

1 HOUSE BILL NO. 20
2 INTRODUCED BY MARKS

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CORRECT GRAMMAR AND
5 INTERNAL REFERENCES, AND DELETE REDUNDANT, OBSOLETE, OR
6 UNCONSTITUTIONAL PROVISIONS IN THE PROPERTY TAX AND LICENSE
7 TAX LAWS; AMENDING SECTIONS 82-1104, 84-201, 84-202, 84-406,
8 84-437.5, 84-501, 84-1608, 84-4002, 84-4166, 84-4169,
9 84-41-100, 84-4216, 84-5606.18, AND 84-5606.26, R.C.M. 1947;
10 AND REPEALING SECTIONS 84-514, 84-713, 84-1902, 84-1903,
11 84-4011, 84-4144 THROUGH 84-4150, 84-4159, 84-5703 THROUGH
12 84-5717, 84-5718, AND 84-5719, R.C.M. 1947."

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
14 Section 1. Section 84-201, R.C.M. 1947, is amended to
15 read as follows:

16 "84-201. Property subject to taxation. All property in
17 this state is subject to taxation, except as provided ~~in the~~
18 ~~next section~~ otherwise."

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

21 "84-202. Exemptions from taxation. (1) (a) The
22 property of the United States, the state, counties, cities,
23 towns, school districts, municipal corporations, public
24 libraries; buildings with land they occupy and furnishings
25 therein owned by a church and used for actual religious

1 worship and for residences of the clergy, together with
2 adjacent land reasonably necessary for convenient use of
3 such buildings owned by a church; such other property as is
4 used exclusively for agricultural and horticultural
5 societies, for educational purposes, hospitals and places of
6 burial not used or held for private or corporate profit;
7 ~~and~~ institutions of purely public charity; evidence of debt
8 secured by mortgages of record upon real or personal
9 property in the state of Montana; and public art galleries
10 and public observatories not used or held for private or
11 corporate profit, are exempt from taxation, but no more land
12 than is necessary for such purpose is exempt.

13 (b) As used in this subsection, the term "institutions
14 of purely public charity" ~~shall include~~ includes
15 organizations owning and operating facilities for the care
16 of the retired or aged or chronically ill which are not
17 operated for gain or profit; and the terms "public art
18 galleries and public observatories" ~~shall mean~~ only such art
19 galleries and observatories, whether of public or private
20 ownership, as are open to the public, without charge or fee,
21 at all reasonable hours, and are used for the purpose of
22 education only.

23 (2) When a clubhouse or building erected by or
24 belonging to any society or organization of honorably
25 discharged United States ~~soldiers, sailors or marines who~~

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

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

21 (4) (a) Freeport merchandise ~~shall be~~ is exempt from
 22 taxation. Freeport merchandise means those stocks of
 23 merchandise manufactured or produced outside this state
 24 which are in transit through this state and consigned to a
 25 warehouse or other storage facility, public or private,

1 within this state, for storage in transit prior to shipment
 2 to a final destination outside the state, and which have
 3 acquired a taxable situs within the state.

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

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

13 (5) [The following agricultural products are exempt
 14 from taxation:]

15 (a) ~~All~~ all unprocessed, perishable fruits and
 16 vegetables in farm storage and owned by the producer ~~are~~
 17 ~~exempt from taxation.~~

18 (b) ~~All~~ all nonperishable unprocessed agricultural
 19 products, except livestock, held in possession of the
 20 original producer for less than ~~seven~~ {7} months following
 21 harvest; and

22 (c) ~~livestock~~ livestock, defined as cattle, sheep,
 23 horses, or mules, which have not attained the age of ~~nine~~
 24 {9} months as of the last day of any month.

25 (6) Moneys and credits are exempt from taxation.

1 (7) A capital investment in a recognized nonfossil
2 form of energy generation is exempt to the extent provided
3 under ~~section~~ 84-7403."

4 Section 3. Section 84-406, R.C.M. 1947, is amended to
5 read as follows:

6 "84-406. Time of assessment — motor vehicles —
7 mobile homes — livestock — snowmobiles. (1) The department
8 of revenue or its agent must, between ~~the first day of~~
9 January 1 and the second Monday of July in each year,
10 ascertain the names of all taxable inhabitants, and assess
11 all property in each county subject to taxation, except such
12 as is required to be centrally assessed by the state
13 department ~~of revenue~~, and must assess such property to the
14 persons by whom it was owned or claimed, or in whose
15 possession or control it was at 12 midnight of ~~the first day~~
16 of January 1 next preceding. It must also ascertain and
17 assess all mobile homes arriving in the county after 12
18 midnight of ~~the first day of~~ January 1 next preceding.

19 (2) The procedure provided by this section shall not
20 apply to:

21 (a) ~~motor~~ motor vehicles which are required by
22 ~~subdivision subsection~~ (2) hereof to be assessed as of the
23 ~~first day of~~ January 1, or upon their anniversary
24 registration date; but no mistake in the name of the owner
25 or supposed owner of real property renders the assessment

1 thereof invalid;

2 (b) ~~Livestock~~ livestock which are required by
3 ~~subdivision subsection~~ (3) of this section to be assessed on
4 an average inventory basis in each county; ~~Credits must be~~
5 ~~assessed as provided in section 84-101, subdivision 6.~~

6 (c) ~~Property~~ property defined in ~~section~~ 53-642 as
7 "special mobile equipment" which is subject to assessment of
8 personal property taxes on the date that application is made
9 for a special mobile equipment plate;

10 (d) ~~mobile~~ mobile homes held by a distributor or
11 dealer of mobile homes as a part of his stock in trade;

12 ~~(e) Campers which are required by subdivision 4 hereof~~
13 ~~to be assessed as of the first day of January.~~

14 ~~(f) (e) Snowmobiles~~ snowmobiles which are required by
15 ~~subdivision 5 subsection (4) hereof~~ to be assessed as of the
16 ~~first day of~~ July 1.

17 ~~(2) (3) (a)~~ The department or its agent must ascertain
18 and assess all motor vehicles, except mobile homes, in each
19 county subject to taxation as of January 1, or as of the
20 anniversary registration date of those vehicles subject to
21 ~~sections~~ 53-154 through 53-162, in each year, and the same
22 shall be assessed to the persons by whom owned or claimed,
23 or in whose possession or control such vehicle was at 12
24 midnight of ~~the first day of~~ January 1 or the anniversary
25 registration date thereof, whichever is applicable, in each

1 year. ~~Provided that such~~ The tax shall ~~may~~ not be assessed
 2 against motor vehicles which constitute inventory of motor
 3 vehicle dealers as of January 1, but ~~said~~ such vehicles, and
 4 all other motor vehicles brought into the state subsequent
 5 to January 1, as motor vehicle dealer's inventory, shall be
 6 assessed to their respective purchasers as of the dates ~~said~~
 7 the vehicles are registered by ~~said~~ the purchasers, and
 8 ~~purchasers~~ "Purchasers" means and includes dealers who apply
 9 for registration or ~~re-registration~~ reregistration of motor
 10 vehicles, except as otherwise provided by ~~section~~ 32-3315.
 11 Goods, wares, and merchandise of motor vehicle dealers,
 12 other than new motor vehicles and new mobile homes, shall be
 13 assessed at full and true value as of ~~the first day of~~
 14 January 1.

15 ~~(b) Except that this paragraph shall~~ This subsection
 16 ~~(2) does~~ not apply to an applicant for registration or
 17 ~~re-registration~~ reregistration of a mobile home, and nothing
 18 herein contained ~~shall relieve~~ relieves the applicant for
 19 registration or ~~re-registration~~ reregistration of any other
 20 motor vehicle so assessed or subject to assessment of the
 21 duty of paying taxes thereon as a condition precedent to
 22 registration or ~~re-registration~~ reregistration in the event
 23 ~~said the~~ taxes have not been paid by any prior applicant or
 24 owner in all cases where required to be paid.

25 ~~(3)~~ (4) The assessed value of livestock in each county

1 on the assessment date shall be computed by adding the
 2 assessed value of all livestock more than ~~nine~~ nine months of
 3 age owned by the taxpayer in each county on the last day of
 4 each month since the last assessment date and dividing the
 5 sum by ~~twelve~~ twelve. For purposes of this subdivision
 6 "livestock" means cattle, sheep, horses, and mules.

7 ~~(4) The department of revenue or its agent must~~
 8 ~~ascertain and assess all campers in each county subject to~~
 9 ~~taxation as of January 1 in each year, and the same shall be~~
 10 ~~assessed to the persons by whom owned or claimed, or in~~
 11 ~~whose possession or control such camper was, including~~
 12 ~~dealers, at 12 midnight of the first day of January in each~~
 13 ~~year.~~

14 (5) The department of revenue or its agent must
 15 ascertain and assess all snowmobiles in each county subject
 16 to taxation as of July 1 in each year, and the same shall be
 17 assessed to the persons by whom owned or claimed, or in
 18 whose possession or control such snowmobile was at 12
 19 midnight on ~~the first day of~~ July 1 in each year, ~~provided,~~
 20 ~~however, that snowmobiles~~ Snowmobiles which constitute
 21 inventory of snowmobile dealers shall be assessed to the
 22 dealers as of 12 midnight ~~of the first day of~~ on January 1
 23 in each year, ~~and further provided that all snowmobiles~~
 24 ~~that have been assessed and for which taxes have been paid~~
 25 ~~for the period of January 1, 1975 through December 31, 1975,~~

1 ~~shall be assessed for only six (6) months during the period~~
 2 ~~July 1, 1975 through June 30, 1976."~~

3 Section 4. Section 84-437.5, R.C.M. 1947, is amended
 4 to read as follows:

5 "84-437.5. Roll-back tax procedures governed by
 6 nonagricultural provisions. The assessment of the roll-back
 7 tax imposed by ~~section 5 [84-437.3]~~ 84-437.4, the attachment
 8 of the lien for such taxes, and the right of the owner or
 9 other interested party to review any judgment of the
 10 department of revenue or local tax appeal board affecting
 11 such roll-back tax, shall be governed by the procedures
 12 provided for the assessment and taxation of real property
 13 not valued, assessed, and taxed under the provisions of this
 14 act. The roll-back tax collected shall be paid into the
 15 county treasury and paid by the treasurer to the various
 16 taxing units pro rata in accordance with the levies for the
 17 current year."

18 Section 5. Section 84-501, R.C.M. 1947, is amended to
 19 read as follows:

20 "84-501. Property — how listed. The ~~state~~ department
 21 of revenue must prepare an assessment book with appropriate
 22 headings, alphabetically arranged, in which must be listed
 23 all property within the state, and in which must be
 24 specified in separate columns, under the appropriate head:

25 ~~4-(1)~~ 1 The the name of the person to whom the property

1 is assessed;

2 ~~2-(2)~~ 2 Lead land, by township, range, section, or
 3 fractional section, and, when such land is not a United
 4 States land division or subdivision, by metes and bounds, or
 5 other description sufficient to identify it, giving an
 6 estimate of the number of acres, not exceeding in each and
 7 every tract ~~six hundred and forty~~ 640 acres, locality, and
 8 the improvements thereon;

9 ~~3-(3)~~ 3 City city and town lots, naming the city or
 10 town, and the number of the lot and block, according to the
 11 system of numbering in such city or town, and the value of
 12 same with improvements thereon;

13 ~~4-(4)~~ 4 all all taxable personal property, showing the
 14 number, kind, amount, and quality; but a failure to
 15 enumerate in detail such personal property does not
 16 invalidate the assessment;

17 ~~5-(5)~~ 5 The the assessed value of real estate, other
 18 than city or town lots;

19 ~~6-(6)~~ 6 The the assessed value of city and town lots
 20 with improvements thereon, except that a lot and
 21 improvements thereon shall be separately listed when
 22 required under ~~section~~ 84-401, R.C.M. 1947;

23 ~~7-(7)~~ 7 The the assessed value of improvements on real
 24 estate assessed to persons other than the owners of the real
 25 estate. Taxable improvements owned by the person, firm,

1 association, or corporation located upon land exempt from
 2 taxation shall, as to the manner of assessment, be assessed
 3 as other real estate upon the assessment roll. No value,
 4 however, may be assessed against the exempt land, nor under
 5 any circumstances may the land be charged with or become
 6 responsible for the assessment made against any taxable
 7 improvements located thereon.

8 ~~8.~~ 8. The the assessed value of all taxable personal
 9 property, ~~exclusive of money;~~

10 ~~9. The amount of money.~~

11 ~~10. Taxable improvements owned by the person, firm,~~
 12 ~~association, or corporation located upon land exempt from~~
 13 ~~taxation must, as to the manner of assessment, be assessed~~
 14 ~~as other real estate upon the assessment roll. No value,~~
 15 ~~however, must be assessed against the exempt land, nor under~~
 16 ~~any circumstances must the land be charged with or become~~
 17 ~~responsible for the assessment made against any taxable~~
 18 ~~improvements located thereon.~~

19 ~~11.~~ 11. ~~The~~ the school, road, and other revenue
 20 districts in which each piece of property assessed is
 21 situated;

22 ~~12.~~ 12. ~~The~~ the total assessed value of all property.

23 ~~13. The figure one (1), in separate columns, opposite~~
 24 ~~the name of every person liable to pay a poll tax."~~

25 Section 6. Section 84-1608, R.C.M. 1947, is amended to

1 read as follows:

2 "84-1608. False statements constitute perjury. Any
 3 person, officer, partner, agent, or representative of any
 4 producer referred to in section 84-1601, who ~~shall make~~
 5 makes any false statement, affidavit, certificate, report,
 6 or statement ~~herein~~ required to be made to the state
 7 department of revenue, ~~hereunder, shall be deemed is~~ guilty
 8 of perjury and upon conviction shall be punished by
 9 ~~imprisonment in the state penitentiary for not less than one~~
 10 ~~(1) nor more than fourteen (14) years as provided in the~~
 11 Original Code of 1973, as amended."

12 Section 7. Section 84-4002, R.C.M. 1947, is amended to
 13 read as follows:

14 "84-4002. County clerk to prepare duplicate statement.
 15 The county clerk ~~must shall~~, on or before the second Monday
 16 in August of each year, prepare from the assessment book of
 17 such year, as corrected by the department of revenue or its
 18 agent, duplicate statements, showing in separate columns:

19 ~~1.~~ 1. ~~The~~ the total value of all property;

20 ~~2.~~ 2. ~~The~~ the value of real estate, including mining
 21 claims, stated separately;

22 ~~3.~~ 3. ~~The~~ the value of the improvements thereon;

23 ~~4.~~ 4. ~~The~~ the value of taxable personal property,
 24 ~~exclusive of money;~~

25 ~~5. The amount of money;~~

1 ~~6.~~ (5) ~~The~~ the number of acres of land, and the number
2 of mining claims, stated separately."

3 Section 8. Section 84-4166, R.C.M. 1947, is amended to
4 read as follows:

5 "84-4166. Defense to action — redemption of parcels.
6 Any defendant may appear in ~~said~~ the action within the time
7 provided by law for appearances in civil actions, ~~and~~ may
8 set up any defense to the ~~said~~ action he may have, and may
9 therein question the legality, validity, or the sufficiency
10 of any act had in connection with the assessment or sale of
11 ~~said~~ the land, ~~any~~ any defendant to ~~said~~ the action may
12 make redemption of ~~said~~ the lands from ~~said~~ the tax sale by
13 paying the total amount of delinquent taxes and penalties
14 which plaintiff has paid, with interest thereon at ~~eight per~~
15 ~~centes (8%) per annum a year~~ from date of payment, ~~which~~
16 ~~plaintiff shall have paid~~, together with costs of the
17 action, ~~and upon~~ Upon such payment, a certificate of
18 redemption ~~therefrom~~ shall be issued by the county treasurer
19 ~~of said county~~ to the defendant so paying, and thereupon the
20 ~~said~~ action shall be dismissed, ~~whenever~~ Whenever a
21 defendant ~~shall desire~~ desires to redeem from a tax sale and
22 pay all subsequent taxes upon any lots, piece, or parcel of
23 real estate, which ~~said~~ a person, firm, ~~partnership~~
24 partnership, corporation, or association ~~shall own~~ owns or
25 ~~hold~~ holds a mortgage or other lien against or ~~have~~ has any

1 interest in ~~such property~~, ~~it shall be the duty of~~, the
2 county treasurer of the county in which such real estate is
3 situated ~~to~~ shall permit such redemption and payment, ~~and~~
4 ~~in~~ In case the ~~said~~ real estate ~~shall have~~ has been assessed
5 against any other property ~~shall be~~ and is a lien thereon,
6 ~~then it shall be the duty of said~~ the county treasurer ~~to~~
7 shall compute and apportion the tax that should have
8 properly been assessed against the ~~said~~ real estate sought
9 to be redeemed, and upon which the taxes are sought to be
10 paid, the same as if ~~said~~ the property had been separately
11 assessed. Any personal property tax which is a lien upon
12 ~~said~~ such real estate shall be likewise computed and
13 apportioned on the same percentage basis as the tax assessed
14 against the real estate is apportioned."

15 Section 9. Section 84-4169, R.C.M. 1947, is amended to
16 read as follows:

17 "84-4169. Form of tax deed issued on filing copy of
18 decree with treasurer. ~~Upon filing with the county treasurer~~
19 When a certified copy of the decree has been filed with the
20 county treasurer, he must issue a tax deed for the real
21 estate described in the judgment, which deed in substance
22 shall be as follows: "This indenture, made by and between
23(insert name of treasurer)...., county treasurer of the
24 county(insert name of county)...., in the state of
25 Montana, the party of the first part, and(insert name

1 and declared to be valid, notwithstanding that the lands
2 thereby conveyed may not have been classified under the
3 statutes herein referred to."

4 Section 11. Section 84-4216, R.C.M. 1947, is amended
5 to read as follows:

6 "84-4216. Cancellation of such taxes and obligations
7 — filing of lists. Upon receipt of such list or lists, and
8 within ~~thirty~~ (30) days thereafter, the board of county
9 commissioners shall examine the same and make any necessary
10 corrections. Thereupon the board of county commissioners
11 shall make its order canceling all such personal property
12 taxes and contractual obligations contained in such list or
13 lists, as corrected, required by this act to be canceled,
14 and spread such order upon its minutes. ~~But such~~ Such order
15 and minutes need not set forth in full the contents of such
16 list or lists, a proper reference therein for their
17 identification being sufficient, ~~provided, however, that at~~
18 At the time of making such order, the original or ~~ribbon~~
19 copy of such list or lists, as corrected, shall be filed
20 with and as a part of the records of the board, ~~one~~ one
21 legible ~~original-carbon~~ copy thereof shall be filed with the
22 county clerk and recorder as a public record, and one
23 legible ~~original-carbon~~ copy thereof shall be filed with the
24 county treasurer as a permanent record of his office."

25 Section 12. Section 84-5606.18, R.C.M. 1947, is

1 amended to read as follows:

2 "84-5606.18. Sale and use of cigarettes a misdemeanor
3 if insignia requirements not met. Every person who sells any
4 packages package of cigarettes which does not bear the
5 insignia required by this act, and every person who ~~shall~~
6 ~~use or consume~~ uses or consumes a cigarette within this
7 state, ~~any cigarette, or~~ unless the same ~~shall be~~ has been
8 taken from the original package having affixed thereto the
9 insignia required by this act, is guilty of a misdemeanor
10 and shall be punished as hereinafter provided."

11 Section 13. Section 84-5606.26, R.C.M. 1947, is
12 amended to read as follows:

13 "84-5606.26. Department's duties and powers — arrest,
14 entry of complaint, and lawful search and seizure
15 authorized. The department ~~is charged with the duty of~~
16 ~~administering and enforcing the provisions of~~ shall
17 administer and enforce this act, and the director and his
18 agents, ~~are hereby given~~ have the powers of peace officers,
19 and ~~are authorized and empowered to~~ may arrest any person
20 violating any provision of this act, and ~~to~~ enter a
21 complaint before any court of competent jurisdiction, and ~~to~~
22 lawfully search and seize and use as evidence, any unlawful
23 or unlawfully possessed license, stamp, or insignia found in
24 the possession of any person or in any place."

25 Section 14. Section 82-1104, R.C.M. 1947, is amended

1 to read as follows:

2 "82-1104. Prison made goods not affected. Nothing in
3 this act ~~shall be deemed to modify, amend or abridge~~
4 ~~sections modifies, amends, or abridges~~ 4-347, 4-348, 79-601,
5 84-1603, 84-1901, ~~84-1902, 84-1903,~~ 84-2012, and 84-2203, or
6 any law ~~or laws~~ pertaining to the making or marketing of
7 prison made goods or any law ~~or laws~~ regulating or
8 prohibiting the use or employment of convict labor."

9 Section 15. Repealer. Sections 84-514, 84-713,
10 84-1902, 84-1903, 84-4011, 84-4144 through 84-4150, 84-4159,
11 84-5703 through 84-5717, 84-5718 and 84-5719, B.C.S. 1947,
12 are repealed.

-End-

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DIRECTOR, RESEARCH

LC 0019

1977 Legislature
Code Commissioner Bill - Summary

House Bill No. 20

TO REVISE AND CLARIFY THE TAX LAWS.

(This summary does not include discussion of routine grammatical changes.)

This is a catchall bill for the miscellaneous revisions necessary to recodify the property tax and license tax Sections into a modern taxation title. The specific changes are as follows:

Section 1. Amend 84-201 to insert "as otherwise provided" in lieu of "as provided in the next Section". There are other Sections which exempt types of property.

Section 2. Amend 84-202, the general exemption Section, to update a reference to former military personnel (it now excludes the air force), to redesignate "the World War" as World War I, and to make style changes consistent with recodification standards.

Section 3. Amend 84-406, the time of assessment Section, to clarify a reference to centrally assessed property by inserting "centrally", and to delete a reference to assessing credits, exempted from tax in 1975. References to campers in (1) (e) and (4) were deleted. Campers are now assessed at the same time as other property so shouldn't be listed as an exception.

Section 4. Amend 84-437.5, in the greenbelt assessment law, to correct a reference back to the preceding Section. "84-437.3" should be "84-437.4".

Section 5. Amend 84-501, governing the format of the assessment book, by inserting the word "taxable" before personal property since various types of personalty have been exempted **in recent** years, to move paragraph 10 under number 7 since 10 is in the nature of assessment instructions rather than a separate category of property for the book, to delete references to money, exempted in 1975, and to delete the reference to the poll tax.

Section 6. Amend 84-1608 in the electric energy producer's tax to conform the penalty for perjury to that contained in the Criminal Code.

Section 7. Amend 84-4002 of the property tax law to conform the clerk's list to the revisions proposed for the assessment book by the 84-501 amendments, supra.

Section 8. Amend 84-4166 of the property tax law by inserting "and is" in lieu of "shall be" to make a phrase grammatical, and inserting "the" in lieu of "said" in various spots; conforming style to recodification standards.

Section 9. Amend 84-4169, property tax, by rearranging the opening phrase to clarify the subject of the sentence.

Section 10. Amend 84-41-100, property tax, by updating a reference to classification sections since repealed, inserting in lieu thereof the current provisions on classification, deleting a superfluous "heretofore as well as hereafter", and inserting the effective date in lieu of another heretofore.

Section 11. Amend 84-4216, personal property tax, by deleting requirement of a carbon copy in recognition of the advent of Xerox et al.

Section 12. Amend 84-5606.18, cigarette tax, by substituting the singular "package" for the plural "packages".

Section 13. Amend 84-5606.26, cigarette tax, by inserting the words "in any" before place, to clarify that the place cannot possess cigarettes.

Section 14. Amend 82-1104 to delete references to 84-1902 and 84-1903, which are to be repealed.

Section 15. -REPEALERS -

Repealers are proposed for the following reasons:

84-514: Authority to use abbreviations for range, township, etc. in references to land is superfluous in the light of the department's authority over assessment procedures.

84-713: Authority to set state mill levy is repeated in 84-3803; one or the other is unnecessary.

84-1902, 84-1903: Disposition of certain revenues into general fund, as directed by these sections, is unnecessary in the light of the Treasury Fund Structure Act.

84-4011: This provides a penalty for the county clerk's failure to perform duties which were transferred to the board of equalization back in 1923.

84-4144 through 84-4150: These sections were enacted in 1945 to provide a special quiet title procedure for tax deeds issued prior to 1945. It would appear that anyone needing to take advantage of this procedure will have done so by now.

84-4159: Section ruled unconstitutional.

84-5703 through 84-5717: Sections ruled unconstitutional.

84-5718, 84-5719: These sections were rendered inoperative by the repeal, in 1951, of the state punchboard authorization.

Approved by Committee
on Taxation

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16 "84-201. Property subject to taxation. All property in
17 this state is subject to taxation, except as provided ~~in the~~
18 ~~next section~~ otherwise."

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

21 "84-202. Exemptions from taxation. (1) (a) The
22 property of the United States, the state, counties, cities,
23 towns, school districts, municipal corporations, public
24 libraries; buildings with land they occupy and furnishings
25 therein owned by a church and used for actual religious

1 worship and for residences of the clergy, together with
2 adjacent land reasonably necessary for convenient use of
3 such buildings owned by a church; such other property as is
4 used exclusively for agricultural and horticultural
5 societies, for educational purposes, hospitals and places of
6 burial not used or held for private or corporate profit;
7 ~~and~~ institutions of purely public charity; evidence of debt
8 secured by mortgages of record upon real or personal
9 property in the state of Montana; and public art galleries
10 and public observatories not used or held for private or
11 corporate profit, are exempt from taxation, but no more land
12 than is necessary for such purpose is exempt.

13 (b) As used in this subsection, the term "institutions
14 of purely public charity" ~~shall include~~ includes
15 organizations owning and operating facilities for the care
16 of the retired or aged or chronically ill which are not
17 operated for gain or profit; and the terms "public art
18 galleries and public observatories" ~~shall mean~~ only such art
19 galleries and observatories, whether of public or private
20 ownership, as are open to the public, without charge or fee,
21 at all reasonable hours, and are used for the purpose of
22 education only.

23 (2) When a clubhouse or building erected by or
24 belonging to any society or organization of honorably
25 discharged United States ~~soldiers, sailors or marines~~ who

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

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

21 (4) (a) Freeport merchandise shall be is exempt from
 22 taxation. Freeport merchandise means those stocks of
 23 merchandise manufactured or produced outside this state
 24 which are in transit through this state and consigned to a
 25 warehouse or other storage facility, public or private,

1 within this state, for storage in transit prior to shipment
 2 to a final destination outside the state, and which have
 3 acquired a taxable situs within the state.

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

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

13 (5) [The following agricultural products are exempt
 14 from taxation:]

15 (a) ~~All~~ all unprocessed, perishable fruits and
 16 vegetables in farm storage and owned by the producer ~~are~~
 17 ~~exempt from taxation;~~

18 (b) ~~All~~ all nonperishable unprocessed agricultural
 19 products, except livestock, held in possession of the
 20 original producer for less than ~~seven~~ (7) months following
 21 harvest; ~~and~~

22 (c) ~~Livestock~~ livestock, defined as cattle, sheep,
 23 horses, or mules, which have not attained the age of ~~nine~~
 24 (9) months as of the last day of any month.

25 (6) Moneys and credits are exempt from taxation.

1 (7) A capital investment in a recognized nonfossil
2 form of energy generation is exempt to the extent provided
3 under ~~section~~ 84-7403."

4 Section 3. Section 84-406, R.C.M. 1947, is amended to
5 read as follows:

6 "84-406. Time of assessment -- motor vehicles --
7 mobile homes -- livestock -- snowmobiles. (1) The department
8 of revenue or its agent must, between ~~the first day of~~
9 January 1 and the second Monday of July in each year,
10 ascertain the names of all taxable inhabitants, and assess
11 all property in each county subject to taxation, except such
12 as is required to be centrally assessed by the state
13 department of revenue, and must assess such property to the
14 persons by whom it was owned or claimed, or in whose
15 possession or control it was at 12 midnight of ~~the first day~~
16 of January 1 next preceding. It must also ascertain and
17 assess all mobile homes arriving in the county after 12
18 midnight of ~~the first day of~~ January 1 next preceding.

19 (2) The procedure provided by this section shall not
20 apply to:

21 (a) ~~Motor~~ motor vehicles which are required by
22 ~~subdivision subsection~~ (2) hereof to be assessed as of ~~the~~
23 ~~first day of~~ January 1, or upon their anniversary
24 registration date; but no mistake in the name of the owner
25 or supposed owner of real property renders the assessment

1 thereof invalid;

2 (b) ~~livestock~~ livestock which are required by
3 ~~subdivision subsection~~ (3) of this section to be assessed on
4 an average inventory basis in each county; ~~Credits must be~~
5 ~~assessed as provided in section 84-101, subdivision 6.~~

6 (c) ~~Property~~ property defined in ~~section~~ 53-642 as
7 "special mobile equipment" which is subject to assessment of
8 personal property taxes on the date that application is made
9 for a special mobile equipment plate;

10 (d) ~~Mobile~~ mobile homes held by a distributor or
11 dealer of mobile homes as a part of his stock in trade;

12 ~~(e) Campers which are required by subdivision 4 hereof~~
13 ~~to be assessed as of the first day of January.~~

14 ~~(f) (e) Snowmobiles~~ snowmobiles which are required by
15 ~~subdivision 5 subsection (4) hereof~~ to be assessed as of ~~the~~
16 ~~first day of~~ July 1.

17 ~~(2) (3) (a)~~ The department or its agent must ascertain
18 and assess all motor vehicles, except mobile homes, in each
19 county subject to taxation as of January 1, or as of the
20 anniversary registration date of those vehicles subject to
21 ~~sections~~ 53-154 through 53-162, in each year, and the same
22 shall be assessed to the persons by whom owned or claimed,
23 or in whose possession or control such vehicle was at 12
24 midnight of ~~the first day of~~ January 1 or the anniversary
25 registration date thereof, whichever is applicable, in each

1 year. ~~Provided that such~~ The tax shall may not be assessed
 2 against motor vehicles which constitute inventory of motor
 3 vehicle dealers as of January 1, but ~~said such~~ vehicles, and
 4 all other motor vehicles brought into the state subsequent
 5 to January 1, as motor vehicle dealer's inventory, shall be
 6 assessed to their respective purchasers as of the dates ~~said~~
 7 the vehicles are registered by ~~said the~~ purchasers, and
 8 ~~purchasers~~ "Purchasers" means ~~and includes~~ dealers who apply
 9 for registration or ~~re-registration~~ reregistration of motor
 10 vehicles, except as otherwise provided by ~~section~~ 32-3315.
 11 Goods, wares, and merchandise of motor vehicle dealers,
 12 other than new motor vehicles and new mobile homes, shall be
 13 assessed at full and true value as of ~~the first day of~~
 14 January 1.

15 ~~(b) Except that this paragraph shall~~ This subsection
 16 ~~(2) does~~ not apply to an applicant for registration or
 17 ~~re-registration~~ reregistration of a mobile home, and nothing
 18 herein contained ~~shall relieve~~ relieves the applicant for
 19 registration or ~~re-registration~~ reregistration of any other
 20 motor vehicle so assessed or subject to assessment of the
 21 duty of paying taxes thereon as a condition precedent to
 22 registration or ~~re-registration~~ reregistration in the event
 23 ~~said the~~ taxes have not been paid by any prior applicant or
 24 owner in all cases where required to be paid.

25 ~~(3)~~(4) The assessed value of livestock in each county

1 on the assessment date shall be computed by adding the
 2 assessed value of all livestock more than ~~nine (9)~~ months of
 3 age owned by the taxpayer in each county on the last day of
 4 each month since the last assessment date and dividing the
 5 sum by ~~twelve (12)~~. For purposes of this subdivision
 6 "livestock" means cattle, sheep, horses, and mules.

7 ~~(4) The department of revenue or its agent must~~
 8 ~~ascertain and assess all campers in each county subject to~~
 9 ~~taxation as of January 1 in each year, and the same shall be~~
 10 ~~assessed to the persons by whom owned or claimed, or in~~
 11 ~~whose possession or control such camper was, including~~
 12 ~~dealers, at 12 midnight of the first day of January in each~~
 13 ~~year.~~

14 (5) The department of revenue or its agent must
 15 ascertain and assess all snowmobiles in each county subject
 16 to taxation as of July 1 in each year, and the same shall be
 17 assessed to the persons by whom owned or claimed, or in
 18 whose possession or control such snowmobile was at 12
 19 midnight on ~~the first day of~~ July 1 in each year, ~~provided,~~
 20 ~~however,~~ that snowmobiles Snowmobiles which constitute
 21 inventory of snowmobile dealers shall be assessed to the
 22 dealers as of 12 midnight ~~of the first day of~~ on January 1
 23 in each year, ~~and further provided that all snowmobiles~~
 24 ~~that have been assessed and for which taxes have been paid~~
 25 ~~for the period of January 1, 1975 through December 31, 1975,~~

1 ~~shall be assessed for only six (6) months during the period~~
2 ~~July 1, 1975 through June 30, 1976."~~

3 Section 4. Section 84-437.5, R.C.M. 1947, is amended
4 to read as follows:

5 "84-437.5. Roll-back tax procedures governed by
6 nonagricultural provisions. The assessment of the roll-back
7 tax imposed by ~~section 5 [84-437.3]~~ 84-437.4, the attachment
8 of the lien for such taxes, and the right of the owner or
9 other interested party to review any judgment of the
10 department of revenue or local tax appeal board affecting
11 such roll-back tax, shall be governed by the procedures
12 provided for the assessment and taxation of real property
13 not valued, assessed, and taxed under the provisions of this
14 act. The roll-back tax collected shall be paid into the
15 county treasury and paid by the treasurer to the various
16 taxing units pro rata in accordance with the levies for the
17 current year."

18 Section 5. Section 84-501, R.C.M. 1947, is amended to
19 read as follows:

20 "84-501. Property -- how listed. The ~~state~~ department
21 of revenue must prepare an assessment book with appropriate
22 headings, alphabetically arranged, in which must be listed
23 all property within the state, and in which must be
24 specified in separate columns, under the appropriate head:

25 1. (1) The the name of the person to whom the property

1 is assessed.;

2 2. (2) Land land, by township, range, section, or
3 fractional section, and, when such land is not a United
4 States land division or subdivision, by metes and bounds, or
5 other description sufficient to identify it, giving an
6 estimate of the number of acres, not exceeding in each and
7 every tract ~~six hundred and forty~~ 640 acres, locality, and
8 the improvements thereon.;

9 3. (3) City city and town lots, naming the city or
10 town, and the number of the lot and block, according to the
11 system of numbering in such city or town, and the value of
12 same with improvements thereon.;

13 4. (4) All all taxable personal property, showing the
14 number, kind, amount, and quality; but a failure to
15 enumerate in detail such personal property does not
16 invalidate the assessment.;

17 5. (5) The the assessed value of real estate, other
18 than city or town lots.;

19 6. (6) The the assessed value of city and town lots
20 with improvements thereon, except that a lot and
21 improvements thereon shall be separately listed when
22 required under ~~section~~ 84-401, R.C.M. 1947.;

23 7. (7) The the assessed value of improvements on real
24 estate assessed to persons other than the owners of the real
25 estate. Taxable improvements owned by the person, firm,

1 ~~association, or corporation located upon land exempt from~~
 2 ~~taxation shall, as to the manner of assessment, be assessed~~
 3 ~~as other real estate upon the assessment roll. No value,~~
 4 ~~however, may be assessed against the exempt land, nor under~~
 5 ~~any circumstances may the land be charged with or become~~
 6 ~~responsible for the assessment made against any taxable~~
 7 ~~improvements located thereon.~~

8 ~~8. (8) The the assessed value of all taxable personal~~
 9 ~~property, exclusive of money;~~

10 ~~9. The amount of money.~~

11 ~~10. Taxable improvements owned by the person, firm,~~
 12 ~~association, or corporation located upon land exempt from~~
 13 ~~taxation must, as to the manner of assessment, be assessed~~
 14 ~~as other real estate upon the assessment roll. No value,~~
 15 ~~however, must be assessed against the exempt land, nor under~~
 16 ~~any circumstances must the land be charged with or become~~
 17 ~~responsible for the assessment made against any taxable~~
 18 ~~improvements located thereon.~~

19 ~~11. (9) The the school, road, and other revenue~~
 20 ~~districts in which each piece of property assessed is~~
 21 ~~situated;~~

22 ~~12. (10) The the total assessed value of all property.~~

23 ~~13. The figure one (1), in separate columns, opposite~~
 24 ~~the name of every person liable to pay a poll tax."~~

25 Section 6. Section 84-1608, R.C.M. 1947, is amended to

1 read as follows:

2 "84-1608. False statements constitute perjury. Any
 3 person, officer, partner, agent, or representative of any
 4 producer referred to in section 84-1601, who shall make
 5 makes any false statement, affidavit, certificate, report,
 6 or statement herein required to be made to the state
 7 department of revenue, hereunder, shall be deemed is guilty
 8 of perjury and upon conviction shall be punished by
 9 imprisonment in the state penitentiary for not less than one
 10 (1) nor more than fourteen (14) years as provided in the
 11 Criminal Code of 1973, as amended."

12 Section 7. Section 84-4002, R.C.M. 1947, is amended to
 13 read as follows:

14 "84-4002. County clerk to prepare duplicate statement.
 15 The county clerk must shall, on or before the second Monday
 16 in August of each year, prepare from the assessment book of
 17 such year, as corrected by the department of revenue or its
 18 agent, duplicate statements, showing in separate columns:

19 4. (1) The the total value of all property;

20 2. (2) The the value of real estate, including mining
 21 claims, stated separately;

22 3. (3) The the value of the improvements thereon;

23 4. (4) The the value of taxable personal property,
 24 exclusive of money;

25 5. The amount of money.

1 ~~6-(5)~~ The the number of acres of land, and the number
 2 of mining claims, stated separately."

3 Section 8. Section 84-4166, R.C.M. 1947, is amended to
 4 read as follows:

5 "84-4166. Defense to action -- redemption of parcels.
 6 Any defendant ~~may~~ appear in ~~said the~~ action within the time
 7 provided by law for appearances in civil actions, ~~and~~ may
 8 set up any defense to the ~~said~~ action he ~~may~~ have, and ~~may~~
 9 therein question the legality, validity, or the sufficiency
 10 of any act had in connection with the assessment or sale of
 11 ~~said the~~ land. ~~any~~ Any defendant to ~~said the~~ action may
 12 make redemption of ~~said the~~ lands from ~~said the~~ tax sale by
 13 paying the total amount of delinquent taxes and penalties
 14 which plaintiff has paid, with interest thereon at ~~eight per~~
 15 ~~centum (8%) per annum a year~~ from date of payment, ~~which~~
 16 ~~plaintiff shall have paid~~, together with costs of the
 17 action, ~~and~~ upon such payment, a certificate of
 18 redemption ~~therefor~~ shall be issued by the county treasurer
 19 of ~~said county~~ to the defendant so paying, and thereupon the
 20 ~~said~~ action shall be dismissed, ~~whereas~~ whenever a
 21 defendant ~~shall desire~~ desires to redeem from a tax sale and
 22 pay all subsequent taxes upon any lots, piece, or parcel of
 23 real estate, which ~~said~~ a person, firm, ~~partnership~~
 24 partnership, corporation, or association ~~shall own~~ owns or
 25 hold holds a mortgage or other lien against or ~~have~~ has any

1 interest in ~~such property, it shall be the duty of,~~ the
 2 county treasurer of the county in which such real estate is
 3 situated ~~to shall~~ permit such redemption and payment, ~~and~~
 4 ~~in~~ In case the ~~said~~ real estate ~~shall have~~ has been assessed
 5 against any other property ~~shall be and is~~ a lien thereon,
 6 then ~~it shall be the duty of said the~~ county treasurer ~~to~~
 7 shall compute and apportion the tax that should have
 8 properly been assessed against the ~~said~~ real estate sought
 9 to be redeemed, and upon which the taxes are sought to be
 10 paid, the same as if ~~said the~~ property had been separately
 11 assessed. Any personal property tax which is a lien upon
 12 ~~said such~~ real estate shall be likewise computed and
 13 apportioned on the same percentage basis as the tax assessed
 14 against the real estate is apportioned."

15 Section 9. Section 84-4169, R.C.M. 1947, is amended to
 16 read as follows:

17 "84-4169. Form of tax deed issued on filing copy of
 18 decree with treasurer. ~~Upon filing with the county treasurer~~
 19 When a certified copy of the decree has been filed with the
 20 county treasurer, he must issue a tax deed for the real
 21 estate described in the judgment, which deed in substance
 22 shall be as follows: "This indenture, made by and between
 23(insert name of treasurer)...., county treasurer of the
 24 county(insert name of county)...., in the state of
 25 Montana, the party of the first part, and(insert name

1 of grantee)....., the party of the second part, witnesseth:

2 Whereas, there was assessed for the year(insert
3 year)....., in the name of(insert name)....., that
4 certain tract of land hereinafter described, and the taxes
5 for said year levied against said property amounted to the
6 sum of(insert amount).... dollars; and

7 Whereas, said taxes were not paid and said property was
8 sold for the payment of said taxes to(insert name of
9 grantee)..... on the (insert day) of(insert
10 month).... A. D.,(insert year), for the sum of
11(insert amount).... dollars, and certificates of sale
12 were duly issued and filed as required by law; and

13 Whereas, by virtue of a judgment and decree entered by
14 the District Court of the Judicial District of the
15 state of Montana in and for the county of(insert name
16 of county).... in an action wherein was plaintiff and
17 defendant, a certified copy thereof being filed in my
18 office, I, the said county treasurer aforesaid, am ordered
19 and directed to issue this deed of conveyance for said
20 lands.

21 Now, therefore, I,....(insert name of treasurer),....
22 county treasurer of the county of(insert name of
23 county)..... in the state of Montana, for and in
24 consideration of the sum of (insert amount).... dollars
25 paid, do grant to(insert name of grantee)..... all the

1 property situated in(insert name of county).... county,
2 state of Montana, described as follows:....(here insert
3 description of the land sold for taxes and sought to be
4 conveyed).

5 Witness my hand this(insert day).... of
6(insert month), A. D.,(insert year).

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.....
County treasurer of
County, state of Montana.""

Section 10. Section 84-41-100, R.C.M. 1947, is amended
to read as follows:

"84-41-100. Validation of tax deeds notwithstanding
failure to classify lands. No tax deed ~~heretofore or~~
~~hereafter~~ issued in this state shall may be held invalid,
nor ~~shall may~~ its legality be in any manner ~~whatsoever~~
affected by reason of the prior failure of the board of
county commissioners of any county to provide for the
classification of the lands in such county as required by
~~sections 84-430 to 84-437~~ 84-429.7 through 84-429.11 or
prior law. This enactment shall be retroactive and shall
apply to all tax deeds ~~heretofore as well as those hereafter~~
issued under any law of the state of Montana providing a
method of applying for and securing a deed to lands sold for
delinquent taxes. All tax deeds ~~heretofore~~ issued before
July 1, 1941, under the laws of Montana are hereby legalized

1 and declared to be valid, notwithstanding that the lands
2 thereby conveyed may not have been classified under the
3 statutes herein referred to."

4 Section 11. Section 84-4216, R.C.M. 1947, is amended
5 to read as follows:

6 "84-4216. Cancellation of such taxes and obligations
7 -- filing of lists. Upon receipt of such list or lists, and
8 within ~~thirty~~ (30) days thereafter, the board of county
9 commissioners shall examine the same and make any necessary
10 corrections. Thereupon the board of county commissioners
11 shall make its order canceling all such personal property
12 taxes and contractual obligations contained in such list or
13 lists, as corrected, required by this act to be canceled,
14 and spread such order upon its minutes. ~~But such~~ Such order
15 and minutes need not set forth in full the contents of such
16 list or lists, a proper reference therein for their
17 identification being sufficient, ~~provided, however, that at~~
18 At the time of making such order, the original or ~~ribbon~~
19 copy of such list or lists, as corrected, shall be filed
20 with and as a part of the records of the board, ~~one~~ One
21 legible ~~original-carbon~~ copy thereof shall be filed with the
22 county clerk and recorder as a public record, and one
23 legible ~~original-carbon~~ copy thereof shall be filed with the
24 county treasurer as a permanent record of his office."

25 Section 12. Section 84-5606.18, R.C.M. 1947, is

1 amended to read as follows:

2 "84-5606.18. Sale and use of cigarettes a misdemeanor
3 if insignia requirements not met. Every person who sells any
4 ~~packages~~ package of cigarettes which does not bear the
5 insignia required by this act, and every person who ~~shall~~
6 ~~use or consume~~ uses or consumes a cigarette within this
7 state, ~~any cigarette, or unless the same shall be~~ ~~has been~~
8 ~~taken from the original package having affixed thereto the~~
9 ~~insignia required by this act~~ TAKEN FROM A PACKAGE WHICH
10 DOES NOT BEAR THE REQUIRED INSIGNIA, is guilty of a
11 misdemeanor and shall be punished as hereinafter provided."

12 Section 13. Section 84-5606.26, R.C.M. 1947, is
13 amended to read as follows:

14 "84-5606.26. Department's duties and powers -- arrest,
15 entry of complaint, and lawful search and seizure
16 authorized. The department ~~is charged with the duty of~~
17 ~~administering and enforcing the provisions of~~ shall
18 administer and enforce this act, and the director and his
19 agents, ~~are hereby given~~ have the powers of peace officers,
20 and ~~are authorized and empowered to~~ may arrest any person
21 violating any provision of this act, ~~and to~~ enter a
22 complaint before any court of competent jurisdiction, and ~~to~~
23 lawfully search and seize and use as evidence, any unlawful
24 or unlawfully possessed license, stamp, or insignia found in
25 the possession of any person or in any place."

1 Section 14. Section 82-1104, R.C.M. 1947, is amended
2 to read as follows:

3 "82-1104. Prison made goods not affected. Nothing in
4 this act ~~shall be deemed to modify, amend or abridge~~
5 sections modifies, amends, or abridges 4-347, 4-348, 79-601,
6 84-1603, 84-1901, ~~84-1902, 84-1903,~~ 84-2012, and 84-2203, or
7 any law ~~or laws~~ pertaining to the making or marketing of
8 prison made goods or any law ~~or laws~~ regulating or
9 prohibiting the use or employment of convict labor."

10 Section 15. Repealer. Sections 84-514, 84-713,
11 84-1902, 84-1903, 84-4011, 84-4144 through 84-4150, 84-4159,
12 84-5703 through 84-5717, 84-5718 and 84-5719, R.C.M. 1947,
13 are repealed.

-End-

1 HOUSE BILL NO. 20
2 INTRODUCED BY MARKS

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CORRECT GRAMMAR AND
5 INTERNAL REFERENCES, AND DELETE REDUNDANT, OBSOLETE, OR
6 UNCONSTITUTIONAL PROVISIONS IN THE PROPERTY TAX AND LICENSE
7 TAX LAWS; AMENDING SECTIONS 82-1104, 84-201, 84-202, 84-406,
8 84-437.5, 84-501, 84-1608, 84-4002, 84-4166, 84-4169,
9 84-41-100, 84-4216, 84-5606.18, AND 84-5606.26, R.C.M. 1947;
10 AND REPEALING SECTIONS 84-514, 84-713, 84-1902, 84-1903,
11 84-4011, 84-4144 THROUGH 84-4150, 84-4159, 84-5703 THROUGH
12 84-5717, 84-5718, AND 84-5719, R.C.M. 1947."

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

14 Section 1. Section 84-201, R.C.M. 1947, is amended to
15 read as follows:

16 "84-201. Property subject to taxation. All property in
17 this state is subject to taxation, except as provided ~~in the~~
18 ~~next section~~ otherwise."

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

21 "84-202. Exemptions from taxation. (1) (a) The
22 property of the United States, the state, counties, cities,
23 towns, school districts, municipal corporations, public
24 libraries; buildings with land they occupy and furnishings
25 therein owned by a church and used for actual religious

1 worship and for residences of the clergy, together with
2 adjacent land reasonably necessary for convenient use of
3 such buildings owned by a church; such other property as is
4 used exclusively for agricultural and horticultural
5 societies, for educational purposes, hospitals and places of
6 burial not used or held for private or corporate profit;
7 ~~and~~ institutions of purely public charity; evidence of debt
8 secured by mortgages of record upon real or personal
9 property in the state of Montana; and public art galleries
10 and public observatories not used or held for private or
11 corporate profit, are exempt from taxation, but no more land
12 than is necessary for such purpose is exempt.

13 (b) As used in this subsection, the term "institutions
14 of purely public charity" ~~shall include~~ includes
15 organizations owning and operating facilities for the care
16 of the retired or aged or chronically ill which are not
17 operated for gain or profit; and the terms "public art
18 galleries and public observatories" ~~shall mean~~ only such art
19 galleries and observatories, whether of public or private
20 ownership, as are open to the public, without charge or fee,
21 at all reasonable hours, and are used for the purpose of
22 education only.

23 (2) When a clubhouse or building erected by or
24 belonging to any society or organization of honorably
25 discharged United States ~~soldiers, sailors or marines who~~

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

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

21 (4) (a) Freeport merchandise ~~shall be is~~ exempt from
 22 taxation. Freeport merchandise means those stocks of
 23 merchandise manufactured or produced outside this state
 24 which are in transit through this state and consigned to a
 25 warehouse or other storage facility, public or private,

1 within this state, for storage in transit prior to shipment
 2 to a final destination outside the state, and which have
 3 acquired a taxable situs within the state.

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

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

13 (5) {The following agricultural products are exempt
 14 from taxation:}

15 (a) ~~all~~ all unprocessed, perishable fruits and
 16 vegetables in farm storage and owned by the producer ~~are~~
 17 ~~exempt from taxation;~~

18 (b) ~~all~~ all nonperishable unprocessed agricultural
 19 products, except livestock, held in possession of the
 20 original producer for less than ~~seven~~ {7} months following
 21 harvest; and

22 (c) ~~livestock~~ livestock, defined as cattle, sheep,
 23 horses, or mules, which have not attained the age of ~~six~~
 24 {9} months as of the last day of any month.

25 (6) Moneys and credits are exempt from taxation.

1 (7) A capital investment in a recognized nonfossil
 2 form of energy generation is exempt to the extent provided
 3 under ~~section~~ 84-7403."

4 Section 3. Section 84-406, R.C.M. 1947, is amended to
 5 read as follows:

6 "84-406. Time of assessment -- motor vehicles --
 7 mobile homes -- livestock -- snowmobiles. (1) The department
 8 of revenue or its agent must, between ~~the first day of~~
 9 January 1 and the second Monday of July in each year,
 10 ascertain the names of all taxable inhabitants, and assess
 11 all property in each county subject to taxation, except such
 12 as is required to be centrally assessed by the state
 13 department ~~of revenue~~, and must assess such property to the
 14 persons by whom it was owned or claimed, or in whose
 15 possession or control it was at 12 midnight of ~~the first day~~
 16 of January 1 next preceding. It must also ascertain and
 17 assess all mobile homes arriving in the county after 12
 18 midnight of ~~the first day of~~ January 1 next preceding.

19 (2) The procedure provided by this section shall not
 20 apply to:

21 (a) ~~Motor~~ motor vehicles which are required by
 22 ~~subdivision subsection~~ (2) hereof to be assessed as of ~~the~~
 23 ~~first day of~~ January 1, or upon their anniversary
 24 registration date; but no mistake in the name of the owner
 25 or supposed owner of real property renders the assessment

1 thereof invalid;

2 (b) ~~Livestock~~ livestock which are required by
 3 ~~subdivision subsection~~ (3) of this section to be assessed on
 4 an average inventory basis in each county; ~~Credits must be~~
 5 ~~assessed as provided in section 84-101, subdivision 6.~~

6 (c) ~~Property~~ property defined in ~~section~~ 53-642 as
 7 "special mobile equipment" which is subject to assessment of
 8 personal property taxes on the date that application is made
 9 for a special mobile equipment plate;

10 (d) ~~Mobile~~ mobile homes held by a distributor or
 11 dealer of mobile homes as a part of his stock in trade;

12 ~~(e) Campers which are required by subdivision 4 hereof~~
 13 ~~to be assessed as of the first day of January.~~

14 ~~(f)(e) Snowmobiles~~ snowmobiles which are required by
 15 ~~subdivision 5 subsection (4) hereof~~ to be assessed as of the
 16 ~~first day of~~ July 1.

17 ~~(2)(3)~~ (a) The department or its agent must ascertain
 18 and assess all motor vehicles, except mobile homes, in each
 19 county subject to taxation as of January 1, or as of the
 20 anniversary registration date of those vehicles subject to
 21 ~~sections~~ 53-154 through 53-162, in each year, and the same
 22 shall be assessed to the persons by whom owned or claimed,
 23 or in whose possession or control such vehicle was at 12
 24 midnight of ~~the first day of~~ January 1 or the anniversary
 25 registration date thereof, whichever is applicable, in each

1 year. ~~Provided that such~~ The tax shall ~~may~~ not be assessed
 2 against motor vehicles which constitute inventory of motor
 3 vehicle dealers as of January 1, but ~~said~~ such vehicles, and
 4 all other motor vehicles brought into the state subsequent
 5 to January 1, as motor vehicle dealer's inventory, shall be
 6 assessed to their respective purchasers as of the dates ~~said~~
 7 the vehicles are registered by ~~said~~ the purchasers, and
 8 purchasers "Purchasers" means and includes dealers who apply
 9 for registration or ~~re-registration~~ reregistration of motor
 10 vehicles, except as otherwise provided by ~~section~~ 32-3315.
 11 Goods, wares, and merchandise of motor vehicle dealers,
 12 other than new motor vehicles and new mobile homes, shall be
 13 assessed at full and true value as of ~~the first day of~~
 14 January 1.

15 ~~(b) Except that this paragraph shall~~ This subsection
 16 (2) does not apply to an applicant for registration or
 17 ~~re-registration~~ reregistration of a mobile home, and nothing
 18 herein contained ~~shall relieve~~ relieves the applicant for
 19 registration or ~~re-registration~~ reregistration of any other
 20 motor vehicle so assessed or subject to assessment of the
 21 duty of paying taxes thereon as a condition precedent to
 22 registration or ~~re-registration~~ reregistration in the event
 23 ~~said~~ the taxes have not been paid by any prior applicant or
 24 owner in all cases where required to be paid.

25 ~~(3)~~ (4) The assessed value of livestock in each county

1 on the assessment date shall be computed by adding the
 2 assessed value of all livestock more than ~~nine~~ (9) months of
 3 age owned by the taxpayer in each county on the last day of
 4 each month since the last assessment date and dividing the
 5 sum by ~~twelve~~ (12). For purposes of this subdivision
 6 "livestock" means cattle, sheep, horses, and mules.

7 ~~(4) The department of revenue or its agent must~~
 8 ~~ascertain and assess all campers in each county subject to~~
 9 ~~taxation as of January 1 in each year, and the same shall be~~
 10 ~~assessed to the persons by whom owned or claimed, or in~~
 11 ~~whose possession or control such camper was, including~~
 12 ~~dealers, at 12 midnight of the first day of January in each~~
 13 ~~year.~~

14 (5) The department of revenue or its agent must
 15 ascertain and assess all snowmobiles in each county subject
 16 to taxation as of July 1 in each year and the same shall be
 17 assessed to the persons by whom owned or claimed, or in
 18 whose possession or control such snowmobile was at 12
 19 midnight on ~~the first day of~~ July 1 in each year, ~~provided,~~
 20 ~~however, that snowmobiles~~ Snowmobiles which constitute
 21 inventory of snowmobile dealers shall be assessed to the
 22 dealers as of 12 midnight ~~of the first day of~~ on January 1
 23 in each year, ~~and further provided that all snowmobiles~~
 24 ~~that have been assessed and for which taxes have been paid~~
 25 ~~for the period of January 1, 1975 through December 31, 1975,~~

1 ~~shall be assessed for only six (6) months during the period~~
2 ~~July 1, 1975 through June 30, 1976."~~

3 Section 4. Section 84-437.5, R.C.M. 1947, is amended
4 to read as follows:

5 "84-437.5. Roll-back tax procedures governed by
6 nonagricultural provisions. The assessment of the roll-back
7 tax imposed by ~~section 5 [84-437.3]~~ 84-437.4, the attachment
8 of the lien for such taxes, and the right of the owner or
9 other interested party to review any judgment of the
10 department of revenue or local tax appeal board affecting
11 such roll-back tax, shall be governed by the procedures
12 provided for the assessment and taxation of real property
13 not valued, assessed, and taxed under the provisions of this
14 act. The roll-back tax collected shall be paid into the
15 county treasury and paid by the treasurer to the various
16 taxing units pro rata in accordance with the levies for the
17 current year."

18 Section 5. Section 84-501, R.C.M. 1947, is amended to
19 read as follows:

20 "84-501. Property — how listed. The ~~state~~ department
21 of revenue must prepare an assessment book with appropriate
22 headings, alphabetically arranged, in which must be listed
23 all property within the state, and in which must be
24 specified in separate columns, under the appropriate head:

25 1-(1) The the name of the person to whom the property

1 is assessed;

2 2-(2) ~~land~~ land, by township, range, section, or
3 fractional section, and, when such land is not a United
4 States land division or subdivision, by metes and bounds, or
5 other description sufficient to identify it, giving an
6 estimate of the number of acres, not exceeding in each and
7 every tract ~~six hundred and forty~~ 540 acres, locality, and
8 the improvements thereon;

9 3-(3) ~~City~~ city and town lots, naming the city or
10 town, and the number of the lot and block, according to the
11 system of numbering in such city or town, and the value of
12 same with improvements thereon;

13 4-(4) ~~all~~ all taxable personal property, showing the
14 number, kind, amount, and quality; but a failure to
15 enumerate in detail such personal property does not
16 invalidate the assessment;

17 5-(5) ~~The~~ the assessed value of real estate, other
18 than city or town lots;

19 6-(6) ~~The~~ the assessed value of city and town lots
20 with improvements thereon, except that a lot and
21 improvements thereon shall be separately listed when
22 required under ~~section~~ section 84-401, R.C.M. 1947;

23 7-(7) ~~The~~ the assessed value of improvements on real
24 estate assessed to persons other than the owners of the real
25 estate. Taxable improvements owned by the person, firm,

1 association, or corporation located upon land exempt from
 2 taxation shall, as to the manner of assessment, be assessed
 3 as other real estate upon the assessment roll. No value,
 4 however, may be assessed against the exempt land, nor under
 5 any circumstances may the land be charged with or become
 6 responsible for the assessment made against any taxable
 7 improvements located thereon.

8 ~~8. (8) The the~~ assessed value of all taxable personal
 9 property, ~~exclusive of money;~~

10 ~~9. The amount of money.~~

11 ~~10. Taxable improvements owned by the person, firm,~~
 12 ~~association, or corporation located upon land exempt from~~
 13 ~~taxation must, as to the manner of assessment, be assessed~~
 14 ~~as other real estate upon the assessment roll. No value,~~
 15 ~~however, must be assessed against the exempt land, nor under~~
 16 ~~any circumstances must the land be charged with or become~~
 17 ~~responsible for the assessment made against any taxable~~
 18 ~~improvements located thereon.~~

19 ~~11. (9) The the~~ school, road, and other revenue
 20 districts in which each piece of property assessed is
 21 situated;

22 ~~12. (10) The the~~ total assessed value of all property.

23 ~~13. The figure one (1), in separate columns, opposite~~
 24 ~~the name of every person liable to pay a poll tax."~~

25 Section 6. Section 84-1608, R.C.M. 1947, is amended to

1 read as follows:

2 "84-1608. False statements constitute perjury. Any
 3 person, officer, partner, agent, or representative of any
 4 producer referred to in section 84-1601, who shall ~~make~~
 5 makes any false statement, affidavit, certificate, report,
 6 or statement ~~herein~~ required to be made to the state
 7 department of revenue, ~~hereunder, shall be deemed is~~ guilty
 8 of perjury and upon conviction shall be punished by
 9 ~~imprisonment in the state penitentiary for not less than one~~
 10 ~~(1) nor more than fourteen (14) years~~ as provided in the
 11 Criminal Code of 1973, as amended."

12 Section 7. Section 84-4002, R.C.M. 1947, is amended to
 13 read as follows:

14 "84-4002. County clerk to prepare duplicate statement.
 15 The county clerk ~~must shall~~, on or before the second Monday
 16 in August of each year, prepare from the assessment book of
 17 such year, as corrected by the department of revenue or its
 18 agent, duplicate statements, showing in separate columns:

19 ~~1. (1) The the~~ total value of all property;

20 ~~2. (2) The the~~ value of real estate, including mining
 21 claims, stated separately;

22 ~~3. (3) The the~~ value of the improvements thereon;

23 ~~4. (4) The the~~ value of taxable personal property,
 24 ~~exclusive of money;~~

25 ~~5. The amount of money;~~

1 ~~6.~~(5) ~~The~~ the number of acres of land, and the number
2 of mining claims, stated separately."

3 Section 8. Section 84-4166, R.C.M. 1947, is amended to
4 read as follows:

5 "84-4166. Defense to action — redemption of parcels.
6 Any defendant may appear in ~~said~~ the action within the time
7 provided by law for appearances in civil actions, ~~and~~ may
8 set up any defense to the ~~said~~ action he may have, and may
9 therein question the legality, validity, or the sufficiency
10 of any act had in connection with the assessment or sale of
11 ~~said~~ the land, ~~any~~ any defendant to ~~said~~ the action may
12 make redemption of ~~said~~ the lands from ~~said~~ the tax sale by
13 paying the total amount of delinquent taxes and penalties
14 which plaintiff has paid, with interest thereon at ~~eight per~~
15 ~~centus (8%) per annum a year~~ from date of payment, ~~which~~
16 ~~plaintiff shall have paid~~, together with costs of the
17 action, ~~and upon~~ Upon such payment, a certificate of
18 redemption ~~therefor~~ shall be issued by the county treasurer
19 ~~of said county~~ to the defendant so paying, and thereupon the
20 ~~said~~ action shall be dismissed, ~~whenever~~ Whenever a
21 defendant ~~shall desire~~ desires to redeem from a tax sale and
22 pay all subsequent taxes upon any lots, piece, or parcel of
23 real estate, which ~~said~~ a person, firm, ~~copartnership~~
24 ~~partnership~~, corporation, or association ~~shall own~~ owns or
25 ~~hold~~ holds a mortgage or other lien against or ~~have~~ has any

1 interest in ~~such property, it shall be the duty of,~~ the
2 county treasurer of the county in which such real estate is
3 situated ~~to shall~~ permit such redemption and payment, ~~and~~
4 ~~is~~ In case the ~~said~~ real estate ~~shall have~~ has been assessed
5 against any other property ~~shall be~~ and is a lien thereon,
6 then ~~it shall be the duty of said~~ the county treasurer ~~to~~
7 shall compute and apportion the tax that should have
8 properly been assessed against the ~~said~~ real estate sought
9 to be redeemed, and upon which the taxes are sought to be
10 paid, the same as if ~~said~~ the property had been separately
11 assessed. Any personal property tax which is a lien upon
12 ~~said~~ such real estate shall be likewise computed and
13 apportioned on the same percentage basis as the tax assessed
14 against the real estate is apportioned."

15 Section 9. Section 84-4169, R.C.M. 1947, is amended to
16 read as follows:

17 "84-4169. Form of tax deed issued on filing copy of
18 decree with treasurer. ~~Upon filing with the county treasurer~~
19 When a certified copy of the decree has been filed with the
20 county treasurer, he must issue a tax deed for the real
21 estate described in the judgment, which deed in substance
22 shall be as follows: "This indenture, made by and between
23(insert name of treasurer)...., county treasurer of the
24 county(insert name of county)...., in the state of
25 Montana, the party of the first part, and(insert name

1 and declared to be valid, notwithstanding that the lands
2 thereby conveyed may not have been classified under the
3 statutes herein referred to."

4 Section 11. Section 84-4216, R.C.M. 1947, is amended
5 to read as follows:

6 "84-4216. Cancellation of such taxes and obligations
7 — filing of lists. Upon receipt of such list or lists, and
8 within ~~thirty~~ (30) days thereafter, the board of county
9 commissioners shall examine the same and make any necessary
10 corrections. Thereupon the board of county commissioners
11 shall make its order canceling all such personal property
12 taxes and contractual obligations contained in such list or
13 lists, as corrected, required by this act to be canceled,
14 and spread such order upon its minutes. ~~But such~~ Such order
15 and minutes need not set forth in full the contents of such
16 list or lists, a proper reference therein for their
17 identification being sufficient, ~~provided, however, that at~~
18 At the time of making such order, the original or ~~ribbon~~
19 copy of such list or lists, as corrected, shall be filed
20 with and as a part of the records of the board, ~~one~~ One
21 legible ~~original-carbon~~ copy thereof shall be filed with the
22 county clerk and recorder as a public record, and one
23 legible ~~original-carbon~~ copy thereof shall be filed with the
24 county treasurer as a permanent record of his office."

25 Section 12. Section 84-5606.18, R.C.M. 1947, is

1 amended to read as follows:

2 "84-5606.18. Sale and use of cigarettes a misdemeanor
3 if insignia requirements not met. Every person who sells any
4 ~~packages~~ package of cigarettes which does not bear the
5 insignia required by this act, and every person who ~~shall~~
6 ~~use or consume~~ uses or consumes a cigarette within this
7 state, ~~any cigarette, or unless the case shall be has been~~
8 ~~taken from the original package having affixed thereto the~~
9 ~~insignia required by this act~~ TAKEN FROM A PACKAGE WHICH
10 DOES NOT BEAR THE REQUIRED INSIGNIA, is guilty of a
11 misdemeanor and shall be punished as hereinafter provided."

12 Section 13. Section 84-5606.26, R.C.M. 1947, is
13 amended to read as follows:

14 "84-5606.26. Department's duties and powers — arrest,
15 entry of complaint, and lawful search and seizure
16 authorized. The department ~~is charged with the duty of~~
17 ~~administering and enforcing the provisions of~~ shall
18 administer and enforce this act, and the director and his
19 agents, ~~are hereby given~~ have the powers of peace officers,
20 and ~~are authorized and empowered to may~~ arrest any person
21 violating any provision of this act, and ~~to~~ enter a
22 complaint before any court of competent jurisdiction, and ~~to~~
23 lawfully search and seize and use as evidence, any unlawful
24 or unlawfully possessed license, stamp, or insignia found in
25 the possession of any person or in any place."

1 Section 14. Section 82-1104, R.C.M. 1947, is amended
2 to read as follows:

3 "82-1104. Prison made goods not affected. Nothing in
4 this act ~~shall be deemed to modify, amend or abridge~~
5 ~~sections~~ modifies, amends, or abridges 4-347, 4-348, 79-601,
6 84-1603, 84-1901, ~~84-1902, 84-1903~~, 84-2012, and 84-2203, or
7 any law ~~or laws~~ pertaining to the making or marketing of
8 prison made goods or any law ~~or laws~~ regulating or
9 prohibiting the use or employment of convict labor."

10 Section 15. Repealer. Sections 84-514, 84-713,
11 84-1902, 84-1903, 84-4011, 84-4144 through 84-4150, 84-4159,
12 84-5703 through 84-5717, 84-5718 and 84-5719, R.C.M. 1947,
13 are repealed.

-End-

March 5, 1977

STANDING COMMITTEE REPORT
Senate Committee on Taxation

That House Bill No. 20 be amended as follows:

1. Amend page 3, section 2, line 6.

Following: "taxation"

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

1 HOUSE BILL NO. 20
2 INTRODUCED BY MARKS

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CORRECT GRAMMAR AND
5 INTERNAL REFERENCES, AND DELETE REDUNDANT, OBSOLETE, OR
6 UNCONSTITUTIONAL PROVISIONS IN THE PROPERTY TAX AND LICENSE
7 TAX LAWS; AMENDING SECTIONS 82-1104, 84-201, 84-202, 84-406,
8 84-437.5, 84-501, 84-1608, 84-4002, 84-4166, 84-4169,
9 84-41-100, 84-4216, 84-5606.18, AND 84-5606.26, R.C.M. 1947;
10 AND REPEALING SECTIONS 84-514, 84-713, 84-1902, 84-1903,
11 84-4011, 84-4144 THROUGH 84-4150, 84-4159, 84-5703 THROUGH
12 84-5717, 84-5718, AND 84-5719, R.C.M. 1947."

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

14 Section 1. Section 84-201, R.C.M. 1947, is amended to
15 read as follows:

16 "84-201. Property subject to taxation. All property in
17 this state is subject to taxation, except as provided in the
18 next section otherwise."

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

21 "84-202. Exemptions from taxation. (1) (a) The
22 property of the United States, the state, counties, cities,
23 towns, school districts, municipal corporations, public
24 libraries, buildings with land they occupy and furnishings
25 therein owned by a church and used for actual religious

1 worship and for residences of the clergy, together with
2 adjacent land reasonably necessary for convenient use of
3 such buildings owned by a church; such other property as is
4 used exclusively for agricultural and horticultural
5 societies, for educational purposes, hospitals and places of
6 burial not used or held for private or corporate profit;
7 and institutions of purely public charity; evidence of debt
8 secured by mortgages of record upon real or personal
9 property in the state of Montana; and public art galleries
10 and public observatories not used or held for private or
11 corporate profit are exempt from taxation, but no more land
12 than is necessary for such purpose is exempt.

13 (b) As used in this subsection, the term "institutions
14 of purely public charity" shall ~~include~~ includes
15 organizations owning and operating facilities for the care
16 of the retired or aged or chronically ill which are not
17 operated for gain or profit; and the terms "public art
18 galleries and public observatories" shall mean only such art
19 galleries and observatories, whether of public or private
20 ownership, as are open to the public, without charge or fee,
21 at all reasonable hours and are used for the purpose of
22 education only.

23 (2) When a clubhouse or building erected by or
24 belonging to any society or organization of honorably
25 discharged United States soldiers, sailors, or marines who

~~1 served in army or navy of United States, military personnel
 2 is used exclusively for educational, fraternal, benevolent,
 3 or purely public charitable purposes, rather than for gain
 4 or profit, together with the library and furniture
 5 necessarily used in any such building, such property is
 6 exempt from taxation and all property, real or personal, in
 7 the possession of legal guardians of incompetent veterans of
 8 the World War or minor dependents of such veterans, where
 9 such property is funds or derived from funds received from
 10 the United States as pension, compensation, insurance,
 11 adjusted compensation or gratuity, shall be exempt from all
 12 taxation as property of the United States while held by the
 13 guardian but not after title passes to the veteran or minor
 14 in his or her own right on account of removal of legal
 15 disability, AND ALL PROPERTY, REAL OR PERSONAL, IS THE
 16 POSSESSION OF LEGAL GUARDIANS OF INCOMPETENT VETERANS OF
 17 U.S. MILITARY SERVICE OR MINOR DEPENDENTS OF SUCH VETERANS,
 18 WHERE SUCH PROPERTY IS FUNDS OR DERIVED FROM FUNDS RECEIVED
 19 FROM THE UNITED STATES AS PENSION, COMPENSATION, INSURANCE,
 20 ADJUSTED COMPENSATION, OR GRATUITY, SHALL BE EXEMPT FROM ALL
 21 TAXATION AS PROPERTY OF THE UNITED STATES WHILE HELD BY THE
 22 GUARDIAN, BUT NOT AFTER TITLE PASSES TO THE VETERAN OR MINOR
 23 IN HIS OR HER OWN RIGHT ON ACCOUNT OF REMOVAL OF LEGAL
 24 DISABILITY.~~

(3) All household goods and furniture, including

1 clocks, musical instruments, sewing machines, and wearing
 2 apparel of members of the family, actually used by the owner
 3 for personal and domestic purposes, or for furnishing or
 4 equipping the family residence are exempt from taxation.

5 (4) (a) Freeport merchandise ~~shall be~~ is exempt from
 6 taxation. Freeport merchandise means those stocks of
 7 merchandise manufactured or produced outside this state
 8 which are in transit through this state and consigned to a
 9 warehouse or other storage facility, public or private,
 10 within this state, for storage in transit prior to shipment
 11 to a final destination outside the state, and which have
 12 acquired a taxable situs within the state.

13 (b) Stocks of merchandise do not lose their status as
 14 freeport merchandise because while in the storage facility
 15 they are assembled, bound, joined, processed, disassembled,
 16 divided, cut, broken in bulk, relabeled, or repackaged.

17 (c) Any person, corporation, firm, partnership,
 18 association, or other group seeking to qualify its property
 19 for inclusion in this class shall make application to the
 20 state department of revenue in such manner or form as may be
 21 required by the department.

22 (5) (The following agricultural products are exempt
 23 from taxation:}

24 (a) ~~All~~ all unprocessed, perishable fruits and
 25 vegetables in farm storage and owned by the producer are

1 ~~exempt from taxation;~~

2 (b) ~~All~~ all nonperishable unprocessed agricultural
3 products, except livestock, held in possession of the
4 original producer for less than ~~seven-(7)~~ months following
5 harvest; ~~and~~

6 (c) ~~livestock~~ livestock, defined as cattle, sheep,
7 horses, or mules, which have not attained the age of ~~nine~~
8 ~~(9)~~ months as of the last day of any month.

9 (6) Moneys and credits are exempt from taxation.

10 (7) A capital investment in a recognized nonfossil
11 form of energy generation is exempt to the extent provided
12 under section 84-7403."

13 Section 3. Section 84-406, R.C.M. 1947, is amended to
14 read as follows:

15 "84-406. Time of assessment -- motor vehicles --
16 mobile homes -- livestock -- snowmobiles. (1) The department
17 of revenue or its agent must, ~~between the first day of~~
18 January 1 and the second Monday of July in each year,
19 ascertain the names of all taxable inhabitants, and assess
20 all property in each county subject to taxation, except such
21 as is required to be centrally assessed by the state
22 department ~~of revenue~~, and must assess such property to the
23 persons by whom it was owned or claimed, or in whose
24 possession or control it was at 12 midnight of ~~the first day~~
25 of January 1 next preceding. It must also ascertain and

1 assess all mobile homes arriving in the county after 12
2 midnight of ~~the first day of~~ January 1 next preceding.

3 (2) The procedure provided by this section shall not
4 apply to:

5 (a) Motor ~~motor~~ vehicles which are required by
6 ~~subdivision subsection~~ (2) hereof to be assessed as of the
7 ~~first day of~~ January 1, or upon their anniversary
8 registration date; but no mistake in the name of the owner
9 or supposed owner of real property renders the assessment
10 thereof invalid;

11 (b) ~~livestock~~ livestock which are required by
12 ~~subdivision subsection~~ (3) of this section to be assessed on
13 an average inventory basis in each county; ~~credits must be~~
14 ~~assessed as provided in section 84-101, subdivision 6.~~

15 (c) Property property defined in section 53-642 as
16 "special mobile equipment" which is subject to assessment of
17 personal property taxes on the date that application is made
18 for a special mobile equipment plate;

19 (d) Mobile mobile homes held by a distributor or
20 dealer of mobile homes as a part of his stock in trade;

21 ~~(e) Campers which are required by subdivision 4 hereof~~
22 ~~to be assessed as of the first day of January.~~

23 ~~((e))~~ Snowmobiles snowmobiles which are required by
24 ~~subdivision 5 subsection 4~~ hereof to be assessed as of the
25 first day of July 1.

1 ~~(2)(3)~~ (a) The department or its agent must ascertain
 2 and assess all motor vehicles, except mobile homes, in each
 3 county subject to taxation as of January 1, or as of the
 4 anniversary registration date of those vehicles subject to
 5 ~~sections 53-154 through 53-162~~, in each year, and the same
 6 shall be assessed to the persons by whom owned or claimed,
 7 or in whose possession or control such vehicle was at 12
 8 midnight of ~~the--first-day-of~~ January 1 or the anniversary
 9 registration date thereof, whichever is applicable, in each
 10 year. ~~Provided-that-such~~ The tax ~~shall~~ may not be assessed
 11 against motor vehicles which constitute inventory of motor
 12 vehicle dealers as of January 1, but ~~said~~ such vehicles, and
 13 all other motor vehicles brought into the state subsequent
 14 to January 1, as motor vehicle dealer's inventory, shall be
 15 assessed to their respective purchasers as of the dates ~~said~~
 16 ~~the~~ vehicles are registered by ~~said~~ the purchasers, and
 17 purchasers "Purchasers" means ~~and-includes~~ dealers who apply
 18 for registration or re-registration reregistration of motor
 19 vehicles, except as otherwise provided by section 32-3315.
 20 Goods, wares, and merchandise of motor vehicle dealers,
 21 other than new motor vehicles and new mobile homes, shall be
 22 assessed at full and true value as of ~~the-first-day-of~~
 23 January 1.

24 ~~(b)~~ Except-that-this-paragraph-shall this subsection
 25 (2) does not apply to an applicant for registration or

1 ~~re-registration~~ reregistration of a mobile home, and nothing
 2 herein contained ~~shall-relieve~~ relieves the applicant for
 3 registration or ~~re-registration~~ reregistration of any other
 4 motor vehicle so assessed or subject to assessment of the
 5 duty of paying taxes thereon as a condition precedent to
 6 registration or ~~re-registration~~ reregistration in the event
 7 ~~said~~ the taxes have not been paid by any prior applicant or
 8 owner in all cases where required to be paid.

9 ~~(3)(4)~~ The assessed value of livestock in each county
 10 on the assessment date shall be computed by adding the
 11 assessed value of all livestock more than ~~nine-(9)~~ months of
 12 age owned by the taxpayer in each county on the last day of
 13 each month since the last assessment date and dividing the
 14 sum by ~~twelve--(12)~~. For purposes of this subdivision
 15 "livestock" means cattle, sheep, horses, and mules.

16 ~~(4)--The--department--of--revenue--or--its--agent--must~~
 17 ~~ascertain-and-assess-all-campers-in-each-county--subject--to~~
 18 ~~taxation-as-of-January-1-in-each-year-and-the-same-shall-be~~
 19 ~~assessed--to--the--persons--by--whom-owned-or-claimed--or-in~~
 20 ~~whose-possession--or--control--such--camper--was--including~~
 21 ~~dealers--at-12-midnight-of-the-first-day-of-January-in-each~~
 22 ~~year~~

23 (5) The department of revenue or its agent must
 24 ascertain and assess all snowmobiles in each county subject
 25 to taxation as of July 1 in each year, and the same shall be

1 assessed to the persons by whom owned or claimed, or in
 2 whose possession or control such snowmobile was at 12
 3 midnight on ~~the first day of July 1~~ in each year; ~~provided,~~
 4 ~~however, that snowmobiles~~ Snowmobiles which constitute
 5 inventory of snowmobile dealers shall be assessed to the
 6 dealers as of 12 midnight ~~of the first day of~~ on January 1
 7 in each year; ~~and further provided that all snowmobiles~~
 8 ~~that have been assessed and for which taxes have been paid~~
 9 ~~for the period of January 1, 1975 through December 31, 1975,~~
 10 ~~shall be assessed for only six (6) months during the period~~
 11 ~~July 1, 1975 through June 30, 1976."~~

12 Section 4. Section 84-437.5, R.C.M. 1947, is amended
 13 to read as follows:

14 "84-437.5. Roll-back tax procedures governed by
 15 nonagricultural provisions. The assessment of the roll-back
 16 tax imposed by ~~section 5-[84-437-3]~~ 84-437.4, the attachment
 17 of the lien for such taxes, and the right of the owner or
 18 other interested party to review any judgment of the
 19 department of revenue or local tax appeal board affecting
 20 such roll-back tax, shall be governed by the procedures
 21 provided for the assessment and taxation of real property
 22 not valued, assessed, and taxed under the provisions of this
 23 act. The roll-back tax collected shall be paid into the
 24 county treasury and paid by the treasurer to the various
 25 taxing units pro rata in accordance with the levies for the

1 current year."

2 Section 5. Section 84-501, R.C.M. 1947, is amended to
 3 read as follows:

4 "84-501. Property -- how listed. The state department
 5 of revenue must prepare an assessment book with appropriate
 6 headings, alphabetically arranged, in which must be listed
 7 all property within the state, and in which must be
 8 specified in separate columns, under the appropriate head:

9 1. ~~The~~ the name of the person to whom the property
 10 is assessed;

11 2. ~~Land~~ land, by township, range, section, or
 12 fractional section, and when such land is not a United
 13 States land division or subdivision, by metes and bounds, or
 14 other description sufficient to identify it, giving an
 15 estimate of the number of acres, not exceeding in each and
 16 every tract ~~six hundred and forty~~ 640 acres, locality, and
 17 the improvements thereon;

18 3. ~~City~~ city and town lots, naming the city or
 19 town, and the number of the lot and block, according to the
 20 system of numbering in such city or town, and the value of
 21 same with improvements thereon;

22 4. ~~All~~ all taxable personal property, showing the
 23 number, kind, amount, and quality; but a failure to
 24 enumerate in detail such personal property does not
 25 invalidate the assessment;

1 ~~5~~(5) ~~The the~~ assessed value of real estate, other
2 than city or town lots;

3 ~~6~~(6) ~~The the~~ assessed value of city and town lots
4 with improvements thereon, except that a lot and
5 improvements thereon shall be separately listed when
6 required under section 84-401, R.C.M. 1947;

7 ~~7~~(7) ~~The the~~ assessed value of improvements on real
8 estate assessed to persons other than the owners of the real
9 estate. Taxable improvements owned by the person, firm,
10 association, or corporation located upon land exempt from
11 taxation shall, as to the manner of assessment, be assessed
12 as other real estate upon the assessment roll. No value,
13 however, may be assessed against the exempt land, nor under
14 any circumstances may the land be charged with or become
15 responsible for the assessment made against any taxable
16 improvements located thereon.

17 ~~8~~(8) ~~The the~~ assessed value of all taxable personal
18 property, ~~exclusive of money;~~

19 ~~9~~ ~~The amount of money;~~

20 ~~10~~ ~~Taxable improvements owned by the person, firm,~~
21 ~~association, or corporation located upon land exempt from~~
22 ~~taxation must, as to the manner of assessment, be assessed~~
23 ~~as other real estate upon the assessment roll. No value,~~
24 ~~however, must be assessed against the exempt land, nor under~~
25 ~~any circumstances must the land be charged with or become~~

1 ~~responsible for the assessment made against any taxable~~
2 ~~improvements located thereon;~~

3 ~~11~~(9) ~~The the~~ school, road, and other revenue
4 districts in which each piece of property assessed is
5 situated;

6 ~~12~~(10) ~~The the~~ total assessed value of all property.

7 ~~13~~ ~~The figure one (1) in separate columns, opposite~~
8 ~~the name of every person liable to pay a poll tax.~~

9 Section 6. Section 84-1608, R.C.M. 1947, is amended to
10 read as follows:

11 "84-1608. False statements constitute perjury. Any
12 person, officer, partner, agent, or representative of any
13 producer referred to in section 84-1601, who ~~shall~~ ~~make~~
14 ~~makes~~ any false statement, affidavit, certificate, report,
15 or statement herein required to be made to the state
16 department of revenue hereunder, ~~shall be deemed is~~ guilty
17 of perjury and upon conviction shall be punished by
18 ~~imprisonment in the state penitentiary for not less than one~~
19 ~~(1) nor more than fourteen (14) years as provided in the~~
20 Criminal Code of 1973, as amended."

21 Section 7. Section 84-4002, R.C.M. 1947, is amended to
22 read as follows:

23 "84-4002. County clerk to prepare duplicate statement.
24 The county clerk ~~must~~ shall, on or before the second Monday
25 in August of each year, prepare from the assessment book of

1 such year, as corrected by the department of revenue or its
2 agent, duplicate statements, showing in separate columns:

- 3 1. (1) ~~the~~ the total value of all property;
- 4 2. (2) ~~the~~ the value of real estate, including mining
5 claims, stated separately;
- 6 3. (3) ~~the~~ the value of the improvements thereon;
- 7 4. (4) ~~the~~ the value of taxable personal property
8 ~~exclusive-of-money~~;
- 9 5. ~~The amount of money~~;
- 10 6. (5) ~~the~~ the number of acres of land, and the number
11 of mining claims, stated separately."

12 Section 8. Section 84-4166, R.C.M. 1947, is amended to
13 read as follows:

14 *84-4166. Defense to action -- redemption of parcels.
15 Any defendant may appear in ~~said the~~ action within the time
16 provided by law for appearances in civil actions, ~~and~~ may
17 set up any defense to the ~~said~~ action he may have, and may
18 therein question the legality, validity, or the sufficiency
19 of any act had in connection with the assessment or sale of
20 ~~said the land~~, any Any defendant to ~~said the~~ action may
21 make redemption of ~~said the~~ lands from ~~said the~~ tax sale by
22 paying the total amount of delinquent taxes and penalties
23 ~~which plaintiff has paid~~, with interest thereon at eight-per
24 centum--(8%) per--annum a year from date of payment--which
25 ~~plaintiff shall have paid~~, together with costs of the

1 action, ~~and~~ ~~upon~~ Upon such payment, a certificate of
2 redemption therefrom shall be issued by the county treasurer
3 ~~of said county~~ to the defendant so paying, and thereupon the
4 ~~said~~ action shall be dismissed, ~~whenever~~ Whenever a
5 defendant ~~shall desire~~ desires to redeem from a tax sale and
6 pay all subsequent taxes upon any lots, piece, or parcel of
7 real estate, which ~~said a~~ person, firm, copartnership
8 ~~partnership~~, corporation, or association ~~shall own~~ owns or
9 ~~hold~~ holds a mortgage or other lien against or ~~have~~ has any
10 interest in ~~such property~~, ~~it shall be the duty of~~ the
11 county treasurer of the county in which such real estate is
12 situated ~~to~~ shall permit such redemption and payment, ~~and~~
13 ~~in in~~ case the ~~said~~ real estate ~~shall have~~ has been assessed
14 against any other property ~~shall be~~ and is a lien thereon,
15 then ~~it shall be the duty of said the~~ county treasurer to
16 ~~shall~~ compute and apportion the tax that should have
17 properly been assessed against the ~~said~~ real estate sought
18 to be redeemed, and upon which the taxes are sought to be
19 paid, the same as if ~~said the~~ property had been separately
20 assessed. Any personal property tax which is a lien upon
21 ~~said such~~ real estate shall be likewise computed and
22 apportioned on the same percentage basis as the tax assessed
23 against the real estate is apportioned."

24 Section 9. Section 84-4169, R.C.M. 1947, is amended to
25 read as follows:

1 county commissioners of any county to provide for the
 2 classification of the lands in such county as required by
 3 ~~sections 84-438 to 84-437~~ 84-429.7 through 84-429.11 or
 4 prior law. This enactment shall be retroactive and shall
 5 apply to all tax deeds heretofore ~~as well as those hereafter~~
 6 issued under any law of the state of Montana providing a
 7 method of applying for and securing a deed to lands sold for
 8 delinquent taxes. All tax deeds heretofore issued before
 9 July 1, 1941, under the laws of Montana are hereby legalized
 10 and declared to be valid, notwithstanding that the lands
 11 thereby conveyed may not have been classified under the
 12 statutes herein referred to."

13 Section 11. Section 84-4216, R.C.M. 1947, is amended
 14 to read as follows:

15 "84-4216. Cancellation of such taxes and obligations
 16 -- filing of lists. Upon receipt of such list or lists, and
 17 within ~~thirty~~ {30} days thereafter, the board of county
 18 commissioners shall examine the same and make any necessary
 19 corrections. Thereupon the board of county commissioners
 20 shall make its order canceling all such personal property
 21 taxes and contractual obligations contained in such list or
 22 lists, as corrected, required by this act to be canceled,
 23 and spread such order upon its minutes. ~~Out such~~ Such order
 24 and minutes need not set forth in full the contents of such
 25 list or lists, a proper reference therein for their

1 identification being sufficient, ~~provided, however, that at~~
 2 ~~At~~ the time of making such order, the original or ribbon
 3 copy of such list or lists, as corrected, shall be filed
 4 with and as a part of the records of the board, ~~one~~ One
 5 legible ~~original~~ carbon copy thereof shall be filed with the
 6 county clerk and recorder as a public record, and one
 7 legible ~~original~~ carbon copy thereof shall be filed with the
 8 county treasurer as a permanent record of his office."

9 Section 12. Section 84-5606.18, R.C.M. 1947, is
 10 amended to read as follows:

11 "84-5606.18. Sale and use of cigarettes a misdemeanor
 12 if insignia requirements not met. Every person who sells any
 13 ~~packages~~ package of cigarettes which does not bear the
 14 insignia required by this act, and every person who ~~shall~~
 15 ~~use or consume~~ uses or consumes a cigarette within this
 16 state, ~~or unless the same shall be has been~~
 17 ~~taken from the original package having affixed thereto the~~
 18 ~~insignia required by this act~~ TAKEN FROM A PACKAGE WHICH
 19 DOES NOT BEAR THE REQUIRED INSIGNIA, is guilty of a
 20 misdemeanor and shall be punished as hereinafter provided."

21 Section 13. Section 84-5606.26, R.C.M. 1947, is
 22 amended to read as follows:

23 "84-5606.26. Department's duties and powers -- arrest,
 24 entry of complaint, and lawful search and seizure
 25 authorized. The department ~~is charged with the duty of~~

1 ~~administering---and---enforcing---the---provisions---of~~ shall
2 ~~administer and enforce~~ this act, and the director and his
3 ~~agencies--are--hereby--given~~ have the powers of peace officers,
4 ~~and are authorized and empowered to may~~ arrest any person
5 violating any provision of this act, ~~and--to~~ enter a
6 complaint before any court of competent jurisdiction, and to
7 lawfully search and seize and use as evidence, any unlawful
8 or unlawfully possessed license, stamp, or insignia found in
9 the possession of any person or in any place."

10 Section 14. Section 82-1104, R.C.M. 1947, is amended
11 to read as follows:

12 "82-1104. Prison made goods not affected. Nothing in
13 this act ~~shall--be--deemed--to--modify--amend--or--abridge~~
14 ~~sections modifies, amends, or abridges~~ 4-347, 4-348, 79-601,
15 84-1603, 84-1901, ~~84-1902, 84-1903,~~ 84-2012, and 84-2203, or
16 any law ~~or--laws~~ pertaining to the making or marketing of
17 prison made goods or any law ~~or--laws~~ regulating or
18 prohibiting the use or employment of convict labor."

19 Section 15. Repealer. Sections 84-514, 84-713,
20 84-1902, 84-1903, 84-4011, 84-4144 through 84-4150, 84-4159,
21 84-5703 through 84-5717, 84-5718 and 84-5719, R.C.M. 1947,
22 are repealed.

-End-