

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

HOUSE COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT

Call to Order: By Rep. Bob Pavlovich, on March 14, 1989, at 9:00 a.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Paul Verdon and Sue Pennington

Announcements/Discussion: None

EXECUTIVE ACTION

DISPOSITION OF HOUSE BILL 736

Motion: Rep. Glaser moved DO PASS and submitted an amendment.

Amendments, Discussion, and Votes: Rep. Glaser said the amendment made sure that the GVW trucks are not involved in this bill. It was worked out by Mr. Akey and the highway department. Rep. Glaser said if there were any questions that Mr. Akey and a representative from the department are here. Rep. Glaser said it made clear that we are talking about cars and light trucks, not large trucks.

Rep. Pavlovich asked Rep. Wallin if this would affect him in any way? Rep. Wallin said he had no problem with it.

See the attached copy of the amendments. Rep. Glaser moved the amendments.

Mr. Akey said that in his opinion and the opinion of the people he represents, the passage of this bill will allow for greater fleet operation in the state. We will have more cars on the road, more gas being bought, and more gas tax collected. If more fleets are in the state, you will have more people coming into the state staying in the hotels and motels, more bed tax will be collected. If we have increases in the tourist trade we will have increases in jobs, profits to the companies involved in the tourist trade, also increased corporate taxes. It is difficult to estimate the dollar amount associated with this.

Rep. Bachini asked Mr. Akey if before when the bill was

presented was it presented with the full tax on it? Why now all of sudden, do you want to reduce that tax? We were giving a break in the original form, now we are giving a bigger tax break, why? Mr. Akey said when we testified on this bill we did present this amendment to the committee. The subsequent discussions with the committee members following this have been with the assumption that this would be attached. There are really two different taxes on motor vehicles. One is a 1 1/2 percent sales tax on new vehicles, for new cars you pay this tax in lieu of the 2 percent tax paid on used vehicles. All this does is treat new cars the same way as used cars under the original proposal. The original may, in fact, not need this amendment. But we wanted to have this on the bill to make it absolutely clear that that is what the legislature intends.

Rep. Simon asked Mr. Akey if we go with this amendment and allow 3/4 of 1 percent on new cars, then what is the status of the car for the next 6 months? Is it re-registered as a non new car, a used car and pays 1 percent of the value of the car? Or would they pay the other 3/4 of 1 percent of a new car tax? What is the status? It isn't clear to me at all, I want to know. Mr. Akey said in subsection 2 of Section 1 of the bill, it makes it clear that any vehicle retained after the original 6 months period must be re-registered for a 12 month period. It is the interpretation of the bureau of motor vehicles at that point that it would be treated as a used vehicle and pay the 2 percent tax. Those operators who register as a fleet retaining vehicles outside the 6 months period, will in some sense pay a penalty. They will pay an additional tax that they would not have had to pay if they had registered for a full year under the 1 1/2 percent sales tax. The amendments DO PASS.

Rep. Hansen moved the amendments by the Leagues of Cities and Towns, but the motion failed.

Recommendation and Vote: HB 736 DO PASS as amended 15-1 vote.

DISPOSITION OF HOUSE BILL 743

Motion: Rep. Hansen made the motion to TABLE the bill.

Amendments, Discussion, and Votes: None

Recommendation and Vote: HB 743 was TABLED 9-7 vote.

DISPOSITION OF SENATE BILL 313

Motion: Rep. Thomas moved BE CONCURRED IN without the amendments.

Amendments, Discussion, and Votes: None

Recommendation and Vote: SB 313 BE CONCURRED IN unanimously.

DISPOSITION OF SENATE BILL 15

Motion: Rep. McCormick made a motion to TABLE SB 15.

Discussion: Rep. Pavlovich said he would like the committee to do something with SB 15 and SB 207. He asked Rep. Hansen what the subcommittee had come up with. Rep. Hansen said SB 15 is dead. She did not think Rep. Halligan's bill did much of anything. All it did was encourage real estate transferees to lie about having a smoke detector.

Rep. Glaser said if a person signed a certificate saying there is a smoke detector in the house and you move in the house and the smoke detector is not in the house, somebody will get sued if something happens.

Rep. Bachini said one of the landlords had their attorney draft an amendment which he gave to Rep. Hansen regarding liability. If they don't take care of it the landlord is going to be in trouble. If SB 207 is passed I would like the amendment in. Even if it is tabled, the amendment is in there.

Rep. Hansen said she didn't want the realtor to be held responsible for the home having a smoke detector installed in the house. There is nothing in the bill saying the realtor does not have to put the detector in the house.

Amendments, Discussion, and Votes: None

Recommendation and Vote: SB 15 was TABLED 12-3 vote.

DISPOSITION OF SENATE BILL 207

Motion: Rep. Bachini moved BE CONCURRED IN and moved the amendments.

Amendments, Discussion, and Votes: Paul Verdon said the amendment proposed by the Montana Landlords Association changes page 2, line 22, following ".", insert a new sentence that says "The landlord is not liable for damages caused as a result of the failure of the smoke detector to properly operate unless the tenant notified the landlord that the smoke detector was defective and the landlord failed within a reasonable period of time to replace it, then only if the damage was not incurred if the smoke detector was inoperable. In no event is the landlord liable for damages if the smoke detector is operated as designed by the manufacturer. The failure of the battery is not considered a defect and the replacement of batteries is the responsibility of the tenants." The amendment DO PASS.

Paul said he had a note that the fire marshal at the time of

the hearing requested an amendment on page 2, line 15, insert after install, ", in accordance with rules adopted by the state fire marshal,". Rep. Glaser said the concern there was that the detector be properly installed.
Rep. Bachini moved the amendment.


Paul said if we put that amendment in there, we should also add an extension of authority because this bill doesn't give any authority.

Rep. Bachini moved to put in the extension of authority. The amendment DO PASS 12-4 vote.

Recommendation and Vote: SB 207 BE CONCURRED IN as amended 12-4 vote.

ADJOURNMENT

Adjournment At: 10:30 a.m.


REP. BOB PAVLOVICH, Chairman

BP/sp

6003.min

DAILY ROLL CALL
BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE

51th LEGISLATIVE SESSION -- 1989

Date 3 14 89

NAME	PRESENT	ABSENT	EXCUSED
PAVLOVICH, BOB	✓		
DeMARS, GENE	✓		
BACHINI, BOB	✓		
BLOTKAMP, ROB	✓		
HANSEN, STELLA JEAN	✓		
JOHNSON, JOHN	✓		
KILPATRICK, TOM	✓		
MCCORMICK, LLOYD "MAC"	✓		
STEPPLER, DON	✓ late		
GLASER, BILL	✓		
KELLER, VERNON	✓		
NELSON, THOMAS	✓		
SIMON, BRUCE	✓		
SMITH, CLYDE	✓		
THOMAS, FRED	✓ late		
WALLIN, NORM	✓		
PAUL VERDON	✓		

ROLL CALL VOTE

BUSINESS AND ECONOMIC DEVELOPMENT

COMMITTEE

DATE 3/14/89 BILL NO. SB207 NUMBER

NAME	AYE	NAY
Bob Pavlovich		
Bob Bachini		X
Rob Blotkamp		
Gene DeMars		X
Bill Glaser		
Stella Hansen		X
John Johnson		
Vernon Keller		
Tom Kilpatrick		
Lloyd McCormick		
Thomas Nelson		
Bruce Simon		
Clyde Smith		
Don Stepler		X
Fred Thomas		
Norm Wallin		

TALLY

12 4

Sue Pennington
Secretary

Bob Pavlovich
Chairman

MOTION: Rep Bachini moved be concurred in
as amended.

Rep. Connelly will carry.

ROLL CALL VOTE

BUSINESS AND ECONOMIC DEVELOPMENT

COMMITTEE

DATE 3/14/89 BILL NO. SB 313 NUMBER

NAME	AYE	NAY
Bob Pavlovich		
Bob Bachini		
Rob Blotkamp		
Gene DeMars		
Bill Glaser		
Stella Hansen		
John Johnson		
Vernon Keller		
Tom Kilpatrick		
Lloyd McCormick		
Thomas Nelson		
Bruce Simon		
Clyde Smith		
Don Steppler		
Fred Thomas		
Norm Wallin		

TALLY

16

Sue Pennington
Secretary

Bob Pavlovich
Chairman

MOTION: Rep Thomas moved be concurred in

Rep will carry

ROLL CALL VOTE

BUSINESS AND ECONOMIC DEVELOPMENT

COMMITTEE

DATE 3/14/89 BILL NO. NB 734 NUMBER

NAME	AYE	NAY
Bob Pavlovich		
Bob Bachini		
Rob Blotkamp		
Gene DeMars		
Bill Glaser		
Stella Hansen		X
John Johnson		
Vernon Keller		
Tom Kilpatrick		
Lloyd McCormick		
Thomas Nelson		
Bruce Simon		
Clyde Smith		
Don Stepler		
Fred Thomas		
Norm Wallin		

TALLY

15 1

Sue Pennington
Secretary

Bob Pavlovich
Chairman

MOTION: Rep Glaser moved to pass and
moved the amendment.

STANDING COMMITTEE REPORT

3/14/89
1:45 pm
JP

March 14, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that Senate Bill 207 (third reading copy - blue) be concurred in as amended.

Signed: Robert Pavlovich, Chairman

[REP. CONNELLY WILL CARRY THIS BILL ON THE HOUSE FLOOR]

And, that such amendments read:

1. Page 1, line 14.

Following: "duties"

Insert: "-- limitation of landlord's liability for failure of smoke detector"

2. Page 2, line 15.

Following: "install"

Insert: ", in accordance with rules adopted by the state fire marshal,"

3. Page 4.

Following: line 1

Insert: "(5) (a) The landlord is not liable for damages:

(i) caused as a result of the failure of the smoke detector required under subsection (1)(g) to operate properly unless:

(A) the tenant notified the landlord that the smoke detector was defective and the landlord failed, within a reasonable period of time, to replace the smoke detector; and

(B) the damages would not have occurred if the smoke detector had been operable; or

(ii) if the smoke detector operated as designed by the manufacturer.

(b) The failure of a battery is not considered a defect of a smoke detector, and the replacement of a battery in a smoke detector is the responsibility of the tenant.

NEW SECTION. Section 2. Extension of authority. Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act]."

Renumber: subsequent sections

3/14/89
1:45 pm
JP

STANDING COMMITTEE REPORT

March 14, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that Senate Bill 313 (third reading copy - blue) be concurred in.

Signed: Robert Pavlovich, Chairman

[REP. SPAETH WILL CARRY THIS BILL ON THE HOUSE FLOOR]

2/19/89
1:45 pm
ja

STANDING COMMITTEE REPORT

March 14, 1989

Page 1 of 3

Mr. Speaker: We, the committee on Business and Economic Development report that House Bill 736 (first reading copy -- white) do pass as amended .

Signed: Robert Pavlovich
Robert Pavlovich, Chairman

And, that such amendments read:

1. Title, line 6.
Following: "61-3-313"
Strike: "AND"
Insert: ", 61-3-502,"
Following: "61-3-504,"
Insert: "AND 61-4-112,"

2. Page 1, line 13.
Following: "its"
Strike: "fleet of"

3. Page 1, line 15.
Strike: "of the fleet"

4. Page 1, lines 20 and 21.
Following: "25" on line 20
Strike: remainder of line 20 through "state" on line 21
Insert: "automobiles or trucks having a rated capacity of three-quarters of a ton or less that are rented or offered for rental without drivers and that are designated by a rental owner as a rental fleet"

5. Page 2.
Following: line 14
Insert: "Section 3. Section 61-3-502, MCA, is amended to read:
"61-3-502. Sales tax on new motor vehicles -- exemptions.
(1) In consideration of the right to use the highways of the state, there is imposed a tax upon all sales of new motor vehicles, excluding trailers, semitrailers, and housetrailer, for which a license is sought and an original application for title is made. The tax ~~shall~~ must be paid by

3/14/89
1:45 pm
ja

March 14, 1989
Page 2 of 3

the purchaser when he applies for his original Montana license through the county treasurer.

(2) Except as provided in subsection subsections (4) and (5), the sales tax ~~shall be~~ is:

(a) 1 % of the f.o.b. factory list price or f.o.b. port-of-entry list price, during the first quarter of the year or for a registration period other than a calendar year or calendar quarter;

(b) 1 1/8% of the list price during the second quarter of the year;

(c) 3/4 of 1% during the third quarter of the year;

(d) 3/8 of 1% during the fourth quarter of the year.

(3) If the manufacturer or importer fails to furnish the f.o.b. factory list price or f.o.b. port-of-entry list price, the department may use published price lists.

(4) The new car sales tax on vehicles subject to the provisions of 61-3-313 through 61-3-316 is 1 % of the f.o.b. factory list price or f.o.b. port-of-entry list price regardless of the month in which the new vehicle is purchased.

(5) The sales tax on new motor vehicles registered as part of a fleet under [section 1] is of 1% of the f.o.b. factory list price or f.o.b. port-of-entry list price.

~~(5)~~ (6) The proceeds from this tax ~~shall~~ must be remitted to the state treasurer every 30 days for credit to the state highway account of the state special revenue fund.

~~(6)~~ (7) The new vehicle is not subject to any other assessment, fee in lieu of tax, or tax during the calendar year in which the original application for title is made.

~~(7)~~ (8) (a) The applicant for original registration of any new and unused motor vehicle, or a new motor vehicle furnished without charge by a dealer to a school district for use as a traffic education motor vehicle by a school district operating a state-approved traffic education program within the state, whether or not previously licensed or titled to the school district (except a mobile home as defined in 15-1-101(1)), acquired by original contract after January 1 of any year, is required, whenever the vehicle has not been otherwise assessed, to pay the motor vehicle sales tax provided by this section irrespective of whether the vehicle was in the state of Montana on January 1 of the year.

(b) No motor vehicle may be registered or licensed under the provisions of this subsection unless the application for registration is accompanied by a statement of origin to be furnished by the dealer selling the vehicle, showing that the vehicle has not previously been registered or owned, except as otherwise provided herein, by any person, firm, corporation, or association that is not a new

motor vehicle dealer holding a franchise or distribution agreement from a new car manufacturer, distributor, or importer.

~~(8)~~ (9) (a) Motor vehicles operating exclusively for transportation of persons for hire within the limits of incorporated cities or towns and within 15 miles from such limits are exempt from subsection (1).

(b) Motor vehicles brought or driven into Montana by a nonresident, migratory, bona fide agricultural worker temporarily employed in agricultural work in this state where those motor vehicles are used exclusively for transportation of agricultural workers are also exempt from subsection (1).

(c) Vehicles lawfully displaying a licensed dealer's plate as provided in 61-4-103 are exempt from subsection (1) when moving to or from a dealer's place of business when unloaded or loaded with dealer's property only, and in the case of vehicles having a gross loaded weight of less than 24,000 pounds, while being demonstrated in the course of the dealer's business."

Renumber: subsequent sections

6. Page 3.

Following: line 9

Insert: "Section 5. Section 61-4-112, MCA, is amended to read:

"61-4-112. New motor vehicles -- transfers by dealers.

(1) When a motor vehicle dealer transfers a new motor vehicle to a purchaser or other recipient, the dealer shall:

(a) issue and affix a sticker as prescribed in 61-4-111(1)(a) for transfers of used motor vehicles and retain a copy of the sticker;

(b) within 4 working days following the date of delivery of the new motor vehicle, forward to the county treasurer of the county where the purchaser or recipient resides:

(i) one copy of the sticker issued under subsection (1)(a);

(ii) an application for certificate of title with a notice of security interest, if any, executed by the purchaser or recipient; and

(iii) a statement of origin as prescribed in 61-3-502~~(7)~~~~(b)~~ (8) (b).

(2) Upon receipt from the county treasurer of the documents required under subsection (1), the department shall issue a certificate of ownership and certificate of registration together with a statement of lien as provided in 61-3-202."

Renumber: subsequent sections

Amendments to Senate Bill No. 207
Third Reading Copy

For the Committee on Business and Economic Development

Prepared by Paul Verdon
March 14, 1989

1. Page 1, line 14.

Following: "duties"

Insert: "-- limitation of landlord's liability for failure of
smoke detector"

2. Page 2, line 15.

Following: "install"

Insert: ", in accordance with rules adopted by the state fire
marshal,"

3. Page 4.

Following: line 1

Insert: "(5)(a) The landlord is not liable for damages:

(i) caused as a result of the failure of the smoke
detector required under subsection (1)(g) to operate
properly unless:

(A) the tenant notified the landlord that the smoke
detector was defective and the landlord failed, within a
reasonable period of time, to replace the smoke detector;
and

(B) the damages would not have occurred if the smoke
detector had been operable; or

(ii) if the smoke detector operated as designed by the
manufacturer.

(b) The failure of a battery is not considered a defect
of a smoke detector, and the replacement of a battery in a
smoke detector is the responsibility of the tenant.

NEW SECTION. Section 2. Extension of authority. Any
existing authority to make rules on the subject of the
provisions of [this act] is extended to the provisions of
[this act]."

Renumber: subsequent sections

Amendments to House Bill No. 736
First Reading Copy

For the Committee on Business and Economic Development

Prepared by Paul Verdon
March 14, 1989

1. Title, line 6.

Following: "61-3-313"

Strike: "AND"

Insert: ", 61-3-502,"

Following: "61-3-504,"

Insert: "AND 61-4-112,"

2. Page 1, line 13.

Following: "its"

Strike: "fleet of"

3. Page 1, line 15.

Strike: "of the fleet"

4. Page 1, lines 20 and 21.

Following: "25" on line 20

Strike: remainder of line 20 through "state" on line 21

Insert: "automobiles or trucks having a rated capacity of three-quarters of a ton or less that are rented or offered for rental without drivers and that are designated by a rental owner as a rental fleet"

5. Page 2.

Following: line 14

Insert: "Section 3. Section 61-3-502, MCA, is amended to read:

"61-3-502. Sales tax on new motor vehicles -- exemptions.

(1) In consideration of the right to use the highways of the state, there is imposed a tax upon all sales of new motor vehicles, excluding trailers, semitrailers, and housetrailer, for which a license is sought and an original application for title is made. The tax ~~shall~~ must be paid by the purchaser when he applies for his original Montana license through the county treasurer.

(2) Except as provided in ~~subsection~~ subsections (4) and (5), the sales tax ~~shall be~~ is:

(a) $1\frac{1}{2}\%$ of the f.o.b. factory list price or f.o.b. port-of-entry list price, during the first quarter of the year or for a registration period other than a calendar year or calendar quarter;

(b) $1\frac{1}{8}\%$ of the list price during the second quarter of the year;

(c) $\frac{3}{4}$ of 1% during the third quarter of the year;

(d) $\frac{3}{8}$ of 1% during the fourth quarter of the year.

(3) If the manufacturer or importer fails to furnish the f.o.b. factory list price or f.o.b. port-of-entry list price, the department may use published price lists.

(4) The new car sales tax on vehicles subject to the

provisions of 61-3-313 through 61-3-316 is 1½% of the f.o.b. factory list price or f.o.b. port-of-entry list price regardless of the month in which the new vehicle is purchased.

(5) The sales tax on new motor vehicles registered as part of a fleet under [section 1] is ¼ of 1% of the f.o.b. factory list price or f.o.b. port-of-entry list price.

~~(5)~~(6) The proceeds from this tax ~~shall~~ must be remitted to the state treasurer every 30 days for credit to the state highway account of the state special revenue fund.

~~(6)~~(7) The new vehicle is not subject to any other assessment, fee in lieu of tax, or tax during the calendar year in which the original application for title is made.

~~(7)~~(8) (a) The applicant for original registration of any new and unused motor vehicle, or a new motor vehicle furnished without charge by a dealer to a school district for use as a traffic education motor vehicle by a school district operating a state-approved traffic education program within the state, whether or not previously licensed or titled to the school district (except a mobile home as defined in 15-1-101(1)), acquired by original contract after January 1 of any year, is required, whenever the vehicle has not been otherwise assessed, to pay the motor vehicle sales tax provided by this section irrespective of whether the vehicle was in the state of Montana on January 1 of the year.

(b) No motor vehicle may be registered or licensed under the provisions of this subsection unless the application for registration is accompanied by a statement of origin to be furnished by the dealer selling the vehicle, showing that the vehicle has not previously been registered or owned, except as otherwise provided herein, by any person, firm, corporation, or association that is not a new motor vehicle dealer holding a franchise or distribution agreement from a new car manufacturer, distributor, or importer.

~~(8)~~(9) (a) Motor vehicles operating exclusively for transportation of persons for hire within the limits of incorporated cities or towns and within 15 miles from such limits are exempt from subsection (1).

(b) Motor vehicles brought or driven into Montana by a nonresident, migratory, bona fide agricultural worker temporarily employed in agricultural work in this state where those motor vehicles are used exclusively for transportation of agricultural workers are also exempt from subsection (1).

(c) Vehicles lawfully displaying a licensed dealer's plate as provided in 61-4-103 are exempt from subsection (1) when moving to or from a dealer's place of business when unloaded or loaded with dealer's property only, and in the case of vehicles having a gross loaded weight of less than 24,000 pounds, while being demonstrated in the course of the dealer's business."

Renumber: subsequent sections

6. Page 3.

Following: line 9

Insert: "Section 5. Section 61-4-112, MCA, is amended to read:

"61-4-112. New motor vehicles -- transfers by dealers.

(1) When a motor vehicle dealer transfers a new motor vehicle to a purchaser or other recipient, the dealer shall:

(a) issue and affix a sticker as prescribed in 61-4-111(1)(a) for transfers of used motor vehicles and retain a copy of the sticker;

(b) within 4 working days following the date of delivery of the new motor vehicle, forward to the county treasurer of the county where the purchaser or recipient resides:

(i) one copy of the sticker issued under subsection (1)(a);

(ii) an application for certificate of title with a notice of security interest, if any, executed by the purchaser or recipient; and

(iii) a statement of origin as prescribed in 61-3-502~~(7)(b)~~(8)(b).

(2) Upon receipt from the county treasurer of the documents required under subsection (1), the department shall issue a certificate of ownership and certificate of registration together with a statement of lien as provided in 61-3-202."

Renumber: subsequent sections

Amend HB 736, Introduced Copy

#1
HB 736
3/14/89

1. Page 1, line 13.
Following: "its"
Strike: "fleet of"
2. Page 1, line 15.
Following: "registration"
Strike: "of the fleet"
3. Page 1, line 20.
Following: "25"
Strike: "motor vehicles owned or leased by a person and operated in this state"
Insert: "automobiles or trucks having a rated capacity of three-quarters of a ton or less which are rented or offered for rental without drivers, and which are designated by a rental owner as a rental fleet"

AMEND HB736, INTRODUCED COPY

1. Page 2, following line 14.

Insert: "Section 3. Section 61-3-502, MCA, is amended to read:

61-3-502. Sales tax on new motor vehicles — exemptions. (1) In consideration of the right to use the highways of the state, there is imposed a tax upon all sales of new motor vehicles, excluding trailers, semitrailers, and house trailers, for which a license is sought and an original application for title is made. The tax shall be paid by the purchaser when he applies for his original Montana license through the county treasurer.

(2) Except as provided in subsection (4), the sales tax shall be:

(a) 1 1/4% of the f.o.b. factory list price or f.o.b. port-of-entry list price, during the first quarter of the year or for a registration period other than a calendar year or calendar quarter;

(b) 1 1/4% of the list price during the second quarter of the year;

(c) 3/4 of 1% during the third quarter of the year;

(d) 3/4 of 1% during the fourth quarter of the year.

(3) If the manufacturer or importer fails to furnish the f.o.b. factory list price or f.o.b. port-of-entry list price, the department may use published price lists.

(4) The new car sales tax on vehicles subject to the provisions of 61-3-312 through 61-3-316 is 1 1/4% of the f.o.b. factory list price or f.o.b. port-of-entry list price regardless of the month in which the new vehicle is purchased.

(5) The sales tax on new motor vehicles registered as part of a fleet under [section 1] is 3/4 of 1% of the f.o.b. factory list price or f.o.b. port-of-entry list price.

~~(6)(7)~~ The proceeds from this tax shall be remitted to the state treasurer every 30 days for credit to the state highway account of the state special revenue fund.

~~(7)(8)~~ The new vehicle is not subject to any other assessment, fee in lieu of tax, or tax during the calendar year in which the original application for title is made.

~~(8)(9)~~ (a) The applicant for original registration of any new and unused motor vehicle, or a new motor vehicle furnished without charge by a dealer to a school district for use as a traffic education motor vehicle by a school district operating a state-approved traffic education program within the state, whether or not previously licensed or titled to the school district (except a mobile home as defined in 15-1-101(1)), acquired by original contract after January 1 of any year, is required, whenever the vehicle has not been otherwise assessed, to pay the motor vehicle sales tax provided by this section irrespective of whether the vehicle was in the state of Montana on January 1 of the year.

(b) No motor vehicle may be registered or licensed under the provisions of this subsection unless the application for registration is accompanied by a statement of origin to be furnished by the dealer selling the vehicle, showing that the vehicle has not previously been registered or owned, except as otherwise provided herein, by any person, firm, corporation, or association that is not a new motor vehicle dealer holding a franchise or distribution agreement from a new car manufacturer, distributor, or importer.

~~(9)(10)~~ (a) Motor vehicles operating exclusively for transportation of persons for hire within the limits of incorporated cities or towns and within 15 miles from such limits are exempt from subsection (1).

(b) Motor vehicles brought or driven into Montana by a nonresident, migratory, bona fide agricultural worker temporarily employed in agricultural work in this state where those motor vehicles are used exclusively for transportation of agricultural workers are also exempt from subsection (1).

(c) Vehicles lawfully displaying a licensed dealer's plate as provided in 61-4-103 are exempt from subsection (1) when moving to or from a dealer's place of business when unloaded or loaded with dealer's property only, and in the case of vehicles having a gross loaded weight of less than 21,000 pounds, while being demonstrated in the course of the dealer's business."

Renumber subsequent sections.