

1 SENATE BILL NO. 17
2 INTRODUCED BY LYNCH

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY SECTION
5 84-202, R.C.M. 1947."

6 WHEREAS, in 1973 several bills were introduced which
7 proposed amending section 84-202, R.C.M. 1947. Two bills
8 passed in 1973 and appear as chapters 266 and 361, Laws of
9 1973. These two chapters amended 84-202 by extending the
10 tax exemption to unprocessed fruits and vegetables in farm
11 storage and to freeport merchandise. Another bill amending
12 section 84-202 was introduced in 1973 and held over until
13 the 1974 session. This bill did not contain the 1973
14 amendments to section 84-202 and such amendments were never
15 added to the bill. The bill was passed and signed into law
16 in its introduced form and appears as chapter 376, Laws of
17 1974. Therefore, to ascertain the present status of section
18 84-202, R.C.M. 1947, it is necessary to read the 1973 and
19 1974 session laws in conjunction with one another. The
20 R.C.M. pocket supplements do not presently correctly reflect
21 the status of section 84-202. Therefore, the purpose of
22 this act is merely to clarify the law, and does not amend it
23 in substance.

24
25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

1 Section 1. Section 84-202, R.C.M. 1947, is amended to
2 read as follows:

3 "84-202. Exemptions from taxation. (1) The property of
4 the United States, the state, counties, cities, towns,
5 school districts, municipal corporations, public libraries,
6 all unprocessed, perishable fruits and vegetables in farm
7 storage and owned by the producer, such other property as is
8 used exclusively for agricultural and horticultural
9 societies, for educational purposes, places of actual
10 religious worship, hospitals and places of burial not used
11 or held for private or corporate profit, and institutions of
12 purely public charity, evidence of debt secured by mortgages
13 of record upon real or personal property in the state of
14 Montana, and public art galleries and public observatories
15 not used or held for private or corporate profit, are exempt
16 from taxation, but no more land than is necessary for such
17 purpose is exempt; provided, the term "institutions of
18 purely public charity" as used in this act shall include
19 organizations owning and operating facilities for the care
20 of the retired or aged or chronically ill which are not
21 operated for gain or profit; provided, that the terms public
22 art galleries and public observatories used in this act
23 shall mean only such art galleries and observatories whether
24 of public or private ownership, as are open to the public,
25 without charge or fee at all reasonable hours, and are used

INTRODUCED BILL

2 B. 17

1 for the purpose of education only, and also when a clubhouse
 2 or building erected by or belonging to any society or
 3 organization of honorably discharged United States soldiers,
 4 sailors or marines who served in army or navy of United
 5 States, is used exclusively for educational, fraternal,
 6 benevolent or purely public charitable purposes, rather than
 7 for gain or profit, together with the library and furniture
 8 necessarily used in any such building, and all property,
 9 real or personal, in the possession of legal guardians of
 10 incompetent veterans of the World War or minor dependents of
 11 such veterans, where such property is funds or derived from
 12 funds received from the United States as pension,
 13 compensation, insurance, adjusted compensation, or gratuity,
 14 shall be exempt from all taxation as property of the United
 15 States while held by the guardian, but not after title
 16 passes to the veteran or minor in his or her own right on
 17 account of removal of legal disability.

18 (2) All household goods and furniture, including
 19 clocks, musical instruments, sewing machines, wearing
 20 apparel of members of the family actually used by the owner
 21 for personal and domestic purposes, or for furnishing or
 22 equipping the family residence are exempt from taxation.

23 (3) Freeport merchandise shall be exempt from
 24 taxation. Freeport merchandise means those stocks of
 25 merchandise manufactured or produced outside this state

1 which are in transit through this state and consigned to a
 2 warehouse or other storage facility, public or private,
 3 within this state, for storage in transit prior to shipment
 4 to a final destination outside the state, and which have
 5 acquired a taxable situs within the state.

6 Stocks of merchandise do not lose their status as
 7 freeport merchandise because while in the storage facility
 8 they are assembled, bound, joined, processed, disassembled,
 9 divided, cut, broken in bulk, relabeled or repackaged.

10 Any person, corporation, firm, partnership,
 11 association, or other group seeking to qualify its property
 12 for inclusion in this class shall make application to the
 13 state department of revenue in such manner or form as may be
 14 required by the department."

-End-

SB 17

Approved by Committee
on Taxation

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25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

SECOND READING
(Second Printing)

1 Section 1. Section 84-202, R.C.M. 1947, is amended to
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3 "84-202. Exemptions from taxation. (1) The property of
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7 ~~storage-and-owned-by-the-producer,~~ such other property as is
8 used exclusively for agricultural and horticultural
9 societies, for educational purposes, places of actual
10 religious worship, hospitals and places of burial not used
11 or held for private or corporate profit, and institutions of
12 purely public charity, evidence of debt secured by mortgages
13 of record upon real or personal property in the state of
14 Montana, and public art galleries and public observatories
15 not used or held for private or corporate profit, are exempt
16 from taxation, but no more land than is necessary for such
17 purpose is exempt; provided, the term "institutions of
18 purely public charity" as used in this act shall include
19 organizations owning and operating facilities for the care
20 of the retired or aged or chronically ill which are not
21 operated for gain or profit; provided, that the terms public
22 art galleries and public observatories used in this act
23 shall mean only such art galleries and observatories whether
24 of public or private ownership, as are open to the public,
25 without charge or fee at all reasonable hours, and are used

1 for the purpose of education only, and also when a clubhouse
 2 or building erected by or belonging to any society or
 3 organization of honorably discharged United States soldiers,
 4 sailors or marines who served in army or navy of United
 5 States, is used exclusively for educational, fraternal,
 6 benevolent or purely public charitable purposes, rather than
 7 for gain or profit, together with the library and furniture
 8 necessarily used in any such building, and all property,
 9 real or personal, in the possession of legal guardians of
 10 incompetent veterans of the World War or minor dependents of
 11 such veterans, where such property is funds or derived from
 12 funds received from the United States as pension,
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18 (2) All household goods and furniture, including
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23 (3) Freeport merchandise shall be exempt from
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6 Stocks of merchandise do not lose their status as
 7 freeport merchandise because while in the storage facility
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10 Any person, corporation, firm, partnership,
 11 association, or other group seeking to qualify its property
 12 for inclusion in this class shall make application to the
 13 state department of revenue in such manner or form as may be
 14 required by the department.

15 (4) ALL UNPROCESSED, PERISHABLE FRUITS AND VEGETABLES
 16 IN FARM STORAGE AND OWNED BY THE PRODUCER."

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 6 benevolent or purely public charitable purposes, rather than
 7 for gain or profit, together with the library and furniture
 8 necessarily used in any such building, and all property,
 9 real or personal, in the possession of legal guardians of
 10 incompetent veterans of the World War or minor dependents of
 11 such veterans, where such property is funds or derived from
 12 funds received from the United States as pension,
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