

*Senate* BILL NO. *369*  
*Watt Roberts*

1  
2 INTRODUCED BY  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTIONS  
5 84-301 AND 84-302, R.C.M. 1947, TO DISPENSE WITH THE  
6 CLASSIFICATION OF NEW INDUSTRIAL PROPERTY FOR TAXATION AND  
7 TO PROVIDE AN EFFECTIVE DATE."  
8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
10 Section 1. Section 84-301, R.C.M. 1947, is amended to  
11 read as follows:

12 "84-301. Classification of property for taxation. For  
13 the purpose of taxation the taxable property in the state  
14 shall be classified as follows:

15 Class One. The annual net proceeds of all mines and  
16 mining claims, after deducting only the expenses specified  
17 and allowed by section 84-5403; also where the right to  
18 enter upon land, to explore or prospect, or dig for oil,  
19 gas, coal or mineral is reserved in land or received by  
20 mesne conveyance (exclusive of leasehold interests), devise  
21 or succession by any person or corporation, the surface  
22 title to which has passed to or remains in another, the  
23 state department of revenue shall determine the value of the  
24 right to enter upon said tract of land for the purpose of  
25 digging, exploring, or prospecting for gas, oil, coal or

1 minerals, and the same shall be placed in this  
2 classification for the purpose of taxation.

3 Class Two. All agricultural and other tools, implements  
4 and machinery, gas and other engines and boilers, threshing  
5 machines and outfits used therewith, automobiles, motor  
6 trucks and other power-driven cars, vehicles of all kinds  
7 except mobile homes, boats and all watercraft, harness,  
8 saddlery and robes and except as provided in Class Five (b)  
9 of this section, all poles, lines, transformers, transformer  
10 stations, meters, tools, improvements, machinery and other  
11 property used and owned by all persons, firms, corporations,  
12 and other organizations which are engaged in the business of  
13 furnishing telephone communications, exclusively to rural  
14 areas, or to rural areas and cities and towns provided that  
15 any such city or town has a population of eight hundred  
16 (800) persons or less; and provided further, that the  
17 average circuit miles for each station on the system is more  
18 than one and one-quarter (1 1/4) miles.

19 Class Three. Livestock, poultry and unprocessed  
20 products of both; stocks of merchandise of all sorts,  
21 together with furniture and fixtures used therewith, except  
22 mobile homes; and all office or hotel furniture and  
23 fixtures.

24 Class Four. (a) All land, town and city lots, with  
25 improvements, and all trailers affixed to land owned,

1 leased, or under contract or purchase by the trailer owner,  
 2 manufacturing and mining machinery, fixtures and supplies,  
 3 except as otherwise provided by the constitution of Montana,  
 4 and except as such property may be included in Class Five,  
 5 or Class Seven ~~or-Eight~~.

6 (b) Mobile homes without regard to the ownership of the  
 7 land upon which they are situated, except those held by a  
 8 distributor or dealer of mobile homes as part of his stock  
 9 in trade, and except as such property may be included in  
 10 Class ~~Eight~~ Seven.

11 Class Five. (a) All moneys and credits, secured or  
 12 unsecured, including all state, county, school district and  
 13 other municipal bonds, warrants and securities, without any  
 14 deduction or offset; provided, however, that the terms  
 15 "moneys and credits" as herein used shall not embrace the  
 16 moneyed capital employed in the banking business by any  
 17 banking corporation or individual in this state.

18 (b) All poles, lines, transformers, transformer  
 19 stations, meters, tools, improvements, machinery and other  
 20 property used and owned by co-operative rural electrical and  
 21 co-operative rural telephone associations organized under  
 22 the laws of Montana except those within the incorporated  
 23 limits of a city or town in which less than ninety-five per  
 24 cent (95%) of the electric consumers and/or telephone users  
 25 are served by a co-operative organization, and as to the

1 property enumerated in this sub-section (b) within  
 2 incorporated limits of a city or town in which less than  
 3 ninety-five per cent (95%) of the electric consumers or  
 4 users will be served by a co-operative organization, such  
 5 property shall be put in Class Two.

6 (c) All unprocessed agricultural products either on the  
 7 farm or in storage, irrespective of whether said products  
 8 are owned by the elevator, warehouse or flour mill owner or  
 9 company storing the same, or any other person whomsoever,  
 10 except all perishable fruits and vegetables in farm storage  
 11 and owned by the producer, and excepting livestock and  
 12 poultry and the unprocessed products of both.

13 (d) The dwelling house, and the lot on which it is  
 14 erected, owned and occupied by any resident of the state,  
 15 who has been honorably discharged from active service in any  
 16 branch of the armed forces, who is rated one hundred per  
 17 cent (100%) disabled due to a service-connected disability  
 18 by the United States veterans administration or its  
 19 successors.

20 In the event of the veteran's death, the dwelling  
 21 house, and the lot on which it is erected, so long as the  
 22 widow remains unmarried and the owner and occupant of the  
 23 property, shall remain within this classification.

24 Class Six. Property formerly included in this class is  
 25 now classified by section 34-308, R.C.M. 1947.

1       Class Seven. (a) All new industrial property. New  
 2 industrial property shall mean any new industrial plant,  
 3 including land, buildings, machinery and fixtures which, in  
 4 the determination of the state department of revenue, is  
 5 used by a new industry during the first three (3) years of  
 6 operation not having been assessed prior to July 1, 1961,  
 7 within the state of Montana. New industry shall mean any  
 8 person, corporation, firm, partnership, association, or  
 9 other group which establishes a new plant or plants in this  
 10 state for the operation of a new industrial endeavor, as  
 11 distinguished from a mere expansion, reorganization, or  
 12 merger of an existing industry or industries. Provided,  
 13 however, that new industrial property shall be limited to  
 14 industries that manufacture, mine, produce, process or  
 15 fabricate materials, or do similar work in which capital and  
 16 labor are employed and in which materials unserviceable in  
 17 their natural state are extracted, processed or made fit for  
 18 use or are substantially altered or treated so as to create  
 19 commercial products or materials, and in no event shall the  
 20 term new industrial property be included to mean property  
 21 used by retail or wholesale merchants, commercial services  
 22 of any type, agriculture, trades or professions. And  
 23 provided further, that new industrial property shall not be  
 24 included to mean property which is used or employed in any  
 25 industrial plant which has been in operation in this state

1       for three (3) years or longer. Any person, corporation,  
 2 firm, partnership, association or other group seeking to  
 3 qualify its property for inclusion in this class shall make  
 4 application to the state department of revenue in such  
 5 manner and form as may be required by said department.

6       Class Eight Seven. Any improvement on real property,  
 7 trailers affixed to land or mobile home belonging to any  
 8 person who qualifies under any one or more of the  
 9 hereinafter set forth categories, valued at not more than  
 10 seventeen thousand five hundred dollars (\$17,500), which is  
 11 owned or under a contract for deed, and which is actually  
 12 occupied by:

13       (1) a widow sixty-two (62) years of age or older,  
 14 whether with or without minor dependent children, who  
 15 qualifies under the income limitations of (4), or

16       (2) a widower sixty-five (65) years of age or older,  
 17 whether with or without minor dependent children, who  
 18 qualifies under the income limitations of (4), or

19       (3) a widow with minor or dependent children regardless  
 20 of age, who qualifies under the income limitations of (4),  
 21 or

22       (4) a recipient of retirement benefits whose income  
 23 from all sources is not more than four thousand dollars  
 24 (\$4,000) for a single person and five thousand two hundred  
 25 dollars (\$5,200) for a married couple per annum. Provided,

1 further, that one who applies for classification of property  
 2 under this class must make an affidavit to the state  
 3 department of revenue on a form as may be provided by the  
 4 state department of revenue supplied without cost to the  
 5 applicant, as to his income, if applicable, as to his  
 6 retirement benefits, if applicable, or, as to his marital  
 7 status, if applicable, and to the fact that he or she  
 8 actually occupies such improvements with right of the county  
 9 welfare board to investigate the applicant, on the  
 10 completion of the form, as to answers given on the form.  
 11 Provided, further, that the value of said property shall not  
 12 increase during the life of the recipient of retirement  
 13 benefits or widow or widower covered under this class. For  
 14 purposes of the affidavit required for classification of  
 15 property under this class, it shall be sufficient if the  
 16 applicant signs a statement swearing to or affirming the  
 17 correctness of the information supplied, whether or not the  
 18 statement is signed before a person authorized to administer  
 19 oaths, and mails the application and statement to the  
 20 department of revenue. This signed statement shall be  
 21 treated as a statement under oath or equivalent affirmation  
 22 for purposes of section 94-7-203, R.C.M. 1947, relating to  
 23 the criminal offense of false swearing.

94 Class ~~Nine~~ Eight. All property not included in the  
 25 ~~eight-(8)~~ seven (7) preceding classes."

1 Section 2. Section 84-302, R.C.M. 1947, is amended to  
 2 read as follows:

3 "84-302. Basis for imposition of taxes. As a basis for  
 4 the imposition of taxes upon the different classes of  
 5 property specified in the preceding section, a percentage of  
 6 the true and full value of the property of each class shall  
 7 be taken as follows:

8 Class 1. One hundred per cent (100%) of its true and  
 9 full value.

10 Class 2. Twenty per cent (20%) of its true and full  
 11 value.

12 Class 3. Thirty-three and one-third per cent (33 1/3%)  
 13 of its true and full value.

14 Class 4. Thirty per cent (30%) of its true and full  
 15 value.

16 Class 5. Seven per cent (7%) of its true and full  
 17 value.

18 Class 6. As specified in section 84-308, R.C.M. 1947.

19 ~~Class 7. Seven per cent (7%) of its true and full~~  
 20 ~~value.~~

21 Class ~~8~~ 7. Fifteen per cent (15%) of its true and full  
 22 value.

23 Class ~~9~~ 8. Forty per cent (40%) of its true and full  
 24 value."

25 Section 3. This act is effective on its passage and

LC 0412

1 approval.

-End-

-9-

**SB 369**

## STATE OF MONTANA

REQUEST NO. 168-75

## FISCAL NOTE

Form BD 15

In compliance with a written request received February 5, 19 75, there is hereby submitted a Fiscal Note for Senate Bill 369 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

## DESCRIPTION OF PROPOSED LEGISLATION:

An act to eliminate Class seven, new industrial property (taxable at 7% of assessed value) from property taxation, effective on passage and approval.

## ASSUMPTIONS:

1. New industrial property would be Class four property (taxable at 30% of assessed value) under proposed law.
2. Assessed value of new industrial property would be approximately \$15,000,000 in both FY 76 and FY 77.
3. Six mills will be levied for universities in FY 76 and FY 77. As high as eight mills may be necessary in FY 77 in support of public school permissive levy.
4. No additional administrative expenses would be incurred.
5. The act would be passed in time to affect FY 76 tax collections.

## FISCAL IMPACT:

	FY 76 6 mill levy	FY 77 if 6 mill levy	FY 77 if 14 mill levy
Property tax collections on new industrial property under current law	\$ 6,300	\$ 6,300	\$ 14,700
Collections under proposed law	<u>27,000</u>	<u>27,000</u>	<u>63,000</u>
Increase in collections	<u>\$20,700</u>	<u>\$20,700</u>	<u>\$ 48,300</u>

## LOCAL IMPACT:

Assuming an average local mill levy of 219 mills, increase in property tax revenue to local units of government under proposed law would be approximately \$756,000 per year.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: February 10, 1975

Approved by Committee  
on Taxation

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2 INTRODUCED BY WATT, ROBERTS

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18 enter upon land, to explore or prospect, or dig for oil,  
19 gas, coal or mineral is reserved in land or received by  
20 mesne conveyance (exclusive of leasehold interests), devise  
21 or succession by any person or corporation, the surface  
22 title to which has passed to or remains in another, the  
23 state department of revenue shall determine the value of the  
24 right to enter upon said tract of land for the purpose of  
25 digging, exploring, or prospecting for gas, oil, coal or

1 minerals, and the same shall be placed in this  
2 classification for the purpose of taxation.

3 Class Two. All agricultural and other tools, implements  
4 and machinery, gas and other engines and boilers, threshing  
5 machines and outfits used therewith, automobiles, motor  
6 trucks and other power-driven cars, vehicles of all kinds  
7 except mobile homes, boats and all watercraft, harness,  
8 saddlery and robes and except as provided in Class Five (b)  
9 of this section, all poles, lines, transformers, transformer  
10 stations, meters, tools, improvements, machinery and other  
11 property used and owned by all persons, firms, corporations,  
12 and other organizations which are engaged in the business of  
13 furnishing telephone communications, exclusively to rural  
14 areas, or to rural areas and cities and towns provided that  
15 any such city or town has a population of eight hundred  
16 (800) persons or less; and provided further, that the  
17 average circuit miles for each station on the system is more  
18 than one and one-quarter (1 1/4) miles.

19 Class Three. Livestock, poultry and unprocessed  
20 products of both; stocks of merchandise of all sorts,  
21 together with furniture and fixtures used therewith, except  
22 mobile homes; and all office or hotel furniture and  
23 fixtures.

24 Class Four. (a) All land, town and city lots, with  
25 improvements, and all trailers affixed to land owned,

SECOND READING

1 leased, or under contract or purchase by the trailer owner,  
 2 manufacturing and mining machinery, fixtures and supplies,  
 3 except as otherwise provided by the constitution of Montana,  
 4 and except as such property may be included in Class Five,  
 5 or Class Seven or-Eight OR CLASS EIGHT.

6 (b) Mobile homes without regard to the ownership of the  
 7 land upon which they are situated, except those held by a  
 8 distributor or dealer of mobile homes as part of his stock  
 9 in trade, and except as such property may be included in  
 10 Class Eight Seven EIGHT.

11 Class Five. (a) All moneys and credits, secured or  
 12 unsecured, including all state, county, school district and  
 13 other municipal bonds, warrants and securities, without any  
 14 deduction or offset; provided, however, that the terms  
 15 "moneys and credits" as herein used shall not embrace the  
 16 moneyed capital employed in the banking business by any  
 17 banking corporation or individual in this state.

18 (b) All poles, lines, transformers, transformer  
 19 stations, meters, tools, improvements, machinery and other  
 20 property used and owned by co-operative rural electrical and  
 21 co-operative rural telephone associations organized under  
 22 the laws of Montana except those within the incorporated  
 23 limits of a city or town in which less than ninety-five per  
 24 cent (95%) of the electric consumers and/or telephone users  
 25 are served by a co-operative organization, and as to the

1 property enumerated in this sub-section (b) within  
 2 incorporated limits of a city or town in which less than  
 3 ninety-five per cent (95%) of the electric consumers or  
 4 users will be served by a co-operative organization, such  
 5 property shall be put in Class Two.

6 (c) All unprocessed agricultural products either on the  
 7 farm or in storage, irrespective of whether said products  
 8 are owned by the elevator, warehouse or flour mill owner or  
 9 company storing the same, or any other person whomsoever,  
 10 except all perishable fruits and vegetables in farm storage  
 11 and owned by the producer, and excepting livestock and  
 12 poultry and the unprocessed products of both.

13 (d) The dwelling house, and the lot on which it is  
 14 erected, owned and occupied by any resident of the state,  
 15 who has been honorably discharged from active service in any  
 16 branch of the armed forces, who is rated one hundred per  
 17 cent (100%) disabled due to a service-connected disability  
 18 by the United States veterans administration or its  
 19 successors.

20 In the event of the veteran's death, the dwelling  
 21 house, and the lot on which it is erected, so long as the  
 22 widow remains unmarried and the owner and occupant of the  
 23 property, shall remain within this classification.

24 Class Six. Property formerly included in this class is  
 25 now classified by section 84-308, R.C.M. 1947.



1       Class Seven: ~~(a) All new industrial property. New~~  
2 ~~industrial property shall mean any new industrial plant,~~  
3 ~~including land, buildings, machinery and fixtures which, in~~  
4 ~~the determination of the state department of revenue, is~~  
5 ~~used by a new industry during the first three (3) years of~~  
6 ~~operation not having been assessed prior to July 1, 1961,~~  
7 ~~within the state of Montana. New industry shall mean any~~  
8 ~~person, corporation, firm, partnership, association, or~~  
9 ~~other group which establishes a new plant or plants in this~~  
10 ~~state for the operation of a new industrial endeavor, as~~  
11 ~~distinguished from a mere expansion, reorganization, or~~  
12 ~~merger of an existing industry or industries. Provided,~~  
13 ~~however, that new industrial property shall be limited to~~  
14 ~~industries that manufacture, mill, mine, produce, process or~~  
15 ~~fabricate materials, or do similar work in which capital and~~  
16 ~~labor are employed and in which materials unserviceable in~~  
17 ~~their natural state are extracted, processed or made fit for~~  
18 ~~use or are substantially altered or treated so as to create~~  
19 ~~commercial products or materials, and in no event shall the~~  
20 ~~term new industrial property be included to mean property~~  
21 ~~used by retail or wholesale merchants, commercial services~~  
22 ~~of any type, agriculture, trades or professions. And~~  
23 ~~provided further, that new industrial property shall not be~~  
24 ~~included to mean property which is used or employed in any~~  
25 ~~industrial plant which has been in operation in this state~~

1 ~~for three (3) years or longer. Any person, corporation,~~  
2 ~~firm, partnership, association or other group seeking to~~  
3 ~~qualify its property for inclusion in this class shall make~~  
4 ~~application to the state department of revenue in such~~  
5 ~~manner and form as may be required by said department.~~

6       CLASS SEVEN. (A) ALL NEW INDUSTRIAL PROPERTY. NEW  
7 INDUSTRIAL PROPERTY SHALL MEAN ANY NEW INDUSTRIAL PLANT,  
8 INCLUDING LAND, BUILDINGS, MACHINERY AND FIXTURES, WHICH IN  
9 THE DETERMINATION OF THE STATE DEPARTMENT OF REVENUE, IS  
10 USED BY A NEW INDUSTRY DURING THE FIRST THREE (3) YEARS OF  
11 OPERATION NOT HAVING BEEN ASSESSED PRIOR TO JULY 1, 1961,  
12 WITHIN THE STATE OF MONTANA. NEW INDUSTRY SHALL MEAN ANY  
13 PERSON, CORPORATION, FIRM, PARTNERSHIP, ASSOCIATION, OR  
14 OTHER GROUP WHICH ESTABLISHES A NEW PLANT OR PLANTS IN THIS  
15 STATE FOR THE OPERATION OF A NEW INDUSTRIAL ENDEAVOR, AS  
16 DISTINGUISHED FROM A MERE EXPANSION, REORGANIZATION, OR  
17 MERGER OF AN EXISTING INDUSTRY OR INDUSTRIES. PROVIDED,  
18 HOWEVER, THAT NEW INDUSTRIAL PROPERTY SHALL BE LIMITED TO  
19 INDUSTRIES THAT MANUFACTURE, MILL, MINE, PRODUCE, PROCESS OR  
20 FABRICATE MATERIALS, OR DO SIMILAR WORK IN WHICH CAPITAL AND  
21 LABOR ARE EMPLOYED AND IN WHICH MATERIALS UNSERVICEABLE IN  
22 THEIR NATURAL STATE ARE EXTRACTED, PROCESSED OR MADE FIT FOR  
23 USE OR ARE SUBSTANTIALLY ALTERED OR TREATED SO AS TO CREATE  
24 COMMERCIAL PRODUCTS OR MATERIALS, AND IN NO EVENT SHALL THE  
25 TERM NEW INDUSTRIAL PROPERTY BE INCLUDED TO MEAN PROPERTY

1 USED BY RETAIL OR WHOLESALE MERCHANTS, COMMERCIAL SERVICES  
 2 OF ANY TYPE, AGRICULTURE, TRADES OR PROFESSIONS. AND  
 3 PROVIDED FURTHER, THAT NEW INDUSTRIAL PROPERTY SHALL NOT BE  
 4 INCLUDED TO MEAN PROPERTY WHICH IS USED OR EMPLOYED IN ANY  
 5 INDUSTRIAL PLANT WHICH HAS BEEN IN OPERATION IN THIS STATE  
 6 FOR THREE (3) YEARS OR LONGER. ANY PERSON, CORPORATION,  
 7 FIRM, PARTNERSHIP, ASSOCIATION OR OTHER GROUP SEEKING TO  
 8 QUALIFY ITS PROPERTY FOR INCLUSION IN THIS CLASS SHALL MAKE  
 9 APPLICATION TO THE STATE DEPARTMENT OF REVENUE IN SUCH  
 10 MANNER AND FORM AS MAY BE REQUIRED BY SAID DEPARTMENT.  
 11 EXCEPT FOR AIR POLLUTION EQUIPMENT SPECIFIED IN SECTION  
 12 69-3923, R.C.M. 1947, PROPERTY DESCRIBED IN THIS CLASS SHALL  
 13 BE LIMITED TO PROPERTY WHICH HAS RECEIVED APPROVAL FROM THE  
 14 DEPARTMENT OF REVENUE PRIOR TO JULY 1, 1975.

15 Class ~~Eight Seven~~ EIGHT. Any improvement on real  
 16 property, trailers affixed to land or mobile home belonging  
 17 to any person who qualifies under any one or more of the  
 18 hereinafter set forth categories, valued at not more than  
 19 seventeen thousand five hundred dollars (\$17,500), which is  
 20 owned or under a contract for deed, and which is actually  
 21 occupied by:

22 (1) a widow sixty-two (62) years of age or older,  
 23 whether with or without minor dependent children, who  
 24 qualifies under the income limitations of (4), or

25 (2) a widower sixty-five (65) years of age or older,

1 whether with or without minor dependent children, who  
 2 qualifies under the income limitations of (4), or

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 4 of age, who qualifies under the income limitations of (4),  
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6 (4) a recipient of retirement benefits whose income  
 7 from all sources is not more than four thousand dollars  
 8 (\$4,000) for a single person and five thousand two hundred  
 9 dollars (\$5,200) for a married couple per annum. Provided,  
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 13 state department of revenue supplied without cost to the  
 14 applicant, as to his income, if applicable, as to his  
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 17 actually occupies such improvements with right of the county  
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 19 completion of the form, as to answers given on the form.  
 20 Provided, further, that the value of said property shall not  
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 25 applicant signs a statement swearing to or affirming the

1 correctness of the information supplied, whether or not the  
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25 Class 5. Seven per cent (7%) of its true and full

1 value.

2 Class 6. As specified in section 84-308, R.C.M. 1947.

3 ~~Class 7. Seven per cent (7%) of its true and full~~  
 4 ~~value.~~ CLASS 7. SEVEN PER CENT (7%) OF ITS TRUE AND FULL  
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 7 full value.

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10 ~~Section 3. This act is effective on its passage and~~  
 11 ~~approval.~~

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24 Class Four. (a) All land, town and city lots, with  
25 improvements, and all trailers affixed to land owned,

1 leased, or under contract or purchase by the trailer owner,  
 2 manufacturing and mining machinery, fixtures and supplies,  
 3 except as otherwise provided by the constitution of Montana,  
 4 and except as such property may be included in Class Five,  
 5 or Class Seven ~~or Eight~~ OR CLASS EIGHT.

6 (b) Mobile homes without regard to the ownership of the  
 7 land upon which they are situated, except those held by a  
 8 distributor or dealer of mobile homes as part of his stock  
 9 in trade, and except as such property may be included in  
 10 Class ~~Eight~~ Seven EIGHT.

11 Class Five. (a) All moneys and credits, secured or  
 12 unsecured, including all state, county, school district and  
 13 other municipal bonds, warrants and securities, without any  
 14 deduction or offset; provided, however, that the terms  
 15 "moneys and credits" as herein used shall not embrace the  
 16 moneyed capital employed in the banking business by any  
 17 banking corporation or individual in this state.

18 (b) All poles, lines, transformers, transformer  
 19 stations, meters, tools, improvements, machinery and other  
 20 property used and owned by co-operative rural electrical and  
 21 co-operative rural telephone associations organized under  
 22 the laws of Montana except those within the incorporated  
 23 limits of a city or town in which less than ninety-five per  
 24 cent (95%) of the electric consumers and/or telephone users  
 25 are served by a co-operative organization, and as to the

1 property enumerated in this sub-section (b) within  
 2 incorporated limits of a city or town in which less than  
 3 ninety-five per cent (95%) of the electric consumers or  
 4 users will be served by a co-operative organization, such  
 5 property shall be put in Class Two.

6 (c) All unprocessed agricultural products either on the  
 7 farm or in storage, irrespective of whether said products  
 8 are owned by the elevator, warehouse or flour mill owner or  
 9 company storing the same, or any other person whomever,  
 10 except all perishable fruits and vegetables in farm storage  
 11 and owned by the producer, and excepting livestock and  
 12 poultry and the unprocessed products of both.

13 (d) The dwelling house, and the lot on which it is  
 14 erected, owned and occupied by any resident of the state,  
 15 who has been honorably discharged from active service in any  
 16 branch of the armed forces, who is rated one hundred per  
 17 cent (100%) disabled due to a service-connected disability  
 18 by the United States veterans administration or its  
 19 successors.

20 In the event of the veteran's death, the dwelling  
 21 house, and the lot on which it is erected, so long as the  
 22 widow remains unmarried and the owner and occupant of the  
 23 property, shall remain within this classification.

24 Class Six. Property formerly included in this class is  
 25 now classified by section 84-308, R.C.M. 1947.

1        ~~Class Seven:--(a)--All--new--industrial--property.--New~~  
2        ~~industrial--property--shall--mean--any--new--industrial--plant,~~  
3        ~~including--land,--buildings,--machinery--and--fixtures--which,--in~~  
4        ~~the--determination--of--the--state--department--of--revenue,--is~~  
5        ~~used--by--a--new--industry--during--the--first--three--(3)--years--of~~  
6        ~~operation--not--having--been--assessed--prior--to--July--1,--1961,~~  
7        ~~within--the--state--of--Montana;--New--industry--shall--mean--any~~  
8        ~~person,--corporation,--firm,--partnership,--association,--or~~  
9        ~~other--group--which--establishes--a--new--plant--or--plants--in--this~~  
10       ~~state--for--the--operation--of--a--new--industrial--endeavor,--as~~  
11       ~~distinguished--from--a--mere--expansion,--reorganization,--or~~  
12       ~~merger--of--an--existing--industry--or--industries.--Provided,~~  
13       ~~however,--that--new--industrial--property--shall--be--limited--to~~  
14       ~~industries--that--manufacture,--mill,--mine,--produce,--process--or~~  
15       ~~fabricate--materials,--or--do--similar--work--in--which--capital--and~~  
16       ~~labor--are--employed--and--in--which--materials--unserviceable--in~~  
17       ~~their--natural--state--are--extracted,--processed--or--made--fit--for~~  
18       ~~use--or--are--substantially--altered--or--treated--so--as--to--create~~  
19       ~~commercial--products--or--materials,--and--in--no--event--shall--the~~  
20       ~~term--new--industrial--property--be--included--to--mean--property~~  
21       ~~used--by--retail--or--wholesale--merchants,--commercial--services~~  
22       ~~of--any--type,--agriculture,--trades--or--professions;--And~~  
23       ~~provided--further,--that--new--industrial--property--shall--not--be~~  
24       ~~included--to--mean--property--which--is--used--or--employed--in--any~~  
25       ~~industrial--plant--which--has--been--in--operation--in--this--state~~

1       ~~for--three--(3)--years--or--longer.--Any--person,--corporation,~~  
2       ~~firm,--partnership,--association--or--other--group--seeking--to~~  
3       ~~qualify--its--property--for--inclusion--in--this--class--shall--make~~  
4       ~~application--to--the--state--department--of--revenue--in--such~~  
5       ~~manner--and--form--as--may--be--required--by--said--department.~~

6        CLASS SEVEN. (A) ALL NEW INDUSTRIAL PROPERTY. NEW  
7        INDUSTRIAL PROPERTY SHALL MEAN ANY NEW INDUSTRIAL PLANT,  
8        INCLUDING LAND, BUILDINGS, MACHINERY AND FIXTURES, WHICH IN  
9        THE DETERMINATION OF THE STATE DEPARTMENT OF REVENUE, IS  
10       USED BY A NEW INDUSTRY DURING THE FIRST THREE (3) YEARS OF  
11       OPERATION NOT HAVING BEEN ASSESSED PRIOR TO JULY 1, 1961,  
12       WITHIN THE STATE OF MONTANA. NEW INDUSTRY SHALL MEAN ANY  
13       PERSON, CORPORATION, FIRM, PARTNERSHIP, ASSOCIATION, OR  
14       OTHER GROUP WHICH ESTABLISHES A NEW PLANT OR PLANTS IN THIS  
15       STATE FOR THE OPERATION OF A NEW INDUSTRIAL ENDEAVOR, AS  
16       DISTINGUISHED FROM A MERE EXPANSION, REORGANIZATION, OR  
17       MERGER OF AN EXISTING INDUSTRY OR INDUSTRIES. PROVIDED,  
18       HOWEVER, THAT NEW INDUSTRIAL PROPERTY SHALL BE LIMITED TO  
19       INDUSTRIES THAT MANUFACTURE, MILL, MINE, PRODUCE, PROCESS OR  
20       FABRICATE MATERIALS, OR DO SIMILAR WORK IN WHICH CAPITAL AND  
21       LABOR ARE EMPLOYED AND IN WHICH MATERIALS UNSERVICEABLE IN  
22       THEIR NATURAL STATE ARE EXTRACTED, PROCESSED OR MADE FIT FOR  
23       USE OR ARE SUBSTANTIALLY ALTERED OR TREATED SO AS TO CREATE  
24       COMMERCIAL PRODUCTS OR MATERIALS, AND IN NO EVENT SHALL THE  
25       TERM NEW INDUSTRIAL PROPERTY BE INCLUDED TO MEAN PROPERTY

1 USED BY RETAIL OR WHOLESALE MERCHANTS, COMMERCIAL SERVICES  
 2 OF ANY TYPE, AGRICULTURE, TRADES OR PROFESSIONS. AND  
 3 PROVIDED FURTHER, THAT NEW INDUSTRIAL PROPERTY SHALL NOT BE  
 4 INCLUDED TO MEAN PROPERTY WHICH IS USED OR EMPLOYED IN ANY  
 5 INDUSTRIAL PLANT WHICH HAS BEEN IN OPERATION IN THIS STATE  
 6 FOR THREE (3) YEARS OR LONGER. ANY PERSON, CORPORATION,  
 7 FIRM, PARTNERSHIP, ASSOCIATION OR OTHER GROUP SEEKING TO  
 8 QUALIFY ITS PROPERTY FOR INCLUSION IN THIS CLASS SHALL MAKE  
 9 APPLICATION TO THE STATE DEPARTMENT OF REVENUE IN SUCH  
 10 MANNER AND FORM AS MAY BE REQUIRED BY SAID DEPARTMENT.  
 11 EXCEPT FOR AIR POLLUTION EQUIPMENT SPECIFIED IN SECTION  
 12 69-3923, R.C.M. 1947, PROPERTY DESCRIBED IN THIS CLASS SHALL  
 13 BE LIMITED TO PROPERTY WHICH HAS RECEIVED APPROVAL FROM THE  
 14 DEPARTMENT OF REVENUE PRIOR TO JULY 1, 1975.

15 Class ~~Eight Seven~~ EIGHT. Any improvement on real  
 16 property, trailers affixed to land or mobile home belonging  
 17 to any person who qualifies under any one or more of the  
 18 hereinafter set forth categories, valued at not more than  
 19 seventeen thousand five hundred dollars (\$17,500), which is  
 20 owned or under a contract for deed, and which is actually  
 21 occupied by:

22 (1) a widow ~~sixty-two~~ (62) years of age or older,  
 23 whether with or without minor dependent children, who  
 24 qualifies under the income limitations of (4), or

25 (2) a widower ~~sixty-five~~ (65) years of age or older,

1 whether with or without minor dependent children, who  
 2 qualifies under the income limitations of (4), or

3 (3) a widow with minor or dependent children regardless  
 4 of age, who qualifies under the income limitations of (4),  
 5 or

6 (4) a recipient of retirement benefits whose income  
 7 from all sources is not more than four thousand dollars  
 8 (\$4,000) for a single person and five thousand two hundred  
 9 dollars (\$5,200) for a married couple per annum. Provided,  
 10 further, that one who applies for classification of property  
 11 under this class must make an affidavit to the state  
 12 department of revenue on a form as may be provided by the  
 13 state department of revenue supplied without cost to the  
 14 applicant, as to his income, if applicable, as to his  
 15 retirement benefits, if applicable, or, as to his marital  
 16 status, if applicable, and to the fact that he or she  
 17 actually occupies such improvements with right of the county  
 18 welfare board to investigate the applicant, on the  
 19 completion of the form, as to answers given on the form.

20 Provided, further, that the value of said property shall not  
 21 increase during the life of the recipient of retirement  
 22 benefits or widow or widower covered under this class. For  
 23 purposes of the affidavit required for classification of  
 24 property under this class, it shall be sufficient if the  
 25 applicant signs a statement swearing to or affirming the

1 correctness of the information supplied, whether or not the  
 2 statement is signed before a person authorized to administer  
 3 oaths, and mails the application and statement to the  
 4 department of revenue. This signed statement shall be  
 5 treated as a statement under oath or equivalent affirmation  
 6 for purposes of section 94-7-203, R.C.M. 1947, relating to  
 7 the criminal offense of false swearing.

8 Class ~~Nine~~ Eight NINE. All property not included in the  
 9 ~~eight-(8) seven-(7)~~ EIGHT (8) preceding classes."

10 Section 2. Section 84-302, R.C.M. 1947, is amended to  
 11 read as follows:

12 "84-302. Basis for imposition of taxes. As a basis for  
 13 the imposition of taxes upon the different classes of  
 14 property specified in the preceding section, a percentage of  
 15 the true and full value of the property of each class shall  
 16 be taken as follows:

17 Class 1. One hundred per cent (100%) of its true and  
 18 full value.

19 Class 2. Twenty per cent (20%) of its true and full  
 20 value.

21 Class 3. Thirty-three and one-third per cent (33 1/3%)  
 22 of its true and full value.

23 Class 4. Thirty per cent (30%) of its true and full  
 24 value.

25 Class 5. Seven per cent (7%) of its true and full

1 value.

2 Class 6. As specified in section 84-308, R.C.M. 1947.

3 ~~Class 7. Seven per cent (7%) of its true and full~~  
 4 ~~value.~~ CLASS 7. SEVEN PER CENT (7%) OF ITS TRUE AND FULL  
 5 VALUE.

6 Class ~~8~~ 7 8. Fifteen per cent (15%) of its true and  
 7 full value.

8 Class ~~9~~ 8 9. Forty per cent (40%) of its true and full  
 9 value."

10 ~~Section 3. This act is effective on its passage and~~  
 11 ~~approval.~~

-End-