

MINUTES

MONTANA SENATE  
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Senator Bob Brown, Chairman, on March 30, 1989, at 8:00 a.m.

ROLL CALL

Members Present: Senator Brown, Senator Hager, Senator Norman, Senator Eck, Senator Bishop, Senator Halligan, Senator Walker, Senator Harp, Senator Gage, Senator Severson, Senator Crippen

Members Excused: None

Members Absent: None

Staff Present: Jill Rohyans, Committee Secretary  
Jeff Martin, Legislative Council

Announcements/Discussion: None

HEARING ON HOUSE BILL 420

Presentation and Opening Statement by Sponsor:

Representative Koehnke, District 32, sponsor, said the bill extends the 30% incentive for the production of alcohol that is blended or to be blended as gasahol. He noted there is only one gasahol plant left in Montana. In late 1970 and early 1980 the state encouraged the building of these plants because of the gasoline shortage. There is still a demand for gasahol nationwide as over 80% of the unleaded gas does not meet EPA standards. Colorado demands that all their state vehicles use gasahol. If the plant in Ringling is closed we will be importing gasahol into the state instead of exporting it.

List of Testifying Proponents and What Group they Represent:

Gordon Doig, Alcatech  
Harold Ude, Cemex  
Kim Enkerud, Montana Stockgrowers, WIFE, Cattlewomen  
Don Sterhan, Ethanol Fuel Association  
Don Ingels, Montana Chamber of Commerce

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Gordon Doig, Alcatech, presented his testimony in support of the bill (Exhibit #1).

Harold Ude, Cenex, said Cenex has long been a supporter and marketer of ethanol. Ethanol is good for the agricultural economy of Montana. Adding Ethanol to gasoline is an effective way to raise the octane and produces a cleaner burning fuel. Production of ethanol also makes the United States less dependent on the production of foreign crude oil. He urged the committee to support the bill.

Kim Enkerud, Montana Stockgrowers, WIFE, Cattlewomen, expressed support for the bill.

Don Sterhan, Ethanol Fuel Association, presented his testimony in support of the bill (Exhibit #2).

Don Ingels, Montana Chamber of Commerce, expressed support for the bill.

Questions From Committee Members:

Senator Gage asked how close to the break even point would the plant come if the 30% was removed.

Mr. Doig said they would not even come close having been affected the price of grain being driven exorbitantly high by the drought the past several years. On a ten year average they might be close, but not recently.

Senator Gage asked if the free trade agreement would open a market for Alcatech in Alberta.

Mr. Doig said there is a very strong chance that market will develop for them.

Closing by Sponsor:

Representative Koehnke closed by saying this bill encourages small business to stay in operation in the state. He noted the plant employs about 25 people and is an important factor in the Ringling economy. He noted the feed lot at Three Forks is using the by product which is another economic benefit to a small community. He encouraged the committee to support the bill.

## HEARING ON HOUSE BILL 545

Presentation and Opening Statement by Sponsor:

Representative Schye, District 18, sponsor, said the bill exempts from Montana income tax proceeds received by veterans and surviving spouses of veterans from agent orange settlements. This is income that has never come into the state before, therefore, it will result in no net loss if it is exempted.

List of Testifying Proponents and What Group they Represent:

Rich Brown, Montana Board of Veterans Affairs  
George Poston, United Veterans Committee of Montana

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Rich Brown, Montana Board of Veterans Affairs, said the producers of agent orange have settled with the veterans of the vietnam war for \$232 million. This money will be distributed to veterans of the vietnam war who can show proof of agent orange induced disabilities and to surviving spouses of veterans who died as a result from exposure to agent orange. The bill simply asks that when these settlements are made in Montana that they not be taxed.

George Poston, United Veterans Committee of Montana, said he had two good friends who died of leukemia that was traced back to agent orange exposure. He pointed out Admiral Zumwalt's son also died as a result of exposure

to agent orange. He said part of the settlement money is being set aside to study the toxic effect of agent orange with the bulk being distributed to the affected veterans. He urged support of the legislation.

Questions From Committee Members:

Senator Halligan asked if these would be lump sum payments or spread out in disability payments

Mr. Brown replied they would be lump sum payments.

Senator Eck asked how IRS is handling the settlements.

Mr. Brown explained they had been led to believe the IRS will not be taxing the settlements.

Closing by Sponsor:

Representative Schye closed saying this is a reasonable and a fair bill. He asked the committee to give the bill its approval.

HEARING ON HOUSE BILL 590

Presentation and Opening Statement by Sponsor:

Representative Schye, District 18, sponsor, said the bill repeals archaic and nuisance license taxes and the licensing of public dancing and dancehalls. The bill is a straight repealer and eliminates such licenses as those required for chinese laundries, traveling shows, bagatelle tables, and hucksters. A copy of the affected codes was presented to the committee (Exhibits #3 and #4).

List of Testifying Proponents and What Group they Represent:

Cort Harrington, Montana Association of Clerks and  
Recorders

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Cort Harrington, Montana Association of Clerks and  
Recorders, said his organization supports the bill as a  
means of cleaning up and shortening the codes.

Questions From Committee Members:

Senator Halligan said Senator Van Valkenburg has introduced  
a bill to license pawnshops and wondered if the  
provision re pawnshop licenses in this bill would have  
any effect on that proposed legislation.

Mr. Harrington said Senator Van Valkenburg's bill is another  
section of the code and is an entirely different  
statute.

Closing by Sponsor: Representative Schye closed.

EXECUTIVE SESSION

DISPOSITION OF HOUSE BILL 590

Discussion: None

Amendments and Votes: None

Recommendation and Vote:

Senator Harp MOVED HB 590 Be Concurred In. The motion  
CARRIED unanimously.

DISPOSITION OF HOUSE BILL 545

Discussion: None

Amendments and Votes: None

Recommendation and Vote:

Senator Halligan MOVED HB 545 Be Concurred In. The motion CARRIED unanimously.

DISPOSITION OF HOUSE BILL 420

Discussion: None

Amendments and Votes:

Senator Halligan MOVED to extend the sunset provision to July 1, 1993. The motion CARRIED unanimously.

Recommendation and Vote:

Senator Halligan MOVED HB 420 Be Concurred In As Amended. The motion CARRIED with Senator Harp voting no.

DISPOSITION OF HOUSE BILL 415

Discussion:

The Department of Revenue presented an analysis of tax exemption for repair tools (Exhibit #5).

Amendments and Votes:

Senator Halligan MOVED the amendments from Jeff Martin to raise the exclusion to \$15,000 (Exhibit #6).

Senator Eck said this would have a revenue impact of \$69,000 on Gallatin County.

Senator Brown said it is doubtful that the money is being collected at this point. The figures represent money that could be collected if the assessors had access to

all the tools in the county for taxation purposes.

The committee secretary pointed out the \$15,000 amendment had passed unanimously during executive action on the bill March 29.

Senator Halligan WITHDREW his motion.

Senator Halligan MOVED the amendments (Exhibit #7) from Representative Patterson. The motion CARRIED unanimously.

Recommendation and Vote:

Senator Halligan MOVED HB 415 Be Concurred In As Amended. The motion CARRIED unanimously.

ADJOURNMENT

Adjournment At: 10:00 a.m.

  
\_\_\_\_\_  
SENATOR BOB BROWN, Chairman

BB/jdr

MIN330.jdr

ROLL CALL

TAXATION

COMMITTEE

51<sup>st</sup> LEGISLATIVE SESSION -- 1989

Date 3/30/89

NAME	PRESENT	ABSENT	EXCUSED
SENATOR BROWN	X		
SENATOR BISHOP	X		
SENATOR CRIPPEN	X		
SENATOR ECK	X		
SENATOR GAGE	X		
SENATOR HAGER	X		
SENATOR HALLIGAN	X		
SENATOR HARP	X		
SENATOR MAZUREK	X		
SENATOR NORMAN	X		
SENATOR SEVERSON	X		
SENATOR WALKER	X		

Each day attach to minutes.



SENATE STANDING COMMITTEE REPORT

March 30, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration HB 590 (third reading copy -- blue), respectfully report that HB 590 be concurred in.

Sponsor: Schye (Severson)

BE CONCURRED IN

Signed: \_\_\_\_\_

*Bob Brown*

Bob Brown, Chairman

*SMB  
3/30/89  
11:42 a.m.*

scrhb590.330

SENATE STANDING COMMITTEE REPORT

March 30, 1989

MR. PRESIDENT,

We, your committee on Taxation, having had under consideration HB 545 (third reading copy -- blue), respectfully report that HB 545 be concurred in.

Sponsor: Schye (Halligan)

BE CONCURRED IN

Signed: \_\_\_\_\_

*Bob Brown*

Bob Brown, Chairman

*SMB  
3/30/89  
11:42 am.*

ROLL CALL

TAXATION

COMMITTEE

51<sup>st</sup> LEGISLATIVE SESSION -- 1989

Date 3/30/89

NAME	PRESENT	ABSENT	EXCUSED
SENATOR BROWN	X		
SENATOR BISHOP	X		
SENATOR CRIPPEN	X		
SENATOR ECK	X		
SENATOR GAGE	X		
SENATOR HAGER	X		
SENATOR HALLIGAN	X		
SENATOR HARP	X		
SENATOR MAZUREK	X		
SENATOR NORMAN	X		
SENATOR SEVERSON	X		
SENATOR WALKER	X		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

March 31, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration HB 420 (third reading copy -- blue), respectfully report that HB 420 be amended and as so amended be concurred in:

Sponsor: Koehnke (Rapp-Svrcek)


1. Page 2, line 4.

Strike: "1991"

Insert: "1993"

AND AS AMENDED BE CONCURRED IN

Signed: \_\_\_\_\_

  
Bob Brown, Chairman

J.C. 3/31/89  
12:16 p.m.  
SCRHB420.330

SENATE STANDING COMMITTEE REPORT

March 31, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration HB 415 (third reading copy -- blue), respectfully report that HB 415 be amended and as so amended be concurred in:

Sponsor: Patterson (Halligan)

1. Title, line 9.  
Strike: "\$5,000"  
Insert: "\$15,000"
2. Page 2, line 8.  
Following: "TOOLS"  
Insert: "or implements"  
Strike: "hand-held"  
Insert: "included in another class or that are exempt under 15-6-201(1)(r)"
3. Page 2, line 9.  
Strike: "implements<sub>7L</sub>"
4. Page 2, line 23.  
Strike: "that" through end of line 23
5. Page 2, line 24.  
Following: "ARE"  
Insert: "not"
6. Page 3, lines 3 and 4.  
Strike: "that" on line 3 through "PROPERTY OR" on line 4
7. Page 3, line 4.  
Following: "ARE"  
Insert: "not"
8. Page 7, line 4.  
Strike: "\$5,000"  
Insert: "\$15,000"

AND AS AMENDED BE CONCURRED IN

Signed: Bob Brown  
Bob Brown, Chairman

y/c 3/31/89  
3:19  
12:12 p.m.

HB-420

"An act to extend the tax incentive for production of alcohol that is blended or is to be blended as gasohol."

### ALCOTECH BACKGROUND

Alcotech is an ethanol plant located at Ringling, Montana which began production in 1981. Much time has been spent on research and development of the plant to the point of making it a very efficient plant. The facility capitalizes on waste wood products as a primary energy source for the production of ethanol from wheat and feed grains. The removal of the waste wood products from the local lumber mills has proven to be advantageous for the mills as it reduces their need for disposal of the products. The plant in most cases utilizes lower or off grade qualities of wheat or feed grains which normally would have little economic value to the producers. Alcotech has created a strong market for these off grade grains.

Alcotech started a livestock feeding program in late 1987 to pursue the utilization of Distillers Dried Grains (DDG) in livestock rations. To this point in time, the research and development of the ration formulations and characteristics of DDG rations have been extremely encouraging. We are firmly of the belief after dozens of tests on various classes of livestock that there is little economic loss to the original product value by the production of ethanol.

The economic value of DDG when used properly in the livestock rations can be from 65% to 100% of the original value of the grain. Many off grade grains which are not acceptable for livestock consumption can be used in the ethanol process and still yield back a number one quality DDG.

### ADVANTAGES OF ETHANOL

1. Energy Source: The previous energy crises in the late 1970's occurred when imports were running at 37% of consumption. Our country now is at 42% imports. Ethanol should be the alternative to a large percentage of these imports, thus reducing our foreign dependence.

2. Environmental Enhancement: Test results of burning 10% ethanol and 90% gasoline have indicated as much as a 34% reduction in carbon monoxide emissions. Many cities in our country are out of compliance with EPA emissions standards currently and ethanol provides a viable use in achieving compliance. Ethanol can be a valuable fuel for reduced ozone production which is leading to the world greenhouse effect.

3. Octane Enhancement: Lead was once the nations most widely used octane enhancer and is currently being phased out as it is toxic. Many other octane enhancers are carcinogenic or suspected of being carcinogenic and will be phased out. Benzene, a carcinogenic octane enhancer, is currently under scrutiny to be eliminated. Ethanol is a completely clean burning, non-toxic, non-carcinogenic octane enhancer.

4. Grain Market: A recent study released by a White House task force on regulatory relief has revealed that government farm subsidy payments were reduced from between 59¢ to \$1.30 per gallon of ethanol that was produced. Ethanol production provides a strong and viable market not only for number one grains but particularly for off grade and lower quality grains. DATE 3/30/89 BILL NO. HB 420

#### ENHANCEMENTS FOR THE MONTANA ECONOMY

1. Jobs: Whereas Montana's economy has not been conducive to an increased number of jobs the past few years, ethanol can be a viable option to increased employment, not only in the production of ethanol, but also with utilization of the co-products such as DDG, CO<sub>2</sub>, wheat oil and barley oil.
2. Optimization of Current Grain Production: Whereas ethanol may be produced by utilizing lower quality and off grade grain products, it provides a very viable market for products currently having little or no economic value--such as sprout damage, germ damage, bug damage, heat damage, etc.
3. Wood Forrest Products: Current research indicates that waste wood forrest products can be an extremely good source of feedstock in the production of ethanol. There is strong potential for the development of ethanol through utilization of these waste products. Currently, disposal of waste wood products poses a serious economic strain on the wood forrest products industry.
4. Livestock: Utilization of highly efficient DDG's could mean increased numbers of livestock being placed on feed within Montana or retained in Montana for longer periods of time. Also, a curtailment of imported protein sources for Montana livestock.
5. Value Added: As most major Montana resources are currently being exported out of state, ethanol can be an extremely important industry to utilizing these products by adding value, creating jobs and stimulating Montana's economy.

#### WHAT CAN BE DONE IN MONTANA?

Noting the increased demand for ethanol and environmental considerations of our energy supply, Montana is in an excellent position to capitalize on this industry. If Montana is to remain competitive with adjacent states, tax incentives for the production of ethanol will assist this industry which should grow markedly within the decade. HB 420 is an extension of the current tax incentive to ethanol which could be a valuable tool in creating new industry, sustaining jobs and benefiting Montanas tremendous grain, livestock and wood forrest products industry.

## ETHANOL: An Industry of Montana

A Summary of the Industry and its Future  
January, 1989What is ethanol?

Ethyl alcohol (ethanol) is a high grade alcohol product that is used as an octane enhancer for unleaded gasoline. Fuel blenders and bulk plant distributors will blend the ethanol product with their gasoline supplies to produce, primarily, premium unleaded gasoline. Normally, the industry utilizes a 10% ethanol blend ratio; one gallon of ethanol is blended with nine gallons of gasoline.

Ethyl alcohol is produced from feed grain (wheat, barley or corn) through a fermentation process. In general terms, the process is based on standard technology used in the brewing industry for years; starch from the grain is fermented into alcohol. The protein that remains is in the form of mash and contains fat, fiber, and minerals. This mash is a by-product of the alcohol process and it is commonly referred to as distillers dried grain (DDG).

Are there advantages to the ethanol product?

Yes, the features of the ethanol industry provide at least three advantages over traditional gasoline consumption:

1. Environmental Considerations -- ethanol test results have demonstrated that a 10% blend can reduce carbon monoxide emissions by as much as 30%. EPA air quality standards are not being met in over 80 metropolitan areas; as an octane enhancer, ethanol meets these standards and is already on the agenda for national political attention and support.

Carbon monoxide emissions are also feared as a major contributor to the ozone break-down. Ozone deterioration has led to speculation of the "greenhouse effect" in altering our normal climatic conditions. Ethanol usage, and its environmental advantages, help to positively impact growing public concern in this area.

2. Energy Alternative -- the energy crisis of the 1970's demonstrated an over-dependence on foreign oil imports as a source of energy. Alternative sources of energy grant us greater control and independence in terms of our energy future. As a domestically-produced energy source, ethanol is an excellent alternative to customary gasoline consumption.

3. Extended Market for Grain Production -- the alcohol production process relies upon grain as its feedstock. Depending upon plant preferences, either wheat, barley, or corn can be used effectively in the process. As ethanol production increases, there

*Stinson*



will be a corresponding increase in demand for such ~~grain~~ products. #3480  
Therefore, the ethanol industry serves as a viable marketplace for surplus grain inventories, as well as annual harvest yields.

What can be done to enhance the Montana ethanol industry?

Noting the rising demand and popularity of ethanol, the future appears to be very bright. In this spirit, it is critically important that Montana maintain its competitive position with neighboring states.

Along with many other states, Montana presently offers tax incentives for the production of ethanol. Such incentives allow Montana producers to remain competitive with other states and achieve a certain degree of price stability.

The 1983 legislature authorized tax incentives for Montana ethanol production and, at present, these producer credits stand at 30 cents per gallon of ethanol. This incentive is competitive with other states and the legislation has proven to be very beneficial in assisting Montana's ethanol industry. Unfortunately, these alcohol tax incentives expire on April 1, 1989, a circumstance that could jeopardize future operations in Montana.

Rep. Francis Koehnke has introduced a bill to maintain these alcohol tax incentives and extend the allowable time period. This measure is consistent with other states and will allow Montana ethanol producers to remain competitive within the regional marketplace.

Tax Incentives of Other Key States

- a) Idaho: 40 cents per gallon / blender credit (domestic)
- b) Minnesota: 40 cents per gallon effective  
/ 20-cent producer credit  
/ 20-cent blender credit
- c) Nebraska: 30 cents per gallon / producer credit
- d) North Dakota: 40 cents per gallon / producer credit
- e) South Dakota: 50 cents per gallon effective  
/ 30-cent producer credit  
/ 20-cent blender credit
- f) Washington: 28 cents per gallon / blender credit (domestic)  
18 cents per gallon / blender credit (imported)

**Other Important Advantages for Montana**

The ethanol industry is well-suited to the economic characteristics of Montana. As primarily a natural resource state, Montana will realize both immediate and long-term benefit from the ethanol industry:

1. Agricultural Impact -- the ethanol industry is a true complement to Montana's agricultural communities. Current production methods utilize grain (wheat, barley, or corn) as the feedstock for the fermentation process. Ethanol producers are a growing market for such feed grains.

Additionally, the DDG by-product serves as an excellent high-protein feed supplement for livestock. Montana cattle feeders are finding the DDG product to be quite efficient in producing a quality beef product.

2. Forest Products Impact -- extensive research has been conducted in perfecting an alcohol production process that utilizes waste wood as its feedstock material. Now a burden to most lumber operations in Montana, wood chips and/or sawdust could be a new and viable resource for the ethanol industry of Montana.

The viability of waste wood as a feedstock is documented by Brelsford Engineering (Bozeman, Montana). Further, waste wood is the basis of the ethanol production facility of Bellingham, Washington.

3. Employment Impact -- In addition to greater optimization of our natural resources, the ethanol industry offers an expanding employment picture. As ethanol facilities are opened and/or production is increased, there will be a need to employ more workers in Montana. The industry offers good paying jobs and a quality work environment.

HB 420  
3-30-89

TESTIMONY IN SUPPORT OF HB 420  
TO SENATE JUDICIARY COMMITTEE  
FROM CHRIS KAUFMANN OF MONTANA ENVIRONMENTAL  
INFORMATION CENTER

• THE MONTANA ENVIRONMENTAL INFORMATION CENTER  
SUPPORTS HB 420. WE CONCUR WITH TESTIMONY PROVIDED  
THAT ETHANOL-BLENDED FUELS BURN CLEANER AND THUS  
CONTRIBUTE TO A CLEANER AND MORE HEALTHY ENVIRONMENT.  
BURNING THESE FUELS ALSO LESSENS OUR DEPENDENCE ON  
NON-RENEWABLE FOSSIL FUELS, AND LESSENS OUR CONTRIBUTION  
TO THE GREENHOUSE EFFECT. WE URGE YOUR CONCURRENCE  
ON HB 420.

Cross-References

General powers of county relating to ferries, 15 8-405; 7-14-2801.

County Commissioners supervision of county and other officers, 7-4 2110; Office of County Treasurer, 7 4-3002.

7-21-2202. License required to do business as itinerant vendor of drugs — fee. Any itinerant vendor of any drug, poison, ointment, or appliance of any kind intended for treatment of any disease or injury who shall, by writing, printing, or any other method, publicly profess to cure or treat disease, injury, or deformity by any drug, nostrum, manipulation, or other expedient shall pay a license of \$50 per annum in each county in which he may offer to do business or according to the usual laws in force for that purpose.

7-21-2115. Liability of county treasurer for licensing violations. Upon the notification of the treasurer as provided in 7-21-2114, the treasurer shall be personally liable for such license or increase unless he promptly proceeds under 7-21-2104 or 7-21-2116 to collect the same.

History: En. Sec. 655, Pol. C. 1895; re-en. Sec. 1637, Rev. C. 1907; re-en. Sec. 2429, R.C.M. 1921; re-en. Sec. 2429, R.C.M. 1935; R.C.M. 1947, 84-3101.

Office of County Treasurer, 7 4-3002.

Cross-References

Municipal regulation of certain activities, 7-21-4201.

7-21-2116. Enforcement of licensing requirements. (1) The county treasurer must direct suit in the name of the state of Montana as plaintiff to be brought for the recovery of the license tax, against any person required to take out a license who fails, neglects, or refuses to take out such license or who carries on or attempts to carry on business without such license. In such case, either the treasurer or the county attorney must make the necessary affidavit for the writ of attachment and such writ of attachment may issue without any bonds being given on behalf of the plaintiff.

(2) In case of a recovery by the plaintiff, \$15 damages must be added to the judgment and costs to be collected from the defendant.

History: En. Sec. 4044, Pol. C. 1895; amd. Sec. 1, Ch. 92, L. 1903; amd. Sec. 1, Ch. 122, L. 1907; re-en. Sec. 2750, Rev. C. 1907; re-en. Sec. 2414, R.C.M. 1921; Cal. Pol. C. Sec. 3360; re-en. Sec. 2414, R.C.M. 1935; R.C.M. 1947, 84-2703(part).

Cross-References

County Attorney actions to recover money, 7-4-2713; Office of County Treasurer, 7 4-3002; Prejudgment attachment, Title 27, ch. 18.

7-21-2117. Defenses in actions related to licensing violations. Upon the trial of any action authorized by this part, the defendant is deemed not to have procured the proper license unless he either produces it or proves that he did procure it, but he may plead in bar of the action a recovery against him and the payment by him in a civil action of the proper license tax, together with damages and costs.

History: En. Sec. 4046, Pol. C. 1895; re-en. Sec. 2752, Rev. C. 1907; re-en. Sec. 2416, R.C.M. 1921; Cal. Pol. C. Sec. 3362; re-en. Sec. 2416, R.C.M. 1935; R.C.M. 1947, 84-2705.

Part 22

Miscellaneous Licenses

7-21-2201. Licensing of ferries. The board of county commissioners has jurisdiction and power, under such limitations and restrictions as are prescribed by law, to grant licenses for keeping ferries.

History: En. Subd. 17, Sec. 1, Ch. 100, L. 1931; re-en. Sec. 4465.16, R.C.M. 1935; R.C.M. 1947, 16-1019(part).

SENATE TAXATION

EXHIBIT DATE BILL 3/30/89 HB 590

7-21-2204. Bowling alley license. (1) Each proprietor of a bowling alley must obtain a license, for which the county treasurer must require payment as follows: \$5 for each alley per quarter.

(2) No license must be granted for a term less than 3 months.

History: En. Sec. 1, Ch. 117, L. 1903; re-en. Sec. 2758, Rev. C. 1907; re-en. Sec. 2434, R.C.M. 1921; Cal. Pol. C. Sec. 3380; amd. Sec. 1, Ch. 44, L. 1935; re-en. Sec. 2434, R.C.M. 1935; amd. Sec. 1, Ch. 94, L. 1945; amd. Sec. 1, Ch. 74, L. 1949; amd. Sec. 1, Ch. 66, L. 1953; R.C.M. 1947, 84-3301(part).

Cross-References

Municipal regulation of certain activities, 7-21-4201.

7-21-2205. Theater licenses. (1) Except as provided in subsection (2), the manager or lessee of every theater not a variety or concert theater must obtain a license, for which the county treasurer must require payment as follows: \$100 per annum.

(2) Notwithstanding the provisions of subsection (1), the manager or lessee of every theater not a variety or concert theater in towns of a population of 3,500 or less and in cases where no monthly license is paid must obtain a license, for which the county treasurer must require payment as follows:

- (a) \$2 for each single performance;  
 (b) \$3 for each single exhibition of an opera or concert singer not exhibited in any theater where a yearly license is paid;  
 (c) \$5 for each single performance when not in a theater where a yearly license is paid, of minstrels, legerdemain, or shows not provided for in this subsection.
- (3) The manager or lessee of each variety or concert theater (whether an admittance fee is charged or not) must obtain a license, for which the county treasurer must require payment as follows: \$75 per month.
- (4) The provisions of this section are subject to the exemptions from licensing provided by 7-21-2207.

History: En. Sec. 1, Ch. 117, L. 1903; re-en. Sec. 2758, Rev. C. 1907; re-en. Sec. 2434, R.C.M. 1921; Cal. Pol. C. Sec. 3380; amd. Sec. 1, Ch. 44, L. 1935; re-en. Sec. 2434, R.C.M. 1935; amd. Sec. 1, Ch. 94, L. 1945; amd. Sec. 1, Ch. 74, L. 1949; amd. Sec. 1, Ch. 66, L. 1953; R.C.M. 1947, 84-3201(part).

**Cross-References**

Municipal regulation of certain activities, 15-6-140.  
 Tax classification theater equipment, 7-21-4201.

**7-21-2206. Traveling show licenses.** (1) Subject to the provisions of subsection (2), a license must be obtained for every traveling show, such as circuses, menageries, sideshows, carnivals, wild west shows, animal shows, or tent shows, exhibiting in tents, open air, or other than a regular theater, for which the county treasurer must require payment as follows:

- (a) \$75 per day for traveling in less than 25 railroad cars;  
 (b) \$200 per day for traveling in over 25 railroad cars;  
 (c) \$25 per day for traveling on highways in 10 trucks or less;  
 (d) \$50 per day for traveling on highways in 11 to 25 trucks;  
 (e) \$75 per day for traveling on highways in more than 25 trucks.

(2) The county treasurer shall not issue any license for circuses, sideshows, carnivals, menageries, wild west shows, animal shows, or tent shows to be held or performed within a period of 30 days prior to or during the holding of any local, county, district, or state fair or rodeo without first obtaining the written consent of the board of county commissioners of the county where application is made for such license to operate such shows.

(3) The provisions of this section are subject to the exemptions from licensing provided by 7-21-2207.

History: En. Sec. 1, Ch. 117, L. 1903; re-en. Sec. 2758, Rev. C. 1907; re-en. Sec. 2434, R.C.M. 1921; Cal. Pol. C. Sec. 3380; amd. Sec. 1, Ch. 44, L. 1935; re-en. Sec. 2434, R.C.M. 1935; amd. Sec. 1, Ch. 94, L. 1945; amd. Sec. 1, Ch. 74, L. 1949; amd. Sec. 1, Ch. 66, L. 1953; R.C.M. 1947, 84-3201(part).

**Cross-References**

County Commissioners supervision of  
 county and other officers, 7-4-2110.  
 Office of County Treasurer, 7-4-3002.  
 Municipal regulation of certain activities, 7-21-4201.

**7-21-2207. Exemption from certain entertainment license requirements.** No license must be collected from any amateur exhibition or concert for school or charitable or religious purposes; from any county, district, or state agricultural fair; from rodeo associations; or from any veterans' organization not conducted for private gain.

History: En. Sec. 1, Ch. 117, L. 1903; re-en. Sec. 2758, Rev. C. 1907; re-en. Sec. 2434, R.C.M. 1921; Cal. Pol. C. Sec. 3380; amd. Sec. 1, Ch. 44, L. 1935; re-en. Sec. 2434, R.C.M. 1935; amd.

Sec. 1, Ch. 94, L. 1945; amd. Sec. 1, Ch. 74, L. 1949; amd. Sec. 1, Ch. 66, L. 1953; R.C.M. 1947, 84-3201(part).

**Cross-References**

Nonprofit corporations, Title 35, ch. 2.

**7-21-2208. Pawnbroker license.** A license must be obtained for each pawnbroker, for which the county treasurer must require payment as follows: \$55 per quarter.

History: En. Sec. 1, Ch. 117, L. 1903; re-en. Sec. 2758, Rev. C. 1907; re-en. Sec. 2434, R.C.M. 1921; Cal. Pol. C. Sec. 3380; amd. Sec. 1, Ch. 44, L. 1935; re-en. Sec. 2434, R.C.M. 1935; amd. Sec. 1, Ch. 94, L. 1945; amd. Sec. 1, Ch. 74, L. 1949; amd. Sec. 1, Ch. 66, L. 1953; R.C.M. 1947, 84-3201(part).

**Cross-References**

Office of County Treasurer, 7-4-3002.  
 Municipal regulation of certain activities, 7-21-4208.  
 Regulation of purchases from minors by pawnbrokers and secondhand and junk shops, 7-21-4201.

Authority to require records for pawnbrokers and secondhand and junk shops, 7-21-4207.

**7-21-2209. Intelligence office license.** A license must be obtained by each keeper of an intelligence office, for which the county treasurer must require payment as follows: \$10 per quarter.

History: En. Sec. 1, Ch. 117, L. 1903; re-en. Sec. 2758, Rev. C. 1907; re-en. Sec. 2434, R.C.M. 1921; Cal. Pol. C. Sec. 3380; amd. Sec. 1, Ch. 44, L. 1935; re-en. Sec. 2434, R.C.M. 1935; amd. Sec. 1, Ch. 94, L. 1945; amd. Sec. 1, Ch. 74, L. 1949; amd. Sec. 1, Ch. 66, L. 1953; R.C.M. 1947, 84-3201(part).

**Cross-References**

Office of County Treasurer, 7-4-3002.

**7-21-2210. Shooting gallery license.** A license must be obtained by each keeper of a shooting gallery for gain, for which the county treasurer must require payment as follows: \$15 per quarter.

History: En. Sec. 1, Ch. 117, L. 1903; re-en. Sec. 2758, Rev. C. 1907; re-en. Sec. 2434, R.C.M. 1921; Cal. Pol. C. Sec. 3380; amd. Sec. 1, Ch. 44, L. 1935; re-en. Sec. 2434, R.C.M. 1935; amd. Sec. 1, Ch. 94, L. 1945; amd. Sec. 1, Ch. 74, L. 1949; amd. Sec. 1, Ch. 66, L. 1953; R.C.M. 1947, 84-3201(part).

**Cross-References**

Office of County Treasurer, 7-4-3002.

Municipal regulation of certain activities,

7-21-4201.

**7-21-2211. Railway warehouse license.** Each railway company acting in the capacity of a warehouse for the purpose of storing and distributing goods, other than in the capacity of a common carrier, shall pay, in each county in which the business is carried on, a license of \$10 per quarter.

History: En. Sec. 1, Ch. 22, L. 1907; Sec. 2763, Rev. C. 1907; amd. Sec. 1, Ch. 190, L. 1917; re-en. Sec. 2435, R.C.M. 1921; amd. Sec. 5, Ch. 28, Ex. L. 1933; re-en. Sec. 2435, R.C.M. 1935; R.C.M. 1947, 84-3202; amd. Sec. 3, Ch. 249, L. 1979.

**Cross-References**

U.C.C. — warehouse receipts, Title 30, ch. 7.

Authorization to locate and erect grain warehouse or elevator on railroad right of way, 3/30/89  
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7-21-2212. Soft drink manufacturing license. Every manufacturer of nonintoxicating beverages, pop, soda waters, or other light drinks in bottles or other containers shall pay a license of:

- (2) \$40 semiannually in all cities or towns of more than 5,000 and less than 10,000 in population; and
- (3) \$25 semiannually in all cities or towns with a population of less than 5,000.

History: En. Sec. 3, p. 199, L. 1897; re-en. Sec. 2770, Rev. C. 1907; amd. Sec. 1, Ch. 26, L. 1921; re-en. Sec. 2436, R.C.M. 1924; re-en. Sec. 2436, R.C.M. 1935; R.C.M. 1947, 84-3203.

**Cross-References**

Municipal regulation of certain activities, 7-21-4201.

**7-21-2213. Malt manufacturer's license.** Every manufacturer of malt, when not engaged in the manufacture of malt liquors in Montana, must pay a license of \$100 per annum.

History: En. Sec. 5, p. 200, L. 1897; re-en. Sec. 2779, Rev. C. 1907; re-en. Sec. 2442, R.C.M. 1921; re-en. Sec. 2442, R.C.M. 1935; R.C.M. 1947, 84-3208.

**Cross-References**

Municipal regulation of location of businesses, factories, and steam boilers, 7-21-4204.

**7-21-2214. Skating rink and merry-go-round license.** Every keeper of a roller- or ice-skating rink or merry-go-round must procure a license and pay therefor the sum of:

- (1) \$15 per quarter in cities or towns of 3,000 people and upward;
- (2) \$10 per quarter in towns of 1,000 and less than 3,000; and
- (3) \$5 per quarter in towns of less than 1,000 inhabitants.

History: En. Sec. 4077, Pol. C. 1895; re-en. Sec. 2775, Rev. C. 1907; re-en. Sec. 2438, R.C.M. 1921; re-en. Sec. 2438, R.C.M. 1935; amd. Sec. 1, Ch. 66, L. 1945; R.C.M. 1947, 84-3204.

**Cross-References**

Municipal regulation of certain activities, 7-21-4201.

**7-21-2215. Laundry license.** (1) Except as provided in subsection (2), every person engaged in the laundry business, other than the steam laundry business, shall pay a license of \$10 per quarter.

(2) This section shall not apply to persons engaged in a laundry business where not more than two persons are engaged or employed or kept at work.

(3) The license obtained under subsection (1) shall be for one place of business only.

History: En. Sec. 4, p. 200, L. 1897; re-en. Sec. 2776, Rev. C. 1907; re-en. Sec. 2440, R.C.M. 1921; re-en. Sec. 2440, R.C.M. 1935; amd. Sec. 43, Ch. 535, L. 1975; R.C.M. 1947, 84-3206.

**7-21-2216. Repealed.** Sec. 1, Ch. 161, L. 1979.

History: En. Sec. 4082, Pol. C. 1895; re-en. Sec. 2778, Rev. C. 1907; re-en. Sec. 2441, R.C.M. 1921; re-en. Sec. 2441, R.C.M. 1935; R.C.M. 1947, 84-3207.

**Part 23**

**Licensing of Itinerant Vendors**

**Part Cross-References**

Municipal regulation of certain activities, part 5, ch. 3, part 7.  
 Personal solicitation sales, Title 30, ch. 14, Agriculture - itinerant merchants, Title 80, ch. 3, part 7.

destroys the value of the article purchased.

(2) Within the meaning of this part, an "itinerant vendor" is any person engaged or employed in the business of retailing to consumers by going from consumer to consumer, either on the streets or to their places of residence or employment, and there soliciting, selling, or offering to sell or exhibiting for sale (by sample, by catalogue, or otherwise) or taking orders for future delivery of any goods, wares, or merchandise or for services to be performed in the future.

History: En. Sec. 1, Ch. 184, L. 1925; re-en. Sec. 2429, 16, R.C.M. 1935; R.C.M. 1947, 84-3102(part).

**7-21-2302. Scope of part.** (1) This part shall in no way affect any person, firm, partnership, or corporation with a commercial rating who maintains a permanent place of business in Montana.

(2) Nothing contained in this part is intended to operate so as to impair, abridge, or interfere with the right of any incorporated municipality within this state to enact local laws or ordinances dealing with the subject of this part, provided that such municipality shall not impose any license fees in excess of twice the amount provided herein for county license fees.

(3) Nothing contained in this part is intended to operate so as to interfere with the power of the United States to regulate commerce between the states, as such power is defined by the supreme court of the United States.

History: (1) En. Sec. 1, Ch. 184, L. 1925; re-en. Sec. 2429, 16, R.C.M. 1935; Sec. 84-3102, R.C.M. 1947; (2) (3) En. Sec. 8, Ch. 184, L. 1925; re-en. Sec. 2429, 23, R.C.M. 1935; Sec. 84-3109, R.C.M. 1947; R.C.M. 1947, 84-3102(part), 84-3109.

**Cross-References**

Municipal regulation of certain activities, 7-21-4201.

**7-21-2303. License required to do business as itinerant vendor** — fee. For the purpose of defraying the expenses of regulation under this part, every itinerant vendor desiring to do business in any county of this state must, before commencing such business, pay to the county treasurer of such county the sum of \$15 for a license to conduct such business for a period of 1 year from the date such license is issued.

History: En. Sec. 2, Ch. 184, L. 1925; re-en. Sec. 2429, 17, R.C.M. 1935; amd. Sec. 1, Ch. 109, L. 1937; R.C.M. 1947, 84-3103.

**Cross-References**

Office of County Treasurer, 7-1-3002.

**7-21-2304. Nontransferability of license.** The license shall be non-transferable and shall have printed across the face thereof in bold type the words "not transferable".

History: En. Sec. 5, Ch. 184, L. 1925; re-en. Sec. 2429, 20, R.C.M. 1935; R.C.M. 1947, 84-3106(part).

**7-21-2305. Application for itinerant vendor license.** (1) Itinerant vendor desiring to do business in any county of this state must, before commencing such business, file with the county treasurer of such county a form to be provided by such treasurer, an application in writing, subscribed

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**Cross-References**

Agriculture — itinerant merchant — license nontransferable, 80-3-707.

**7-21-2505. Application for huckster license.** (1) Every huckster desiring to do business in any county of this state must, before commencing such business, file with the county treasurer of such county, on a form to be provided by such treasurer, an application in writing.

(2) The application shall set forth:

- (a) name of applicant;
- (b) his place of permanent residence;
- (c) whether acting as principal, agent, or employee;
- (d) if acting as agent or employee, the name and place of business of his principal or employer.

(3) At the time of filing the application, such huckster must accompany the application with the sum specified in 7-21-2503 as a license fee.

History: En. Sec. 3, Ch. 183, L. 1925; re-en. Sec. 2429.11, R.C.M. 1935; R.C.M. 1947, 84-2903.

**Cross-References**

Office of County Treasurer, 7-4-3002. Agriculture — itinerant merchants — application for license, 80-3-704.

**7-21-2506. Processing of application — issuance of license.** (1) Upon filing of the application specified in 7-21-2505 and upon the payment to the county treasurer of the sum specified in 7-21-2503, the county treasurer shall issue and deliver to the applicant a license to carry on the business of a huckster for a period of 6 months from the date of such license.

(2) The county treasurer shall endorse upon each application the date of issuance of the license and shall immediately file such application with the county clerk and recorder of his county. The county clerk and recorder shall file the same in his office and keep an appropriate index thereof which shall show the date filed, the name of the applicant, and an appropriate reference to the file number by which said application may be found.

History: En. Sec. 4, Ch. 183, L. 1925; re-en. Sec. 2429.12, R.C.M. 1935; R.C.M. 1947, 84-2904(part).

**Cross-References**

Role and duties of County Clerk, 7-4-2611. Agriculture — itinerant merchants — license issuance, 80-3-706. Office of County Treasurer, 7-4-3002.

**7-21-2507. License to be displayed upon demand.** (1) Every such huckster doing business under the provisions of this part must, upon demand of any interested person, exhibit his license and permit the same to then and there be read by the person making such demand.

(2) Any such huckster who shall refuse or fail to exhibit his license as provided above is guilty of a misdemeanor and shall be fined not less than \$10 or more than \$25.

History: En. Sec. 5, Ch. 183, L. 1925; re-en. Sec. 2429.13, R.C.M. 1935; R.C.M. 1947, 84-2905.

**Cross-References**

Classification of offenses, 45-1-201. Agriculture — itinerant merchant — display of license, 80-3-706. Misdemeanor defined, 45-2-101.

**7-21-2508. Effect of failure to comply with licensing requirements.** Every huckster, as herein defined, doing business without first obtaining a license as required by this part is guilty of a misdemeanor and shall be punished accordingly, as provided in 46-18-212.

History: En. Sec. 6, Ch. 183, L. 1925; re-en. Sec. 2429.14, R.C.M. 1935; R.C.M. 1947, 84-2906.

**Cross-References**

Classification of offenses, 45-1-201. Agriculture — itinerant merchants — penalty, 80-3-713. Misdemeanor defined, 45-2-101.

**Part 26****Licensing of Public Dances and Dancehalls****Part Cross-References**

Municipal regulation of dance houses, 7-21-4210.

**7-21-2601. Definitions.** (1) The term "dancehall" shall be construed to mean any room, hall, pavilion, building, or other structure kept for the purpose of conducting therein public dances or dancing.

(2) As used in this part, the term "public dance" shall be construed to mean any dance to which the public generally may gain admission, with or without the payment of an admission fee and whether said admission fee is paid in the form of club dues, membership fees, or in any other manner.

History: En. Sec. 1, Ch. 131, L. 1929; re-en. Sec. 2815.1, R.C.M. 1935; R.C.M. 1947, 16-1166.

**7-21-2602. License required to hold public dance or maintain dancehall.** (1) No person, partnership, or corporation shall hold any public dance or conduct or maintain any dancehall without the limits of incorporated cities or towns without having first procured from the board of county commissioners of the county in which it is proposed to conduct such dance or dancehall a license to do so.

(2) No license shall be granted to any corporation, but if any dancehall be conducted by a corporation the license shall issue to the manager or other directing head thereof.

(3) No license to conduct a public dance or dancehall shall be granted unless the applicant therefor be of good moral character.

History: En. Sec. 2, Ch. 131, L. 1929; re-en. Sec. 2815.2, R.C.M. 1935; R.C.M. 1947, 16-1167(part).

**Cross-References**

County Commissioners — supervision of county and other officers, 7-4-2110. General authority of County Commissioners, Title 35, ch. 1, 7-5-2101. Business corporations, 7-4-2110.

**7-21-2603. Exemption from licensing requirements.** (1) Single dances held by grange, patriotic, or fraternal organizations or strictly fraternal dances may be held without a permit.

(2) The county commissioners may issue a permit without charge to grange, patriotic, fraternal, or community dances.

History: En. Sec. 3, Ch. 131, L. 1929; re-en. Sec. 2815.3, R.C.M. 1935; R.C.M. 1947, 16-1168(part).

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General authority of County Commissioners, Title 35, ch. 1, 7-5-2101. Business corporations, 7-4-2110.

**7-21-2604. License fees.** (1) The board of county commissioners of each county shall by a general order, from time to time, fix the fees to be charged for licenses granted under this part.

(2) Such fees, however, may not be less than \$5 or more than \$25 for an annual dancehall license and may not be less than \$1 or more than \$5 for a license for a single dance.

History: En. Sec. 3, Ch. 131, L. 1929; re-en. Sec. 2815.3, R.C.M. 1935; R.C.M. 1947, 16-1168(part).

**Cross-References**

General authority of County Commissioners, 7-5-2101.

**7-21-2605. Application for license.** Applications for licenses under this part shall be filed with the clerk of the board of county commissioners and be accompanied with a receipt showing the payment to the county treasurer of a license fee.

History: En. Sec. 6, Ch. 131, L. 1929; re-en. Sec. 2815.6, R.C.M. 1935; R.C.M. 1947, 16-1171(part).

**Cross-References**

Office of County Treasurer, 7-4-3002. Employment of personnel by County Commissioners, 7-5-2107.

**7-21-2606. Issuance of license.** (1) After determining to grant a license to the applicant, the board of county commissioners shall notify the clerk and recorder.

(2) The clerk and recorder shall issue the license to the applicant.  
History: En. Sec. 6, Ch. 131, L. 1929; re-en. Sec. 2815.6, R.C.M. 1935; R.C.M. 1947, 16-1171(part).

**Cross-References**

Role and duties of County Clerk, 7-4-2611.

**7-21-2607. Basis for refusal to grant dancehall license.** The board of county commissioners may in its discretion refuse to grant licenses for dance halls to be located at such places or to be conducted at such times as will in their judgment interfere with the comfort and happiness of the community in which such proposed dancehall is to be located.

History: En. Sec. 5, Ch. 131, L. 1929; re-en. Sec. 2815.5, R.C.M. 1935; R.C.M. 1947, 16-1170(part).

**Cross-References**

General authority of County Commissioners, 7-5-2101.

**7-21-2608. Revocation of dancehall license.** The license of any public dancehall may be forfeited or revoked by the county commissioners for disorderly or immoral conduct on the premises.

History: En. Sec. 7, Ch. 131, L. 1929; re-en. Sec. 2815.7, R.C.M. 1935; R.C.M. 1947, 16-1172.

**Cross-References**

General authority of County Commissioners, 7-5-2101. Disorderly conduct, 45-8-101.

**7-21-2609. Term of license.** (1) Licenses for dancehalls shall be issued by the year or by the quarter, as requested by the applicant.

(2) A temporary license of a period not exceeding 30 days may be issued by the clerk and recorder of the county in which such dance is to be held.

(3) A license for a single public dance shall entitle the holder thereof to conduct such dance only on the day and at the place specified in the license.  
History: En. Sec. 2, Ch. 131, L. 1929; re-en. Sec. 2815.2, R.C.M. 1935; R.C.M. 1947, 16-1167(part).

**Cross-References**

Role and duties of County Clerk, 7-4-2611.

**7-21-2610. Display of license required.** All licenses granted under this part shall be kept posted in a conspicuous place on the licensed premises.  
History: En. Sec. 6, Ch. 131, L. 1929; re-en. Sec. 2815.6, R.C.M. 1935; R.C.M. 1947, 16-1171(part).

**7-21-2611. Restrictions on type of dancing.** No immoral, indecent, suggestive, or obscene dance shall be given or carried on in any dancehall or any dance licensed hereunder.

History: En. Sec. 4, Ch. 131, L. 1929; re-en. Sec. 2815.4, R.C.M. 1935; R.C.M. 1947, 16-1169(part).

**Cross-References**

Indecent exposure, 45-5-504. Obscenity, 45-8-201.

**7-21-2612. Adequate lighting of dancehalls.** All buildings, halls, rooms, pavilions, or other places in which public dances are carried on, as well as all halls, corridors, and rooms leading thereto or connected therewith, shall at all times while open to the public be well lighted.

History: En. Sec. 4, Ch. 131, L. 1929; re-en. Sec. 2815.4, R.C.M. 1935; R.C.M. 1947, 16-1169(part).

**Cross-References**

Adoption of building, electrical, and plumbing codes, 7-15-4121.

**7-21-2613. Rules for implementation of part.** The board of county commissioners shall have authority to make all proper and necessary administrative rules for the purpose of carrying into effect the provisions of this part with respect to the conduct of public dances.

History: En. Sec. 5, Ch. 131, L. 1929; re-en. Sec. 2815.5, R.C.M. 1935; R.C.M. 1947, 16-1170(part).

**Cross-References**

Montana Administrative Procedure Act not applicable to local governments, 2-4-102. County Commissioners — promulgation and enforcement of rules, 7-5-2102.

**7-21-2614. Enforcement of part.** (1) The enforcement of the provisions of this part is enjoined upon every officer and official whose duty it is to enforce the laws of the state.

(2) All peace officers of Montana shall have free access to public dances and dancehalls for the purpose of inspection and to enforce compliance with the provisions of this part.

History: (1) En. Sec. 8, Ch. 131, L. 1929; re-en. Sec. 2815.8, R.C.M. 1935; R.C.M. 1947; (2) En. Sec. 5, Ch. 131, L. 1929; re-en. Sec. 2815.5, R.C.M. 1935; R.C.M. 1947; R.C.M. 1947, 16-1170(part), 16-1173.



**Cross-References**

Local law enforcement, Title 7, ch. 32.

State law enforcement, Title 44.

**7-21-2615. Effect of failure to comply with part.** Any person violating any of the provisions of this part shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine in any sum not exceeding \$100 or by imprisonment for a term not exceeding 30 days or by both such fine and imprisonment.

**History:** En. Sec. 9, Ch. 131, L. 1929; re-en. Sec. 2815.9, R.C.M. 1935; R.C.M. 1947, 16-1174.

**Cross-References**

Classification of offenses, 45-1-201.

Misdemeanor defined, 45-2-101.

**Parts 27 through 30 reserved****Part 31****Public Scales****Part Cross-References**

Weights, measures, standards, and labeling, Title 30, ch. 12.

**7-21-3101. Establishment of public scales.** When petitioned by 25 or more residents and freeholders of the county, the board of county commissioners of any county is hereby authorized in its discretion to establish and locate public scales at any suitable location selected by the county commissioners within the county.

**History:** En. Sec. 1, Ch. 22, L. 1905; re-en. Sec. 2899, Rev. C. 1907; re-en. Sec. 4471, R.C.M. 1921; re-en. Sec. 4471, R.C.M. 1935; R.C.M. 1947, 16-1108.

**Cross-References**

General authority of County Commissioners,

7-5-2101.

Licensing of weighing devices, 30-2-203.

**7-21-3102. Ownership of public scales.** Such scales shall be purchased by the county, shall be the property of the county, and at all times shall be under its control and subject to the will of the county commissioners.

**History:** En. Sec. 2, Ch. 22, L. 1905; re-en. Sec. 2900, Rev. C. 1907; re-en. Sec. 4472, R.C.M. 1921; re-en. Sec. 4472, R.C.M. 1935; R.C.M. 1947, 16-1109(part).

**Cross-References**

General authority of County Commissioners,

7-5-2101.

Authorization for county to obtain property,

7-8-2201.

**7-21-3103. Capacity and design of public scales.** Such scales shall be of not less than 5 tons' weighing capacity and shall be provided with glass or open front which can be observed by the one weighing without dismounting from wagon.

**History:** En. Sec. 2, Ch. 22, L. 1905; re-en. Sec. 2900, Rev. C. 1907; re-en. Sec. 4472, R.C.M. 1921; re-en. Sec. 4472, R.C.M. 1935; R.C.M. 1947, 16-1109(part).

**7-21-3104. Appointment of public weigher.** (1) The board of county commissioners shall appoint, at each place where public scales are established by them, a public weigher who shall have the custody and care of such property.

(2) Such public weigher shall be governed by such rules as may be from time to time prescribed or adopted by the board, and he may be removed at any time by such board.

**History:** (1)En. Sec. 3, Ch. 22, L. 1905; re-en. Sec. 2901, Rev. C. 1907; re-en. Sec. 4473, R.C.M. 1921; re-en. Sec. 4473, R.C.M. 1935; Sec. 16-1110, R.C.M. 1947; (2)En. Sec. 5, Ch. 22, L. 1905; re-en. Sec. 2903, Rev. C. 1907; re-en. Sec. 4475, R.C.M. 1921; re-en. Sec. 4475, R.C.M. 1935; Sec. 16-1112, R.C.M. 1947; R.C.M. 1947, 16-1112(part), 16-1112(part).

**Cross-References**

General authority of County Commissioners,

7-5-2101.

County Commissioners — promulgation and enforcement of rules, 7-5-2102.

Employment of personnel by County Commissioners, 7-5-2107.

**7-21-3105. Bond of public weigher.** A public weigher appointed pursuant to 7-21-3104 shall give a bond to the county in the sum of \$500, conditioned for the safekeeping of the public scales and for the faithful and impartial discharge of the duties incident to his trust in office.

**History:** En. Sec. 3, Ch. 22, L. 1905; re-en. Sec. 2901, Rev. C. 1907; re-en. Sec. 4473, R.C.M. 1921; re-en. Sec. 4473, R.C.M. 1935; R.C.M. 1947, 16-1110(part).

**Cross-References**

Official bonds of county officers, 7-4-2212.

**7-21-3106. Record of weighing.** (1) It shall be the duty of each public weigher to keep a stub record of all weighing done by him. The record and the receipt issued by such public weigher shall show for whom property was weighed and the character and kind thereof and shall constitute prima facie evidence of the facts therein contained.

(2) All such stub records or other records which the county commissioners may require him to keep shall at all times be open to public inspection during business hours, between 7 a.m. and 6 p.m. of any day, except Sundays and legal holidays.

(3) Such public weigher shall file a sworn statement with the county recorder of the county, as prescribed by the county commissioners thereof. The statement shall show the date and character or kind of property weighed, for whom weighed, and a complete statement of all fees collected.

**History:** En. Sec. 4, Ch. 22, L. 1905; re-en. Sec. 2902, Rev. C. 1907; re-en. Sec. 4474, R.C.M. 1921; re-en. Sec. 4474, R.C.M. 1935; R.C.M. 1947, 16-1111.

**Cross-References**

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

Citizens entitled to inspect and copy public writings, 2-6-102.

**7-21-3107. Fee for weighing.** Such public weigher shall receive not to exceed 10 cents for each receipt issued by him.

**History:** En. Sec. 5, Ch. 22, L. 1905; re-en. Sec. 2903, Rev. C. 1907; re-en. Sec. 4475, R.C.M. 1921; re-en. Sec. 4475, R.C.M. 1935; R.C.M. 1947, 16-1112(part).

**7-21-3108. Misconduct by public weigher.** Any public weigher under the provisions of this part who shall make any false or fraudulent receipt of any weighing done by him or shall be guilty of any collusion with any other person or persons for the purpose of deceiving any person or persons in regard to the correctness of weights or who shall fail to comply with the requirements of 7-21-3104(2) or 7-21-3107 is guilty of a misdemeanor.

**History:** En. Sec. 6, Ch. 22, L. 1905; re-en. Sec. 2904, Rev. C. 1907; re-en. Sec. 4474, R.C.M. 1921; re-en. Sec. 4476, R.C.M. 1935; R.C.M. 1947, 16-1113.

SENATE TAXATION  
EXHIBIT NO. 5 p.1  
State of Montana  
DATE 3/30/89  
Ted Schwinden, Governor  
BILL NO. HB 415

RECEIVED  
DEC 23 1988  
DEPARTMENT OF REVENUE  
PROPERTY ASSESSMENT DIVISION



Department of Revenue  
Ken Nordtvedt, Director

Data Processing Division  
Brenda Hasegan, Administrator

Memo

To: Ken Morrison  
Administrator, Property Tax Division

From: Brad Simshaw *BS*  
Research Bureau

Re: Analysis of allowing full or partial exemption for repair tools.

The following tables and graph show the effect of allowing full or partial exemption of market value of repair tools (property classification code 6512) from taxation.

The analysis examines two effects for different levels of exemption;

First, the percent of taxpayers currently paying taxes who would be removed from the tax rolls.

Second, the percent of current revenue that would not be collected.

Table 1 shows the current taxable value and revenue collected for each county.

Table 2 shows the effects for different levels of exemptions.

For example, if the first \$1,500 of market value were exempt from taxation, 57.1% of the taxpayers would be removed from the tax rolls and 18.5% (\$250,315) in revenue would be lost. If the exemption level were \$1,000, half the taxpayers would be removed from the tax rolls with a 13.8% loss in revenue.

The graph shows that, for the lower exemption levels, the percent of taxpayers removed from the tax rolls increases faster than the percent of revenue lost.

The analysis is based on data from Missoula County. Effects in Missoula County are assumed to reflect statewide effects.

Analysis of Tax Exemption for Repair Tools (Property class EXC 006512) 5 P. 2

SENATE TAXATION  
 DATE 3/30/89  
 BILL NO. HB 415

Exemption Level	Pct of Taxpayers Removed From Tax Rolls	Pct of MV Removed From Taxation	Revenue With Exemption	Loss in Revenue With Exemption
Exempt First \$ 0	0.0%	0.0%	\$1,352,241	\$0
Exempt First \$ 100	9.2%	1.9%	\$1,326,150	\$26,091
Exempt First \$ 200	16.4%	3.7%	\$1,302,550	\$49,691
Exempt First \$ 300	24.3%	5.3%	\$1,280,837	\$71,404
Exempt First \$ 400	29.4%	6.7%	\$1,261,002	\$91,239
Exempt First \$ 500	34.6%	8.1%	\$1,242,592	\$109,649
Exempt First \$ 600	38.0%	9.4%	\$1,225,214	\$127,027
Exempt First \$ 700	41.7%	10.6%	\$1,208,897	\$143,344
Exempt First \$ 800	44.7%	11.7%	\$1,193,444	\$158,797
Exempt First \$ 900	47.5%	12.8%	\$1,178,830	\$173,411
Exempt First \$ 1000	50.1%	13.8%	\$1,164,996	\$187,245
Exempt First \$ 1100	51.3%	14.8%	\$1,151,560	\$200,681
Exempt First \$ 1200	52.7%	15.8%	\$1,138,488	\$213,753
Exempt First \$ 1300	54.7%	16.7%	\$1,125,913	\$226,328
Exempt First \$ 1400	56.1%	17.6%	\$1,113,766	\$238,475
Exempt First \$ 1500	57.1%	18.5%	\$1,101,926	\$250,315
Exempt First \$ 1600	57.8%	19.4%	\$1,090,339	\$261,902
Exempt First \$ 1700	60.0%	20.2%	\$1,079,119	\$273,122
Exempt First \$ 1800	61.7%	21.0%	\$1,068,453	\$283,788
Exempt First \$ 1900	62.0%	21.8%	\$1,058,033	\$294,208
Exempt First \$ 2000	64.8%	22.5%	\$1,048,344	\$303,897
Exempt First \$ 2500	68.0%	25.8%	\$1,002,923	\$349,318
Exempt First \$ 3000	71.5%	28.9%	\$961,452	\$390,789
Exempt First \$ 3500	74.9%	31.6%	\$925,013	\$427,228
Exempt First \$ 4000	77.1%	34.0%	\$892,490	\$459,751
Exempt First \$ 4500	79.3%	36.2%	\$862,553	\$489,688
Exempt First \$ 5000	80.7%	38.2%	\$835,195	\$517,046
Exempt First \$ 6000	83.5%	41.8%	\$786,518	\$565,723
Exempt First \$ 7000	85.5%	45.0%	\$744,243	\$607,998
Exempt First \$ 8000	87.9%	47.6%	\$708,551	\$643,690
Exempt First \$ 9000	88.9%	49.9%	\$676,995	\$675,246
Exempt First \$ 10000	90.1%	52.0%	\$648,654	\$703,587
Exempt First \$ 15000	93.5%	60.1%	\$540,076	\$812,165
Exempt First \$ 20000	95.1%	65.6%	\$464,757	\$887,484
Exempt First \$ 30000	96.5%	74.3%	\$347,133	\$1,005,108
Exempt First \$ 40000	97.8%	80.0%	\$270,367	\$1,081,874
Exempt First \$ 50000	98.5%	83.7%	\$220,550	\$1,131,691
Exempt First \$ 100000	99.4%	93.5%	\$87,354	\$1,264,887
Exempt All	100.0%	100.0%	\$0	\$1,352,241

Analysis based on distribution of market value of affected taxpayers in Missoula County. The statewide distribution is assumed to parallel that in Missoula County.

COUNTY	State Mills	County Mills	Schools Mills	Levy for State and Schools	TV C6512	Revenue
Barrenhead	6.00	79.45	182.54	267.99	62.751	16,817
Blairhorn	6.00	40.21	75.36	121.57	45,404	5,520
Bridges	6.00	55.40	120.82	182.21	29,603	5,394
Brown	6.00	60.49	130.62	197.11	24,807	4,890
Carroll	6.00	57.35	140.67	204.02	21,286	4,343
Cass	6.00	86.00	119.77	211.77	22,681	4,803
Cassida	6.00	88.32	234.84	329.16	260,662	85,798
Cherokee	6.00	81.54	160.85	248.39	83,616	20,770
Custer	6.00	93.98	300.74	400.72	39,923	15,998
Daniel	6.00	105.91	230.84	292.75	38,543	13,210
Dawson	6.00	76.73	210.37	293.10	61,625	18,062
Deger Loue	6.00	165.38	229.15	400.53	16,624	6,658
Fallon	6.00	17.39	81.44	104.82	17,678	1,853
Ferdos	6.00	74.45	222.57	303.02	76,221	23,096
Farrhead	6.00	100.65	208.15	314.79	314,681	99,059
Garfield	6.00	68.41	199.28	273.69	252,342	69,065
Glacier	6.00	74.30	97.48	177.78	20,056	3,566
Golden Valley	6.00	63.64	155.04	224.68	73,942	16,613
Granite	6.00	55.22	148.77	209.99	12,080	2,537
Hill	6.00	92.46	190.63	289.09	12,158	3,515
Jefferson	6.00	71.08	188.82	265.90	117,679	31,291
Judith Basin	6.00	56.48	184.81	247.29	15,757	3,896
Lake	6.00	89.30	154.34	249.64	11,562	2,886
Lewis & Clark	6.00	79.25	148.22	233.47	102,573	23,948
Liberty	6.00	84.47	245.50	335.97	190,553	64,019
Lincoln	6.00	55.33	123.71	185.04	37,675	6,971
Madison	6.00	42.03	204.67	224.31	70,290	17,762
McCone	6.00	65.72	152.59	224.31	45,167	10,132
Meagher	6.00	102.62	148.02	236.64	21,541	5,528
Mineral	6.00	71.09	107.10	184.19	12,037	2,217
Missoula	6.00	86.88	225.05	317.93	8,767	2,787
Musselshell	6.00	98.61	216.88	321.49	364,591	117,213
Park	6.00	54.52	88.92	149.44	27,563	4,119
Petroleum	6.00	66.34	166.31	238.65	84,087	20,068
Phillips	6.00	21.75	156.10	183.85	2,640	485
Pondera	6.00	42.35	110.46	158.81	48,319	7,673
Powder River	6.00	88.68	153.41	248.09	62,036	15,391
Powell	6.00	34.47	98.24	138.71	18,714	2,596
Prairie	6.00	81.05	216.65	303.70	28,068	8,524
Ravalli	6.00	106.39	123.72	236.11	13,249	3,128
Richland	6.00	75.69	148.29	229.98	112,903	25,965
Roosevelt	6.00	36.59	99.59	142.18	75,261	10,700
Rosedud	6.00	44.18	126.41	176.59	44,463	7,852
Sanders	6.00	7.91	76.13	90.04	32,875	2,960
Sheridan	6.00	61.10	139.13	206.23	37,922	7,821
Silver Bow	6.00	28.84	112.81	147.65	41,431	6,117
Stillwater	6.00	121.10	289.12	416.22	100,492	41,827
Sweet Grass	6.00	74.32	155.96	236.28	37,428	8,843
Teton	6.00	88.29	177.86	272.15	22,015	5,991
Toole	6.00	89.21	159.40	254.61	54,247	13,812
Treasure	6.00	44.64	109.27	159.91	64,195	10,266
Valley	6.00	79.50	152.55	238.05	13,839	3,294
Wheatland	6.00	59.30	177.61	242.91	65,446	15,897
Wibaux	6.00	33.88	143.31	233.19	12,200	2,845
Yellowstone	6.00	4.26	74.01	124.27	15,949	1,982
		3.18	181.52	265.70	871,616	231,592

4,371,833 \$1,169,967  
 (Collected by Towns) \$182,274  
 (Total Collected) \$1,352,241

Tax Year 1988 mill levies, taxable values and revenue.

Amendments to House Bill No. 415  
Third Reading Copy

For the Committee on Taxation

Prepared by Jeff Martin  
March 29, 1989

1. Page 2, line 8.

Strike: "hand-held"

Insert: "included in class eight property or that are exempt  
under 15-6-201(1)(r)"

2. Page 7, line 4.

Strike: "\$5,000"

Insert: "\$15,000"

Amendments to House Bill No. 415  
Third Reading

- 1) Page 2, line 8  
Following: "TOOLS"  
Insert: "or implements"  
  
Following: "not"  
Strike: "hand-held"  
Insert: "included in another class or exempt under 15-6-201(1)(r)"
- 2) Page 2, line 9  
Strike: "implements,"
- 3) Page 2, line 23  
Strike: line 23
- 4) Page 2, line 24  
Following: "ARE"  
Insert: "not"
- 5) Page 3, line 3  
Following: "tools"  
Strike: remainder of line 3
- 6) Page 3, line 4  
Strike: "PROPERTY OR"  
Following: "ARE"  
Insert: "not"

SEN. BROWN  
SEN. HOLLICOM

I HAVE SEEN THESE AMENDMENTS  
AND FEEL THAT THEY SHOULD BE PUT  
IN THE BILL  
John W. Patten  
29 MARCH 89

