. 1935; amd. Sec. 1, Ch. 109, L. 1943; R.C.M. 1947, 45-601.

Cross-References

Priority of certain liens arising by operation of law, 30-9-310.

Priority — crop or grain liens, 71-3-904.

71-3-302. Priority in case of death of employer. In case of the death of any employer, the wages of each miner, mechanic, salesperson, clerk, servant, and laborer for services rendered within 4 months next preceding the death of the employer, in the amount actually owed, are preferred debts under 72-3-807(1)(e) and must be paid before other claims against the estate of the deceased person.

History: En. Sec. 2051, 5th Div. Comp. Stat. 1887; re-en. Sec. 2151, C. Civ. Proc. 1895; re-en. Sec. 7303, Rev. C. 1907; re-en. Sec. 8353, R.C.M. 1921; Cal. C. Civ. Proc. Sec. 1205; re-en. Sec. 8353, R.C.M. 1935; amd. Sec. 2, Ch. 109, L. 1943; amd. Sec. 3, Ch. 263, L. 1975; amd. Sec. 25, Ch. 535, L. 1975; R.C.M. 1947, 45-603.

Cross-References

Classification of claims against the estate — priority of payment, 72-3-807.

71-3-303. Priority in cases of execution or attachment. In case of executions, attachments, and writs of similar nature issued against any person, except for claims for labor done, any miners, mechanics, salesmen, servants, clerks, or laborers who have claims against the defendant for labor done may give notice of their claims and the amount thereof, sworn to by the person making the claim, to the parties plaintiff and defendant to the action in which such execution, attachment, or other writ has been issued and upon the officer executing the same. Service of notice herein required may be made upon the officer charged with the execution of such writ in one or more cases that may be pending against such person, who shall forthwith serve such notice and claim, by copy, upon the parties plaintiff and defendant, if found in the county where such action is pending, or upon their respective attorneys employed in such case or cases pending.

History: En. Sec. 2052, 5th Div. Comp. Stat. 1887; re-en. Sec. 2152, C. Civ. Proc. 1895; re-en. Sec. 7304, Rev. C. 1907; re-en. Sec. 8354, R.C.M. 1921; Cal. C. Civ. Proc. Sec. 1206; re-en. Sec. 8354, R.C.M. 1935; R.C.M. 1947, 45-604.

Cross-References

Priority of certain liens arising by operation of law, 30-9-310.

(3)

1/18/85

HB 68
Exhibit 4
1/21/85on report
of VFW

HB 68 study

Form 4256 Counties

State Publishing Co.
Helena, Montana

	Taxes for those on that come off	Taxes for those off that go on	Market Value Those on that come off
Beaverhead	\$ 4156	760	
Big Horn			
Blaine	\$ 2111	\$ 550	Taxes
Broadwater	\$ 2269	0	
Carbon			
Carter	878	0	
Cascade	\$ 37461	\$ 89,600	
Chouteau	\$ 1273	0	
Custer	16848	2449	
Daniels	\$ 146	0	
Dawson	\$ 10548	\$ 5432	
Deer Lodge	\$ 11706	2600	
Fallon	\$ 690	0	
Fergus	\$ 17450	0	
Flathead	30,000	9500	
Gallatin	23048	0	
Garfield	0	\$ 211	
Glacier	\$ 3136	0	
Golden Valley			
Granite	\$ 115	115	
Hill	\$ 20670	0	
Jefferson	\$ 2201	800	
Judith Basin	0	0	
Lake	2700	800	
Lewis and Clark	12693	5363	
Liberty	\$ 1332	0	
Lincoln	13,600	2900	
Madison	1589	200	
McCone	960	0	
Meagher	0	0	
Mineral	0	2000	
Missoula	31,550	1600	
Musselshell			
Park	11737	0	
Petroleum	0	0	
Phillips	\$ 761	0	
Pondera	\$ 2373	0	
Powder River	0	\$ 1078	
Powell	\$ 3049	240	
Prairie	0	\$ 320	
Ravalli	0	13,400	
Richland	\$ 7100	0	
Roosevelt	\$ 5859	0	
Rosebud			
Sanders	1250	0	
Sheridan	\$ 676	\$ 200	
Silver Bow	\$ 14097	2600	
Stillwater			
Sweet Grass	1562	0	
Teton	3982	7438	
Toole	\$ 2940	0	
Treasure			
Valley	\$ 13688	\$ 2317	
Wheatland	\$ 513	0	
Wibaux	0	0	
Yellowstone			

\$ 324,267 \$ 152,473

x 1.125 x 1.125

364,800 \$ 171,532

History: En. Sec. 2, p. 73, L. 1891; re-en. Sec. 3671, Pol. C. 1895; re-en. Sec. 2499, Rev. C. 1907; amd. Sec. 1, Ch. 97, L. 1911; amd. Sec. 1, Ch. 24, L. 1919; re-en. Sec. 1998, R.C.M. 1921; Cal. Pol. C. Secs. 3607 and 3611; amd. Sec. 1, Ch. 98, L. 1931; re-en. Sec. 1998, R.C.M. 1935; amd. Sec. 1, Ch. 85, L. 1965; amd. Sec. 1, Ch. 266, L. 1973; amd. Sec. 1, Ch. 361, L. 1973; amd. Sec. 1, Ch. 376, L. 1974; Clarified Sec. 1, Ch. 8, L. 1975; amd. Sec. 1, Ch. 325, L. 1975; amd. Sec. 1, Ch. 341, L. 1975; amd. Sec. 1, Ch. 442, L. 1975; amd. Sec. 3, Ch. 507, L. 1975; amd. Sec. 7, Ch. 548, L. 1975; amd. Sec. 2, Ch. 52, L. 1977; amd. Sec. 1, Ch. 87, L. 1977; amd. Sec. 2, Ch. 112, L. 1977; amd. Sec. 2, Ch. 126, L. 1977; amd. Sec. 2, Ch. 393, L. 1977; amd. Sec. 1, Ch. 413, L. 1977; amd. Sec. 1, Ch. 492, L. 1977; amd. Sec. 2, Ch. 576, L. 1977; R.C.M. 1947, 84-202(5); amd. Sec. 8, Ch. 663, L. 1979.

Cross-References

Definition of "agricultural", 15-1-101.

Legislature to enact laws to enhance and develop agriculture, Art. XII, sec. 1, Mont. Const.

HB 68
Exhibit 4

15-6-208. Mineral exemptions. (1) One-half of the contract sales price of coal sold by a coal producer who extracts less than 50,000 tons of coal in a calendar year is exempt from taxation.

(2) Metal mines producing less than 20,000 tons of ore in a taxable year shall be exempt from property taxation on one-half of the merchantable value.

History: (1)En. Sec. 2, p. 73, L. 1891; re-en. Sec. 3671, Pol. C. 1895; re-en. Sec. 2499, Rev. C. 1907; amd. Sec. 1, Ch. 97, L. 1911; amd. Sec. 1, Ch. 24, L. 1919; re-en. Sec. 1998, R.C.M. 1921; Cal. Pol. C. Secs. 3607 and 3611; amd. Sec. 1, Ch. 98, L. 1931; re-en. Sec. 1998, R.C.M. 1935; amd. Sec. 1, Ch. 85, L. 1965; amd. Sec. 1, Ch. 266, L. 1973; amd. Sec. 1, Ch. 361, L. 1973; amd. Sec. 1, Ch. 376, L. 1974; Clarified Sec. 1, Ch. 8, L. 1975; amd. Sec. 1, Ch. 325, L. 1975; amd. Sec. 1, Ch. 341, L. 1975; amd. Sec. 1, Ch. 442, L. 1975; amd. Sec. 3, Ch. 507, L. 1975; amd. Sec. 7, Ch. 548, L. 1975; amd. Sec. 2, Ch. 52, L. 1977; amd. Sec. 1, Ch. 87, L. 1977; amd. Sec. 2, Ch. 112, L. 1977; amd. Sec. 2, Ch. 126, L. 1977; amd. Sec. 2, Ch. 393, L. 1977; amd. Sec. 1, Ch. 413, L. 1977; amd. Sec. 1, Ch. 492, L. 1977; amd. Sec. 2, Ch. 576, L. 1977; Sec. 84-202, R.C.M. 1947; (2)En. 84-212 by Sec. 6, Ch. 498, L. 1977; Sec. 84-212, R.C.M. 1947; R.C.M. 1947, 84-202(7), 84-212; amd. Sec. 1, Ch. 303, L. 1983.

Compiler's Comments

1983 Amendment: In (1), increased amount of coal exempt from taxation from 20,000 tons to 50,000 tons.

15-6-209. Community services buildings exempt. (1) The building and appurtenant land, not exceeding 1 acre, owned by a nonprofit community service organization is exempt from property taxation, except as provided in subsections (3) and (4), if such organization:

(a) is a lodge of a nationally recognized fraternal organization and does not sell food or beverages under license from the state of Montana;

(b) furnishes services to senior citizens in the form of daytime or evening educational or recreational activities and does not furnish living accommodations to such citizens or sell food or beverages under license from the state of Montana; services qualifying under this provision must be recognized in the state plan on aging adopted by the department of social and rehabilitation services; or

(c) primarily furnishes facilities without charge, except that a minimal fee may be charged for janitorial services, for public meetings and entertainments.

(2) An applicant for exemption under this section shall demonstrate that it has been an active community service organization continuously from January 1, 1981.

(3) A building and lot exempted under this section shall be appraised, assessed, and subject to levies for any special improvement district if the special improvement directly benefits the building or lot.

(4) The exemption provided under this section may not be extended to any property owned by a community service organization described herein which is leased in whole or in part to any person for business or profitmaking purposes.

History: En. 84-202.1 by Sec. 1, Ch. 491, L. 1977; R.C.M. 1947, 84-202.1; amd. Sec. 1, Ch. 423, L. 1981.

Compiler's Comments

1981 Amendment: Substituted "1981" for "1976" in subsection (2).

15-6-210. Antique aircraft exempt — application procedure. (1) Aircraft 40 years old or older and not regularly used for transportation are exempt from property taxation.

(2) To apply for this exemption, the owner shall file a signed application with the department of revenue containing:

C. Secs. 3607 and 3611; amd. Sec. 1, Ch. 98, L. 1931; re-en. Sec. 1998, R.C.M. 1935; amd. Sec. 1, Ch. 85, L. 1965; amd. Sec. 1, Ch. 266, L. 1973; amd. Sec. 1, Ch. 361, L. 1973; amd. Sec. 1, Ch. 376, L. 1974; Clarified Sec. 1, Ch. 8, L. 1975; amd. Sec. 1, Ch. 325, L. 1975; amd. Sec. 1, Ch. 341, L. 1975; amd. Sec. 1, Ch. 442, L. 1975; amd. Sec. 3, Ch. 507, L. 1975; amd. Sec. 7, Ch. 548, L. 1975; amd. Sec. 2, Ch. 52, L. 1977; amd. Sec. 1, Ch. 87, L. 1977; amd. Sec. 2, Ch. 112, L. 1977; amd. Sec. 2, Ch. 126, L. 1977; amd. Sec. 2, Ch. 393, L. 1977; amd. Sec. 1, Ch. 413, L. 1977; amd. Sec. 1, Ch. 492, L. 1977; amd. Sec. 2, Ch. 576, L. 1977; R.C.M. 1947, 84-202(4); amd. Sec. 2, Ch. 613, L. 1981; amd. Sec. 3, Ch. 599, L. 1983.

Compiler's Comments

1983 Amendment: In (5), substituted present language for "Business inventories includes goods intended for sale or lease..."

1981 Amendment: In (1), substituted "and business inventories are exempt" for "is exempt"; in (4), substituted "the freeport merchandise class" for "this class"; and added subsection (5).

15-6-203. Veterans' clubhouse exemption — incompetent veterans' trusts. (1) When a clubhouse or building erected by or belonging to any society or organization of honorably discharged United States military personnel is used exclusively for educational, fraternal, benevolent, or purely public charitable purposes rather than for gain or profit, together with the library and furniture necessarily used in any such building, such property is exempt from taxation.

(2) All property, real or personal, in the possession of legal guardians of incompetent veterans of U.S. military service or minor dependents of such veterans, where such property is funds or derived from funds received from the United States as pension, compensation, insurance, adjusted compensation, or gratuity, shall be exempt from all taxation as property of the United States while held by the guardian, but not after title passes to the veteran or minor in his or her own right on account of removal of legal disability.

History: En. Sec. 2, p. 73, L. 1891; re-en. Sec. 3671, Pol. C. 1895; re-en. Sec. 2499, Rev. C. 1907; amd. Sec. 1, Ch. 97, L. 1911; amd. Sec. 1, Ch. 24, L. 1919; re-en. Sec. 1998, R.C.M. 1921; Cal. Pol. C. Secs. 3607 and 3611; amd. Sec. 1, Ch. 98, L. 1931; re-en. Sec. 1998, R.C.M. 1935; amd. Sec. 1, Ch. 85, L. 1965; amd. Sec. 1, Ch. 266, L. 1973; amd. Sec. 1, Ch. 361, L. 1973; amd. Sec. 1, Ch. 376, L. 1974; Clarified Sec. 1, Ch. 8, L. 1975; amd. Sec. 1, Ch. 325, L. 1975; amd. Sec. 1, Ch. 341, L. 1975; amd. Sec. 1, Ch. 442, L. 1975; amd. Sec. 3, Ch. 507, L. 1975; amd. Sec. 7, Ch. 548, L. 1975; amd. Sec. 2, Ch. 52, L. 1977; amd. Sec. 1, Ch. 87, L. 1977; amd. Sec. 2, Ch. 112, L. 1977; amd. Sec. 2, Ch. 126, L. 1977; amd. Sec. 2, Ch. 393, L. 1977; amd. Sec. 1, Ch. 413, L. 1977; amd. Sec. 1, Ch. 492, L. 1977; amd. Sec. 2, Ch. 576, L. 1977; R.C.M. 1947, 84-202(2).

Cross-References

Special considerations allowed service personnel and veterans, Art. II, sec. 35, Mont. Const.

Reduced property tax rate for vehicle of disabled veteran, 10-2-301 through 10-2-304.

15-6-204. Moneys and credits exemption. (1) Moneys and credits are exempt from taxation.

(2) Moneys and credits are hereby defined for the purpose of taxation as all moneys not constituting moneyed capital as hereinafter defined and all credits secured and unsecured, including all state, county, school district, and other municipal bonds, warrants, and securities, without any deduction or offset; provided, however, that credits as herein defined shall not embrace credits constituting moneyed capital as hereinafter defined or evidence of debt secured by mortgage of record upon real or personal property in the state of Montana.

History: (1) En. Sec. 2, p. 73, L. 1891; re-en. Sec. 3671, Pol. C. 1895; re-en. Sec. 2499, Rev. C. 1907; amd. Sec. 1, Ch. 97, L. 1911; amd. Sec. 1, Ch. 24, L. 1919; re-en. Sec. 1998, R.C.M. 1921; Cal. Pol. C. Secs. 3607 and 3611; amd. Sec. 1, Ch. 98, L. 1931; re-en. Sec. 1998, R.C.M. 1935; amd.

Part 3
Realty Transfer Act

EXHIBIT 1
January 9, 1985
HB 41
Submitted by:
Rep. Tom Hannah

15-7-301. Short title. This part may be cited as the "Realty Transfer Act".

History: En. 84-7301 by Sec. 1, Ch. 528, L. 1975; R.C.M. 1947, 84-7301.

15-7-302. Purpose. The purpose of this part is to obtain sales price data necessary to the determination of statewide levels and uniformity of real estate assessments by the most efficient, economical, and reliable method.

History: En. 84-7302 by Sec. 2, Ch. 528, L. 1975; R.C.M. 1947, 84-7302.

15-7-303. Definitions. As used in this part, the following definitions apply:

(1) "Partial interest" means a percentage interest in property when less than 100%.

(2) "Person" means and includes an individual, corporation, partnership, or other business organization, trust, fiduciary, or agent or any other party presenting a document for recordation.

(3) "Real estate" includes:

(a) land;

(b) growing timber;

(c) buildings, structures, fixtures, fences, and improvements affixed to land.

(4) "Transfer" means an act of the parties or of the law by which the title to real property is conveyed from one person to another.

(5) "Value" means the amount of the full actual consideration therefor paid or to be paid, including the amount of any lien or liens thereon.

History: En. 84-7303 by Sec. 3, Ch. 528, L. 1975; R.C.M. 1947, 84-7303.

15-7-304. Report of transfers — change of ownership records.

(1) All transfers of real property which are not evidenced by a recorded document, except those transfers otherwise provided for in this part, shall be reported to the department of revenue or its agent on the form prescribed.

(2) No agent of the department may change or be required to change any ownership records used for the assessment or taxation of real property unless he has received a transfer certificate from the clerk and recorder or a transfer has been reported to him.

History: En. 84-7304 by Sec. 4, Ch. 528, L. 1975; R.C.M. 1947, 84-7304.

15-7-305. Certificate of county clerk and recorder. (1) The county clerk and recorder shall cause to be executed by the parties to the transaction or their agents or representatives a certificate declaring the consideration paid or to be paid for the real estate transferred.

(2) No instrument or deed evidencing a transfer of real estate may be accepted for recordation until the certificate has been received by the county clerk and recorder. The validity or effectiveness of an instrument or deed as between the parties to it shall not be affected by the failure to comply with the provisions in this part.

(3) The form of certificate shall be prescribed by the department of revenue, and the department shall provide an adequate supply of such forms to each county clerk and recorder in the state.

(4) The clerk and recorder shall prepare a like certificate for each contract for deed filed for recording.

(5) The clerk and recorder shall transmit each executed certificate to the department.

History: En. 84-7305 by Sec. 5, Ch. 528, L. 1975; R.C.M. 1947, 84-7305.

15-7-306. Rules. The department of revenue may prescribe such rules as are reasonably necessary to facilitate and expedite the provisions and administration of this part.

History: En. 84-7306 by Sec. 6, Ch. 528, L. 1975; R.C.M. 1947, 84-7306.

HB-41

15-7-307. Certificate — exceptions. The certificate imposed by this part shall not apply to:

- (1) an instrument recorded prior to July 1, 1975;
- (2) the sale of agricultural land when the land is used for agricultural purposes;
- (3) the United States of America, this state, or any instrumentality, agency, or subdivision thereof;
- (4) an instrument which (without added consideration) confirms, corrects, modifies, or supplements a previously recorded instrument;
- (5) a transfer pursuant to court decree;
- (6) a transfer pursuant to mergers, consolidations, or reorganizations of corporations, partnerships, or other business entities;
- (7) a transfer by a subsidiary corporation to its parent corporation without actual consideration or in sole consideration of the cancellation or surrender of subsidiary stock;
- (8) a transfer of decedents' estates;
- (9) a transfer of a gift;
- (10) a transfer between husband and wife or parent and child with only nominal actual consideration therefor;
- (11) an instrument the effect of which is to transfer the property to the same party or parties;
- (12) a sale for delinquent taxes or assessments, sheriff sale, bankruptcy action, or mortgage foreclosure;
- (13) a transfer made in contemplation of death.

History: En. 84-7307 by Sec. 7, Ch. 528, L. 1975; R.C.M. 1947, 84-7307.

15-7-308. Disclosure of information restricted. The certificate required by this part and the information therein shall not be a public record and shall be held confidential by the county clerk and recorder, county assessor, and department of revenue. This is because the legislature finds that the demands of individual privacy outweigh the merits of public disclosure. The foregoing provisions shall not apply to compilations from such certificates or to summaries, analyses, and evaluations based upon such compilations.

History: En. 84-7308 by Sec. 8, Ch. 528, L. 1975; R.C.M. 1947, 84-7308.

Cross-References

Right to know, Art. II, sec. 9, Mont. Const.

15-7-309. Classification or assessment methods. (1) This part shall not change or modify the methods of classification or assessment of real estate as provided for in this title or in any law of this state.

(2) The sale price of real estate shall not be the sole determinant of assessed value. The department shall consider, wherein the consideration is to be paid in deferred installments over a period of 10 years or more, the terms of the contract, amount of down payment, amount of each installment, rate of interest, and other covenants or exceptional circumstances which may affect the consideration paid for real estate.

History: En. 84-7309 by Sec. 9, Ch. 528, L. 1975; R.C.M. 1947, 84-7309.

15-7-310. Penalty. A person convicted of violating any provision of this part shall be fined not to exceed \$500 or be imprisoned in the county jail for any term not to exceed 6 months, or both.

History: En. 84-7310 by Sec. 12, Ch. 528, L. 1975; R.C.M. 1947, 84-7310.

15-7-311. Costs. Notwithstanding 1-2-112, the duties, obligations, or responsibilities imposed on local government entities by this part are such that related costs are incurred as a part of their normal operating procedures.

History: En. 84-7311 by Sec. 10, Ch. 528, L. 1975; R.C.M. 1947, 84-7311.

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Co. Treas. Lissner	Wetmore	<input checked="" type="checkbox"/>	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.