

1 House BILL NO. 735  
 2 INTRODUCED BY Sully, Ferguson, Ramirez, Lien

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO IMPOSE THE BANK  
 5 SHARE TAX UPON THE BANK; TO PROVIDE A DEDUCTION FOR PROPERTY  
 6 EXEMPT FROM TAXATION FOR BANK SHARE TAX PURPOSES; TO PROVIDE  
 7 FOR EQUALIZATION OF THE VALUE OF BANK SHARES FOR TAX  
 8 PURPOSES; AMENDING SECTIONS 84-307, 84-308, 84-401, 84-4602,  
 9 84-4603, 84-4604, AND 84-4605; AND PROVIDING AN EFFECTIVE  
 10 DATE."

11  
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 Section 1. Section 84-307, R.C.M. 1947, is amended to  
 14 read as follows:

15 "84-307. Assessment and valuation of shares of banks  
 16 -- deductions. (1) The shares of all banking corporations  
 17 engaged in the banking business in Montana shall be valued  
 18 ~~and--assessed~~ for the purpose of taxation at the full cash  
 19 value thereof as shown on the books of the bank, less:

20 (a) the book value of the real estate, moneyed capital  
 21 and other property of any such bank assessed and taxed as  
 22 the property of said bank; and

23 (b) that portion of the book value of any property  
 24 owned by the bank which is exempt from property taxation as  
 25 bears the same ratio to the value of such exempt property as

1 the stock equity of such bank bears to the total assets of  
 2 such bank as shown on the books of the bank.

3 (2) Valuation and assessment of such shares for the  
 4 purposes of taxation shall be made as provided in Title 84,  
 5 chapter 46."

6 Section 2. Section 84-401, R.C.M. 1947, is amended to  
 7 read as follows:

8 "84-401. Property assessed at forty percent ~~(40%)~~ of  
 9 its full cash value -- exceptions. (1) All taxable real  
 10 property and improvements must be assessed at forty percent  
 11 (40%) of its full cash value except:

12 ~~(1)(a)~~ Properties in section 84-301, under Class One,  
 13 shall be assessed at one hundred percent (100%) of full cash  
 14 value.

15 ~~(2)(b)~~ The assessment of agricultural lands shall be  
 16 based upon the productive capacity of the lands when valued  
 17 for agricultural purposes. All lands shall be valued as  
 18 agricultural lands for tax purposes that meet the  
 19 qualifications of section 84-437.2, R.C.M. 1947. Land and  
 20 the improvements thereon shall be separately assessed when  
 21 any of the following conditions occur:

22 ~~(a)(i)~~ when ownership of the improvements is different  
 23 from ownership of the land,

24 ~~(b)(ii)~~ when requested in writing by the taxpayer, or

25 ~~(c)(iii)~~ when the land is outside an incorporated city

1 or town.

2 ~~(2) Bank shares valued as provided in 84-307 shall be~~  
3 ~~assessed at 40% of their full cash value.~~

4 (3) The taxable value of all property shall be  
5 determined by sections 84-301 and 84-308."

6 Section 3. Section 84-308, R.C.M. 1947, is amended to  
7 read as follows:

8 "84-308. Basis for imposition of taxes on moneyed  
9 capital and bank shares. ~~As a basis for the imposition of~~  
10 ~~taxes upon~~ The rates of taxation for the different classes  
11 of property herein specified ~~a percentage of the true and~~  
12 ~~full value of each class shall be taken~~ are as follows:

13 Moneyed capital and shares of banks, both national and  
14 state, ~~thirty per centum (30%) of true and full value on~~  
15 ~~that portion of the true and full value~~ the assessed value  
16 not represented by surplus, as shown on the books of the  
17 bank; ~~seven per centum (7%) on that portion of the true and~~  
18 ~~full assessed value~~ represented by surplus as shown on the  
19 books of the bank; provided that on that portion of any of  
20 such surplus which is over and above the amount represented  
21 by the stated capital of a bank, the excess shall be subject  
22 to ~~thirty per centum (30%) of true and full~~ assessed value.  
23 The state department of revenue shall prepare, distribute  
24 and cause to be used such forms as it may require to obtain  
25 from the banks doing business in this state reports of such

1 facts and figures as may be necessary to ascertain the  
2 taxable value of bank shares as a basis for the imposition  
3 of taxes."

4 Section 4. Section 84-4602, R.C.M. 1947, is amended to  
5 read as follows:

6 "84-4602. Assessment of stock in banking corporations.  
7 All shares of stock in state and national banks ~~existing by~~  
8 ~~authority of the United States~~ and located and doing  
9 business within this state, shall be assessed to the owners  
10 thereof respective bank in the cities, towns, or places  
11 where such banks are located, and not elsewhere except as  
12 provided in 84-4606, in the assessment of all state, county,  
13 school districts, and municipal taxes, imposed and levied in  
14 such place ~~whether or not the owner of such stock is a~~  
15 ~~resident of such city, town or place."~~

16 Section 5. Section 84-4603, R.C.M. 1947, is amended to  
17 read as follows:

18 "84-4603. Payment of taxes -- entry of assessment.  
19 Every state and national bank shall pay to the person  
20 authorized to collect taxes in the state, county, city,  
21 town, or place in which such bank is located, at the time of  
22 each year when other taxes become due, the amount of the tax  
23 upon the shares in such bank. Said banks shall be liable for  
24 the payment of the said tax, and if the same is not paid on  
25 or before the thirtieth day of November of each year at six

1 o'clock p.m., the said tax shall become delinquent, and  
 2 shall be collected in the same manner and be subject to the  
 3 same laws as all other delinquent taxes.

4 ~~For convenience, the~~ The assessment of shares of stock  
 5 in state and national banks, and herein referred to, shall  
 6 be entered on the personal property assessment list under  
 7 the name of the bank, ~~and in such statement the names of the~~  
 8 ~~holders of bank stock shall be set forth, and the shares~~  
 9 ~~owned by each, and such assessment, when so entered, shall~~  
 10 ~~have all the force and effect as if made in the name and~~  
 11 ~~against the holder of bank stock individually."~~

12 Section 6. Section 84-4604, R.C.M. 1947, is amended to  
 13 read as follows:

14 "84-4604. Statements to be furnished by officers. The  
 15 cashier of every state and national bank shall make and  
 16 deliver to the department of revenue or its agent in the  
 17 county in which said bank is located, within five days after  
 18 demand therefor, a statement, verified by his oath, showing  
 19 ~~the name of each shareholder, with his residence and~~ the  
 20 number of shares of such bank belonging to him at the close  
 21 of business on December 31 each year, as the same then  
 22 appeared on the books of said bank, and showing the face  
 23 value of the capital stock, and the amount of surplus and  
 24 undivided profits of said bank, and an estimate of the value  
 25 for which such stock shall be assessed. If said cashier

1 fails to make such statement as required, the department of  
 2 revenue or its agent shall forthwith obtain said information  
 3 from the officers of the bank and for this purpose shall  
 4 have access to the books of the bank, and the department or  
 5 its agent shall therefor make an assessment of such stock,  
 6 which shall be as fair and equitable as can be made from the  
 7 best information available, or the figures disclosed by any  
 8 prior report of the officers or directors of the bank, made  
 9 to any state or federal officer to whom such bank is by law  
 10 required to make reports, may be adopted."

11 Section 7. Section 84-4605, R.C.M. 1947, is amended to  
 12 read as follows:

13 "84-4605. Taxation of banks and shares of stock in.  
 14 (1) Every state bank or national banking corporation located  
 15 and doing business in this state, and every private banker  
 16 doing business in this state, shall be taxable upon the  
 17 value of all real estate and personal property owned by such  
 18 bank, banking corporation or private banker, and also upon  
 19 the moneyed capital employed in such business, such moneyed  
 20 capital to be ascertained as provided by section ~~84-301~~  
 21 ~~84-304~~; and the cashier or secretary of every such bank or  
 22 banking corporation, and every such private banker, shall  
 23 furnish to the department of revenue or its agent in the  
 24 county in which its or his bank is located, within five days  
 25 after demand therefor, a statement verified by his oath,

1 showing all the resources and liabilities of such bank as  
 2 disclosed by its books, at the close of business on December  
 3 31 of the preceding year; if such cashier, secretary or  
 4 private banker shall fail to make the statement hereby  
 5 required, the department or its agent shall forthwith obtain  
 6 such information from any other available source, and for  
 7 this purpose shall have access to the books of such bank,  
 8 banking corporation or private banker. The department or  
 9 its agent shall thereupon make an assessment of the real  
 10 estate and personal property owned by such bank, banking  
 11 corporation or private banker, and of the moneyed capital  
 12 employed in the business of such bank, banking corporation  
 13 or private banker, which assessment shall be as fair and  
 14 equitable as can be made from the best information available  
 15 or, for the purpose of said assessment the figures disclosed  
 16 by any prior report made by such bank, banking corporation  
 17 or private banker to any state or federal officer pursuant  
 18 to any state or federal law may be adopted. Any person  
 19 required by this section to make the statement hereinabove  
 20 provided, who shall fail to furnish the same, shall be  
 21 guilty of a misdemeanor and shall be punished accordingly.

22 (2) All shares of stock in any such bank or banking  
 23 corporation shall be assessed valued at their full cash  
 24 value, except to the extent that that value is represented  
 25 in property which is assessable and taxable to such bank or

1 banking corporation in this state or exempt from taxation as  
 2 provided in 84-307, and shall be taxable to the owners of  
 3 such shares bank in the county, school district, city, town,  
 4 or place where such bank or banking corporation is located  
 5 and not elsewhere except as provided in section 84-4606  
 6 ~~whether or not the owners of such shares are residents of~~  
 7 ~~such county, school district, city, town or place.~~

8 (3) ~~The cashier or secretary of any such bank or~~  
 9 ~~banking corporation shall furnish to the department or its~~  
 10 ~~agent upon demand the name of each stockholder with his~~  
 11 ~~residence and the number of shares belonging to him at the~~  
 12 ~~close of business on December 31 of the preceding year and~~  
 13 ~~if such cashier or secretary for more than five days after~~  
 14 ~~such demand shall fail to furnish such information he~~  
 15 ~~shall be guilty of a misdemeanor and the department or its~~  
 16 ~~agent may obtain such information from any other available~~  
 17 ~~source and for such purposes shall have access to the books~~  
 18 ~~of such bank or banking corporation. For convenience the~~  
 19 The assessment of such shares shall be entered on the  
 20 personal property assessment list under the name of the bank  
 21 or banking corporation concerned ~~but in the assessment list~~  
 22 ~~the names of the owners of such shares shall be set forth~~  
 23 ~~and the number of shares owned by each, and such assessment~~  
 24 ~~when so entered shall have all the force and effect as if~~  
 25 ~~made in the names of the owners of such shares individually.~~

1 The bank or banking corporation in which such shares are  
2 owned shall be solely liable for the payment of taxes  
3 assessed against such shares, and such taxes shall be  
4 payable by and may be collected from such bank or banking  
5 corporation in the same manner and under the same penalties  
6 as other taxes; ~~provided that such bank or banking~~  
7 ~~corporation may recover from such owners of shares any taxes~~  
8 ~~so paid on such shares, and shall have a lien therefor upon~~  
9 ~~such shares and upon any dividends accrued or to accrue~~  
10 ~~thereon."~~

11 Section 8. Effective date. This act is effective upon  
12 its passage and approval and is effective for all valuation,  
13 assessment, and taxation of the specified property for the  
14 taxable years 1977 and following.

-End-

## STATE OF MONTANA

REQUEST NO. 605-77

## FISCAL NOTE

Form BD-15

In compliance with a written request received March 3, 19 77, there is hereby submitted a Fiscal Note for House Bill 735 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION

This bill is an act to impose the bank share tax upon the bank; to provide a deduction for property exempt from taxation for bank share tax purposes; to provide for equalization of the value of bank shares for tax purposes and to provide an effective date.

ASSUMPTIONS

The effect of this bill was calculated for FY 76 to give an example of the fiscal impact of this bill. Data from all banks in the state was used. To arrive at the actual fiscal impact on state and local revenues a 6 mill levy was assumed for the state and a 250 mill levy was assumed for local government.

FISCAL IMPACT (STATE)

	1976 Taxable Value Proposed Law	1976 Taxable Value Current Law	Difference	
Bank Stock @ 30%	\$ 4,747	\$18,009,139	(\$18,004,392)	
Bank Collection @ 7%	<u>\$3,525,940</u>	<u>\$ 5,867,179</u>	<u>(\$ 2,341,239)</u>	
TOTAL	<u>\$3,530,687</u>	<u>\$23,876,318</u>	<u>(\$20,345,631)</u>	@ 6 mills (\$122,074)

The state would have lost \$122,074 in 1976 had this bill been in effect.

EFFECT ON LOCAL REVENUE

Had this bill been in effect in 1976 local governments would have lost approximately \$5 million in property tax revenue

PREPARED BY DEPARTMENT OF REVENUE

*Richard L. Dray*  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 3-8-77

Approved by Committee  
on Taxation

HOUSE BILL NO. 735

INTRODUCED BY SCULLY, AAGESON, FABREGA, RAMIREZ, LIEN

A BILL FOR AN ACT ENTITLED: "AN ACT ~~TO IMPOSE THE BANK~~  
~~SHARE TAX UPON THE BANK;~~ TO PROVIDE A DEDUCTION FOR PROPERTY  
EXEMPT FROM TAXATION FOR BANK SHARE TAX PURPOSES; ~~TO PROVIDE~~  
~~FOR EQUALIZATION OF THE VALUE OF BANK SHARES FOR TAX~~  
PURPOSES PROVIDING A PERIOD OF EFFECTIVENESS; AMENDING  
SECTIONS SECTION 84-307, ~~84-308, 84-401, 84-4602, 84-4603,~~  
~~84-4604, AND 84-4605; AND PROVIDING AN EFFECTIVE DATE~~ R.C.M.  
1947."

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

Section 1. Section 84-307, R.C.M. 1947, is amended to  
read as follows:

"84-307. Assessment and valuation of shares of banks  
-- deductions. (1) The shares of all banking corporations  
engaged in the banking business in Montana shall be valued  
~~and assessed~~ for the purpose of taxation at the full cash  
value thereof as shown on the books of the bank, less:

(a) the book value of the real estate, moneyed capital  
and other property of any such bank assessed and taxed as  
the property of said bank; and

(b) that portion of the book value of any property  
owned by the bank which is exempt from property taxation as

bears the same ratio to the value of such exempt property as  
the stock equity of such bank bears to the total assets of  
such bank as shown on the books of the bank.

(2) Valuation and assessment of such shares for the  
purposes of taxation shall be made as provided in Title 84,  
chapter 46."

Section ~~2~~ Section ~~84-401, R.C.M. 1947,~~ is amended to  
read as follows:

"~~84-401. Property assessed at forty percent (40%) of~~  
~~its full cash value--exceptions--(1) All taxable real~~  
~~property and improvements must be assessed at forty percent~~  
~~(40%) of its full cash value except:~~

~~(1)(a) Properties in section 84-301, under Class One~~  
~~shall be assessed at one hundred percent (100%) of full cash~~  
~~values.~~

~~(2)(a) The assessment of agricultural lands shall be~~  
~~based upon the productive capacity of the lands when valued~~  
~~for agricultural purposes. All lands shall be valued as~~  
~~agricultural lands for tax purposes that meet the~~  
~~qualifications of section 84-437, 2, R.C.M. 1947, and~~  
~~the improvements thereon shall be separately assessed when~~  
~~any of the following conditions occur:~~

~~(a)(i) when ownership of the improvements is different~~  
~~from ownership of the land;~~

~~(a)(ii) when requested in writing by the taxpayer or~~

1       ~~(e) if the land is outside an incorporated city~~  
 2       ~~or town;~~  
 3       ~~(f) bank shares valued as provided in 84-387 shall be~~  
 4       ~~assessed at 40% of their full cash value;~~  
 5       ~~(2) The taxable value of all property shall be~~  
 6       ~~determined by sections 44-381 and 84-388.~~  
 7       Section 3 of Section 84-388, R.C.M. 1947, is amended to  
 8       read as follows:  
 9       "84-388. Basis for imposition of taxes on moneyed  
 10       capital and bank shares. As a basis for the imposition of  
 11       taxes upon ~~the rates of taxation for~~ the different classes  
 12       of property herein specified, a percentage of the true and  
 13       full value of each class shall be taken ~~as~~ as follows:  
 14       Moneyed capital and shares of banks, both national and  
 15       state, thirty per centum (30%) of true and full value on  
 16       that portion of the true and full value ~~the assessed value~~  
 17       not represented by surplus, as shown on the books of the  
 18       bank, seven per centum (7%) on that portion of the true and  
 19       full ~~assessed~~ value represented by surplus as shown on the  
 20       books of the bank, provided that on that portion of any of  
 21       such surplus which is over and above the amount represented  
 22       by the stated capital of a bank, the excess shall be subject  
 23       to thirty per centum (30%) of true and full ~~assessed~~ value.  
 24       The state department of revenue shall prepare distribute  
 25       and cause to be used such forms as it may require to obtain

1       from the banks doing business in this state reports of such  
 2       facts and figures as may be necessary to ascertain the  
 3       taxable value of bank shares as a basis for the imposition  
 4       of taxes."

5       Section 4 of Section 84-4602, R.C.M. 1947, is amended to  
 6       read as follows:  
 7       "84-4602. Assessment of stock in banking corporations.  
 8       All shares of stock in ~~state and~~ national banks existing by  
 9       authority of the United States and located and doing  
 10       business within this state shall be assessed to the owners  
 11       thereof ~~respective bank~~ in the cities, towns or places  
 12       where such banks are located and not elsewhere ~~except as~~  
 13       provided in 84-4604, in the assessment of all state, county,  
 14       school districts and municipal taxes imposed and levied in  
 15       such place, whether or not the owner of such stock is a  
 16       resident of such city, town or place."

17       Section 5 of Section 84-4603, R.C.M. 1947, is amended to  
 18       read as follows:  
 19       "84-4603. Payment of taxes. Entry of assessments  
 20       every ~~state and~~ national bank shall pay to the person  
 21       authorized to collect taxes in the state, county, city,  
 22       town or place in which such bank is located, at the time of  
 23       each year when other taxes become due, the amount of the tax  
 24       upon the shares in such bank. Said banks shall be liable for  
 25       the payment of the said tax, and if the same is not paid on



1 or before the thirtieth day of November of each year at six  
 2 o'clock p.m. the said tax shall become delinquent and  
 3 shall be collected in the same manner and be subject to the  
 4 same laws as all other delinquent taxes.

5 For convenience the ~~the~~ assessment of shares of stock  
 6 in ~~state and~~ national banks and herein referred to shall  
 7 be entered on the personal property assessment list under  
 8 the name of the bank and in such statement the names of the  
 9 holders of bank stock shall be set forth and the shares  
 10 owned by each and such assessments when so entered shall  
 11 have all the force and effect as if made in the name and  
 12 against the holder of bank stock individually.

13 Section 64 Section 84-4684, R.C.M. 1947 is amended to  
 14 read as follows:

15 "84-4684. Statements to be furnished by officers. The  
 16 cashier of every ~~state and~~ national bank shall make and  
 17 deliver to the department of revenue or its agent in the  
 18 county in which said bank is located, within five days after  
 19 demand therefor a statement, verified by his oath, showing  
 20 the name of each shareholder, with his residence and the  
 21 number of shares ~~of such bank~~ belonging to him at the close  
 22 of business on December 31 each year, as the same then  
 23 appeared on the books of said bank, and showing the face  
 24 value of the capital stock, and the amount of surplus and  
 25 undivided profits of said bank, and an estimate of the value

1 for which such stock shall be assessed, if said cashier  
 2 fails to make such statement as required, the department of  
 3 revenue or its agent shall forthwith obtain said information  
 4 from the officers of the bank and for this purpose shall  
 5 have access to the books of the bank, and the department or  
 6 its agent shall therefor make an assessment of such stock  
 7 which shall be as fair and equitable as can be made from the  
 8 best information available, or the figures disclosed by any  
 9 prior report of the officers or directors of the bank, made  
 10 to any state or federal officer to whom such bank is by law  
 11 required to make reports, may be adopted.

12 Section 74 Section 84-4685, R.C.M. 1947 is amended to  
 13 read as follows:

14 "84-4685. Taxation of banks and shares of stock in  
 15 (1) every state bank or ~~national~~ banking corporation located  
 16 and doing business in this state, and every private banker  
 17 doing business in this state, shall be taxable upon the  
 18 value of all real estate and personal property owned by such  
 19 banks, banking corporation or private banker, and also upon  
 20 the moneyed capital employed in such business, such moneyed  
 21 capital to be ascertained as provided by section 84-301  
 22 ~~84-301~~ and the cashier or secretary of every such bank or  
 23 banking corporation, and every such private banker, shall  
 24 furnish to the department of revenue or its agent in the  
 25 county in which its or his bank is located, within five days

1 after demand therefor a statement verified by his oath  
 2 showing all the resources and liabilities of such bank as  
 3 disclosed by its books at the close of business on December  
 4 31 of the preceding year; if such cashier, secretary or  
 5 private banker shall fail to make the statement hereby  
 6 required, the department or its agent shall forthwith obtain  
 7 such information from any other available source, and for  
 8 this purpose shall have access to the books of such bank,  
 9 banking corporation or private banker. The department or  
 10 its agent shall thereupon make an assessment of the real  
 11 estate and personal property owned by such bank, banking  
 12 corporation or private banker, and of the moneyed capital  
 13 employed in the business of such bank, banking corporation  
 14 or private banker, which assessment shall be as fair and  
 15 equitable as can be made from the best information available  
 16 or for the purpose of said assessment the figures disclosed  
 17 by any prior report made by such bank, banking corporation  
 18 or private banker to any state or federal officer pursuant  
 19 to any state or federal law may be adopted. Any person  
 20 required by this section to make the statement hereinabove  
 21 provided, who shall fail to furnish the same, shall be  
 22 guilty of a misdemeanor and shall be punished accordingly.  
 23 (c) All shares of stock in any such bank or banking  
 24 corporation shall be assessed valued at their full cash  
 25 value, except to the extent that that value is represented

1 in property which is assessable and taxable to such bank or  
 2 banking corporation in this state ~~or exempt from taxation as~~  
 3 ~~provided in 84-307~~ and shall be taxable to the owners of  
 4 such shares bank in the county, school district, city, town,  
 5 or place where such bank or banking corporation is located  
 6 and not elsewhere ~~except as provided in section 84-4606~~  
 7 whether or not the owners of such shares are residents of  
 8 such county, school district, city, town or place.  
 9 (3) The cashier or secretary of any such bank or  
 10 banking corporation shall furnish to the department or its  
 11 agent upon demand, the name of each stockholder with his  
 12 residence and the number of shares belonging to him at the  
 13 close of business on December 31 of the preceding year, and  
 14 if such cashier or secretary for more than five days after  
 15 such demand shall fail to furnish such information, he  
 16 shall be guilty of a misdemeanor and the department or its  
 17 agent may obtain such information from any other available  
 18 source, and for such purposes shall have access to the books  
 19 of such bank or banking corporation. For convenience the  
 20 ~~ing~~ assessment of such shares shall be entered on the  
 21 personal property assessment list under the name of the bank  
 22 or banking corporation concerned, but in the assessment list  
 23 the names of the owners of such shares shall be set forth  
 24 and the number of shares owned by each, and such assessment,  
 25 when so entered, shall have all the force and effect as if

1 ~~made in the names of the owners of such shares individually~~  
2 ~~the bank or banking corporation in which such shares are~~  
3 ~~owned shall be jointly liable for the payment of taxes~~  
4 ~~assessed against such shares, and such taxes shall be~~  
5 ~~payable by and may be collected from such bank or banking~~  
6 ~~corporation in the same manner and under the same penalties~~  
7 ~~as other taxes; provided that such bank or banking~~  
8 ~~corporation may recover from such owners of shares any taxes~~  
9 ~~so paid on such shares, and shall have a lien therefor upon~~  
10 ~~such shares and upon any dividends accrued or to accrue~~  
11 ~~thereon.~~"

12 Section 2. ~~Effective date~~ PERIOD OF EFFECTIVENESS.  
13 This act is effective upon its passage and approval and is  
14 effective for all valuation, assessment, and taxation of the  
15 specified property for the taxable years 1977 and following  
16 1978.

-End-

HOUSE BILL NO. 735

INTRODUCED BY SCULLY, AAGESON, FABREGA, RAMIREZ, LIEN

A BILL FOR AN ACT ENTITLED: "AN ACT ~~TO~~ IMPROVE THE BANK SHARE TAX UPON THE BANK TO PROVIDE A DEDUCTION FOR PROPERTY EXEMPT FROM TAXATION FOR BANK SHARE TAX PURPOSES; ~~TO~~ PROVIDE FOR EQUALIZATION OF THE VALUE OF BANK SHARES FOR TAX PURPOSES PROVIDING A PERIOD OF EFFECTIVENESS; AMENDING SECTIONS SECTION 84-307, 84-308, 84-401, 84-4602, 84-4603, 84-4604, AND 84-4605, AND PROVIDING AN EFFECTIVE DATE R.C.M. 1947."

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

Section 1. Section 84-307, R.C.M. 1947, is amended to read as follows:

"84-307. Assessment and valuation of shares of banks -- deductions. (1) The shares of all banking corporations engaged in the banking business in Montana shall be valued and assessed for the purpose of taxation at the full cash value thereof as shown on the books of the bank, less:

(a) the book value of the real estate, moneyed capital and other property of any such bank assessed and taxed as the property of said bank; and

(b) that portion of the book value of any property owned by the bank which is exempt from property taxation as

bears the same ratio to the value of such exempt property as the stock equity of such bank bears to the total assets of such bank as shown on the books of the bank.

(2) Valuation and assessment of such shares for the purposes of taxation shall be made as provided in Title 84, Chapter 46."

Section 2. Section 84-401, R.C.M. 1947, is amended to read as follows:

"84-401. Property assessed at forty percent (40%) of its full cash value -- exceptions -- (1) All taxable real property and improvements must be assessed at forty percent (40%) of its full cash value except:

(i) Properties in section 84-301, under Class One, shall be assessed at one hundred percent (100%) of full cash value.

(ii) The assessment of agricultural lands shall be based upon the productive capacity of the lands when valued for agricultural purposes. All lands shall be valued as agricultural lands for tax purposes that meet the qualifications of section 84-437, R.C.M. 1947. Land and the improvements thereon shall be separately assessed when any of the following conditions occur:

(i) when ownership of the improvements is different from ownership of the land;

(ii) when requested in writing by the taxpayer or

THIRD READING

1        ~~(c)iiiii~~ when the land is outside an incorporated city  
2 or town;

3        ~~(i) Bank shares valued as provided in 84-307 shall be~~  
4 ~~assessed at 40% of their full cash value;~~

5        (ii) The taxable value of all property shall be  
6 determined by sections 84-301 and 84-308.

7        Section 3, Section 84-308, R.C.M. 1947, is amended to  
8 read as follows:

9        "84-308. Basis for imposition of taxes on moneyed  
10 capital and bank shares. As a basis for the imposition of  
11 taxes upon ~~the rates of taxation for~~ the different classes  
12 of property herein specified, a percentage of the true and  
13 full value of each class shall be taken ~~are~~ as follows:

14        Moneyed capital and shares of banks, both national and  
15 state, thirty per centum (30%) of true and full value on  
16 that portion of the true and full value ~~the assessed value~~  
17 not represented by surplus as shown on the books of the  
18 banks, seven per centum (7%) on that portion of the true and  
19 full ~~assessed~~ value represented by surplus as shown on the  
20 books of the bank, provided that on that portion of any of  
21 such surplus which is over and above the amount represented  
22 by the stated capital of a bank, the excess shall be subject  
23 to thirty per centum (30%) of true and full ~~assessed~~ value  
24 the state department of revenue shall prepare, distribute  
25 and cause to be used such forms as it may require to obtain

1        from the banks doing business in this state reports of such  
2 facts and figures as may be necessary to ascertain the  
3 taxable value of bank shares as a basis for the imposition  
4 of taxes."

5        Section 4, Section 84-4602, R.C.M. 1947, is amended to  
6 read as follows:

7        "84-4602. Assessment of stock in banking corporations.  
8 All shares of stock in ~~state and~~ national banks existing by  
9 authority of the United States and located and doing  
10 business within this state shall be assessed to the owners  
11 thereof ~~respective bank~~ in the cities, towns or places  
12 where such banks are located, and not elsewhere ~~except as~~  
13 ~~provided in 84-4604~~ in the assessment of all state, county,  
14 school districts, and municipal taxes imposed and levied in  
15 such place, whether or not the owner of such stock is a  
16 resident of such city, town or place."

17        Section 5, Section 84-4603, R.C.M. 1947, is amended to  
18 read as follows:

19        "84-4603. Payment of taxes. --- entry of assessment.  
20 Every ~~state and~~ national bank shall pay to the person  
21 authorized to collect taxes in the state, county, city,  
22 town or place in which such bank is located, at the time of  
23 each year when other taxes become due, the amount of the tax  
24 upon the shares in such bank. Said banks shall be liable for  
25 the payment of the said tax, and if the same is not paid on

1 or before the thirtieth day of November of each year at six  
2 o'clock p.m. the said tax shall become delinquent and  
3 shall be collected in the same manner and be subject to the  
4 same laws as all other delinquent taxes.

5 For convenience the ~~the~~ assessment of shares of stock  
6 in ~~state and~~ national banks and herein referred to shall  
7 be entered on the personal property assessment list under  
8 the name of the bank and in such statement the names of the  
9 holders of bank stock shall be set forth and the shares  
10 owned by each and such assessments when so entered shall  
11 have all the force and effect as if made in the name and  
12 against the holder of bank stock individually.

13 Section 6 of Section 84-4684 R.C.M. 1947 is amended to  
14 read as follows:

15 "84-4684. Statements to be furnished by officers. The  
16 cashier of every ~~state and~~ national bank shall make and  
17 deliver to the department of revenue or its agent in the  
18 county in which said bank is located within five days after  
19 demand therefor a statement verified by his oath showing  
20 the name of each shareholder with his residence and the  
21 number of shares of such bank belonging to him at the close  
22 of business on December 31 each year as the same then  
23 appeared on the books of said bank and showing the face  
24 value of the capital stock and the amount of surplus and  
25 undivided profits of said bank and an estimate of the value

1 for which such stock shall be assessed. If said cashier  
2 fails to make such statement as required the department of  
3 revenue or its agent shall forthwith obtain said information  
4 from the officers of the bank and for this purpose shall  
5 have access to the books of the bank and the department or  
6 its agent shall therefor make an assessment of such stock  
7 which shall be as fair and equitable as can be made from the  
8 best information available or the figures disclosed by any  
9 prior report of the officers or directors of the bank made  
10 to any state or federal officer to whom such bank is by law  
11 required to make reports may be adopted."

12 Section 7 of Section 84-4685 R.C.M. 1947 is amended to  
13 read as follows:

14 "84-4685. Taxation of banks and shares of stock in  
15 it. Every state bank or national banking corporation located  
16 and doing business in this state and every private banker  
17 doing business in this state shall be taxable upon the  
18 value of all real estate and personal property owned by such  
19 bank banking corporation or private banker and also upon  
20 the moneyed capital employed in such business such moneyed  
21 capital to be ascertained as provided by section 84-361  
22 ~~84-294~~ and the cashier or secretary of every such bank or  
23 banking corporation and every such private banker shall  
24 furnish to the department of revenue or its agent in the  
25 county in which its or his bank is located within five days

1 after demand therefor, a statement verified by his oath  
 2 showing all the resources and liabilities of such bank as  
 3 disclosed by its books at the close of business on December  
 4 31 of the preceding year; if such cashier, secretary or  
 5 private banker shall fail to make the statement hereby  
 6 required, the department or its agent shall forthwith obtain  
 7 such information from any other available source, and for  
 8 this purpose shall have access to the books of such bank,  
 9 banking corporation or private banker. The department or  
 10 its agent shall thereupon make an assessment of the real  
 11 estate and personal property owned by such bank, banking  
 12 corporation or private banker, and of the moneyed capital  
 13 employed in the business of such bank, banking corporation  
 14 or private banker, which assessment shall be as fair and  
 15 equitable as can be made from the best information available  
 16 or, for the purpose of said assessment, the figures disclosed  
 17 by any prior report made by such bank, banking corporation  
 18 or private banker to any state or federal officer pursuant  
 19 to any state or federal law may be adopted. Any person  
 20 required by this section to make the statement hereinabove  
 21 provided, who shall fail to furnish the same, shall be  
 22 guilty of a misdemeanor and shall be punished accordingly.  
 23 (2) All shares of stock in any such bank or banking  
 24 corporation shall be assessed valued at their full cash  
 25 value, except to the extent that that value is represented

1 in property which is assessable and taxable to such bank or  
 2 banking corporation in this state ~~or exempt from taxation as~~  
 3 ~~provided in 84-307~~, and shall be taxable to the owners of  
 4 such shares bank in the county, school district, city, town,  
 5 or place where such bank or banking corporation is located  
 6 and not elsewhere ~~except as provided in section 84-686~~  
 7 whether or not the owners of such shares are residents of  
 8 such county, school district, city, town or place.  
 9 (3) The cashier or secretary of any such bank or  
 10 banking corporation shall furnish to the department or its  
 11 agent, upon demand, the name of each stockholder with his  
 12 residence and the number of shares belonging to him at the  
 13 close of business on December 31 of the preceding year; and  
 14 if such cashier or secretary, for more than five days after  
 15 such demand, shall fail to furnish such information, he  
 16 shall be guilty of a misdemeanor and the department or its  
 17 agent may obtain such information from any other available  
 18 source, and for such purposes shall have access to the books  
 19 of such bank or banking corporation. For convenience the  
 20 the assessment of such shares shall be entered on the  
 21 personal property assessment list under the name of the bank  
 22 or banking corporation concerned, but in the assessment list  
 23 the names of the owners of such shares shall be set forth  
 24 and the number of shares owned by each, and such assessment,  
 25 when so entered, shall have all the force and effect as if

1 ~~made in the names of the owners of such shares individually,~~  
2 ~~the bank or banking corporation in which such shares are~~  
3 ~~owned shall be jointly liable for the payment of taxes~~  
4 ~~assessed against such shares, and such taxes shall be~~  
5 ~~payable by and may be collected from such bank or banking~~  
6 ~~corporation in the same manner and under the same penalties~~  
7 ~~as other taxes; provided that such bank or banking~~  
8 ~~corporation may recover from such owners of shares any taxes~~  
9 ~~so paid on such shares, and shall have a lien therefor upon~~  
10 ~~such shares and upon any dividends accrued or to accrue~~  
11 ~~thereon.~~"

12 Section 2. ~~Effective date~~ PERIOD OF EFFECTIVENESS.  
13 This act is effective upon its passage and approval and is  
14 effective for all valuation, assessment, and taxation of the  
15 specified property for the taxable years 1977 and following  
16 1978.

-End-



April 2, 1977

STANDING COMMITTEE REPORT  
Senate Committee on Taxation

That House Bill No. 735 be amended as follows:

1. Amend the title, lines 5 and 6.

Following: "FOR"

Strike: "PROPERTY EXEMPT FROM TAXATION"

Insert: "United States obligations"

2. Amend page 1, section 1, line 24.

Following: "value of"

Strike: "any property"

Insert: "United States obligations"

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

Following: "of such"

Strike: "exempt property"

Insert: "United States obligations"

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

Following: "chapter 46"

Insert: ", except that, for purposes of computing the deduction allowed by subsection (1)(b) of this section, the book value of United States obligations owned by a bank shall be the average of the book values of the United States obligations owned by a bank shall be the average of the book values of the United States obligations owned by the bank on the last banking day of each of the 12 months of the preceding taxable year"

HOUSE BILL NO. 735

INTRODUCED BY SCULLY, AAGESON, FABREGA, RAMIREZ, LIEN

A BILL FOR AN ACT ENTITLED: "AN ACT TO IMPOSE THE BANK SHARE TAX UPON THE BANK TO PROVIDE A DEDUCTION FOR PROPERTY EXEMPT FROM TAXATION UNITED STATES OBLIGATIONS FOR BANK SHARE TAX PURPOSES; TO PROVIDE FOR EQUALIZATION OF THE VALUE OF BANK SHARES FOR TAX PURPOSES PROVIDING A PERIOD OF EFFECTIVENESS; AMENDING SECTIONS SECTION 84-307, 84-308, 84-401, 84-4602, 84-4603, 84-4604, AND 84-4605; AND PROVIDING AN EFFECTIVE DATE R.C.M. 1947."

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

Section 1. Section 84-307, R.C.M. 1947, is amended to read as follows:

"84-307. Assessment and valuation of shares of banks -- deductions. (1) The shares of all banking corporations engaged in the banking business in Montana shall be valued and assessed for the purpose of taxation at the full cash value thereof as shown on the books of the bank, less:

(a) the book value of the real estate, moneyed capital and other property of any such bank assessed and taxed as the property of said bank; and

(b) that portion of the book value of any property UNITED STATES OBLIGATIONS owned by the bank which is exempt

from property taxation as bears the same ratio to the value of such exempt property UNITED STATES OBLIGATIONS as the stock equity of such bank bears to the total assets of such bank as shown on the books of the bank.

(2) Valuation and assessment of such shares for the purposes of taxation shall be made as provided in Title 84, chapter 46, EXCEPT THAT, FOR PURPOSES OF COMPUTING THE DEDUCTION ALLOWED BY SUBSECTION (1)(B) OF THIS SECTION, THE BOOK VALUE OF THE UNITED STATES OBLIGATIONS OWNED BY A BANK SHALL BE THE AVERAGE OF THE BOOK VALUES OF THE UNITED STATES OBLIGATIONS OWNED BY A BANK SHALL BE THE AVERAGE OF THE BOOK VALUES OF THE UNITED STATES OBLIGATIONS OWNED BY THE BANK ON THE LAST BANKING DAY OF EACH OF THE 12 MONTHS OF THE PRECEDING TAXABLE YEAR."

Section 2. Section 84-401, R.C.M. 1947, is amended to read as follows:

"84-401. Property assessed at forty percent (40%) of its full cash value -- exceptions -- (1) All taxable real property and improvements must be assessed at forty percent (40%) of its full cash value except:

(i) Properties in section 84-301 under Class One shall be assessed at one hundred percent (100%) of full cash value.

(ii) The assessment of agricultural lands shall be based upon the productive capacity of the lands when valued

1 for agricultural purposes. All lands shall be valued as  
2 agricultural lands for tax purposes that meet the  
3 qualifications of section 84-437, R.C.M., 1947, and  
4 the improvements thereon shall be separately assessed when  
5 any of the following conditions occur:

6 (a) when ownership of the improvements is different  
7 from ownership of the lands;

8 (b) when requested in writing by the taxpayer or

9 (c) when the land is outside an incorporated city  
10 or town;

11 ~~(2) Bank shares valued as provided in 84-307 shall be~~  
12 ~~assessed at 40% of their full cash value;~~

13 ~~(3) The taxable value of all property shall be~~  
14 ~~determined by sections 84-301 and 84-308.~~

15 Section 3, Section 84-308, R.C.M., 1947, is amended to  
16 read as follows:

17 "84-308. Basis for imposition of taxes on moneyed  
18 capital and bank shares. As a basis for the imposition of  
19 taxes upon ~~the rates of taxation for~~ the different classes  
20 of property herein specified, a percentage of the true and  
21 full value of each class shall be taken ~~are~~ as follows:

22 Moneyed capital and shares of banks, both national and  
23 state, thirty per centum (30%) of true and full value on  
24 that portion of the true and full value ~~the assessed value~~  
25 not represented by surplus, as shown on the books of the

1 bank seven per centum (7%) on that portion of the true and  
2 full ~~assessed~~ value represented by surplus as shown on the  
3 books of the bank provided that on that portion of any of  
4 such surplus which is over and above the amount represented  
5 by the stated capital of a bank, the excess shall be subject  
6 to thirty per centum (30%) of true and full ~~assessed~~ value.  
7 The state department of revenue shall prepare, distribute  
8 and cause to be used such forms as it may require to obtain  
9 from the banks doing business in this state reports of such  
10 facts and figures as may be necessary to ascertain the  
11 taxable value of bank shares as a basis for the imposition  
12 of taxes."

13 Section 4, Section 84-4602, R.C.M., 1947, is amended to  
14 read as follows:

15 "84-4602. Assessment of stock in banking corporations.  
16 All shares of stock in ~~state and~~ national banks existing by  
17 authority of the United States and located and doing  
18 business within this state shall be assessed to the owners  
19 thereof ~~respective bank~~ in the cities, towns, or places  
20 where such banks are located and not elsewhere ~~except as~~  
21 ~~provided in 84-4606~~ in the assessment of all state county  
22 school districts and municipal taxes imposed and levied in  
23 such place whether or not the owner of such stock is a  
24 resident of such city, town or place."

25 Section 5, Section 84-4603, R.C.M., 1947, is amended to

1 read-as-follows:  
 2        #84-4603--Payment--of--taxes-----entry-of-assessments  
 3 Every ~~state and~~ national bank shall pay to the person  
 4 authorized to collect taxes in the state, county, city,  
 5 town or place in which such bank is located, at the time of  
 6 each year when other taxes become due, the amount of the tax  
 7 upon the shares in such bank. Said banks shall be liable for  
 8 the payment of the said tax, and if the same is not paid on  
 9 or before the thirtieth day of November of each year at six  
 10 o'clock p.m., the said tax shall become delinquent, and  
 11 shall be collected in the same manner and be subject to the  
 12 same laws as all other delinquent taxes.  
 13        For convenience, the ~~the~~ assessment of shares of stock  
 14 in ~~state and~~ national banks, and herein referred to, shall  
 15 be entered on the personal property assessment list under  
 16 the name of the bank, and in such statement the names of the  
 17 holders of bank stock shall be set forth, and the shares  
 18 owned by each, and such assessments when so entered, shall  
 19 have all the force and effect as if made in the name and  
 20 against the holder of bank stock individually.  
 21        Section 6--Section 84-4604--RvEvMs-1947--is amended to  
 22 read as follows:  
 23        #84-4604--Statements to be furnished by officers--The  
 24 cashier of every ~~state and~~ national bank shall make and  
 25 deliver to the department of revenue or its agent in the

1 county in which said bank is located, within five days after  
 2 demand therefor, a statement, verified by his oath, showing  
 3 the name of each shareholder, with his residence and the  
 4 number of shares ~~of such bank~~ belonging to him at the close  
 5 of business on December 31 each year, as the same then  
 6 appeared on the books of said bank, and showing the face  
 7 value of the capital stock, and the amount of surplus and  
 8 undivided profits of said bank, and an estimate of the value  
 9 for which such stock shall be assessed, if said cashier  
 10 fails to make such statement as required, the department of  
 11 revenue or its agent shall forthwith obtain said information  
 12 from the officers of the bank and for this purpose shall  
 13 have access to the books of the bank, and the department or  
 14 its agent shall therefor make an assessment of such stock,  
 15 which shall be as fair and equitable as can be made from the  
 16 best information available, or the figures disclosed by any  
 17 prior report of the officers or directors of the bank, made  
 18 to any state or federal officer to whom such bank is by law  
 19 required to make reports, may be adopted.  
 20        Section 7--Section 84-4605--RvEvMs-1947--is amended to  
 21 read as follows:  
 22        #84-4605--Taxation of banks and shares of stock--in  
 23 (i) Every state bank or ~~national~~ banking corporation located  
 24 and doing business in this state, and every private banker  
 25 doing business in this state, shall be taxable upon the

1 value of all real estate and personal property owned by such  
 2 bank, banking corporation or private banker, and also upon  
 3 the moneyed capital employed in such business, such moneyed  
 4 capital to be ascertained as provided by section 84-301  
 5 ~~84-301~~ and the cashier or secretary of every such bank or  
 6 banking corporation, and every such private banker, shall  
 7 furnish to the department of revenue or its agent in the  
 8 county in which its or his bank is located, within five days  
 9 after demand, therefore, a statement verified by his oath,  
 10 showing all the resources and liabilities of such bank, as  
 11 disclosed by its books, at the close of business on December  
 12 31 of the preceding year, if such cashier, secretary or  
 13 private banker shall fail to make the statement hereby  
 14 required, the department or its agent shall forthwith obtain  
 15 such information from any other available source, and for  
 16 this purpose shall have access to the books of such bank,  
 17 banking corporation or private banker. The department or  
 18 its agent shall thereupon make an assessment of the real  
 19 estate and personal property owned by such bank, banking  
 20 corporation or private banker, and of the moneyed capital  
 21 employed in the business of such bank, banking corporation  
 22 or private banker, which assessment shall be as fair and  
 23 equitable as can be made from the best information available  
 24 or, for the purpose of said assessment, the figures disclosed  
 25 by any prior report made by such bank, banking corporation

1 or private banker to any state or federal officer pursuant  
 2 to any state or federal law may be adopted. Any person  
 3 required by this section to make the statement hereinabove  
 4 provided, who shall fail to furnish the same, shall be  
 5 guilty of a misdemeanor and shall be punished accordingly.  
 6 {2} All shares of stock in any such bank or banking  
 7 corporation shall be assessed valued at their full cash  
 8 value, except to the extent that that value is represented  
 9 in property which is assessable and taxable to such bank or  
 10 banking corporation in this state ~~or exempt from taxation as~~  
 11 ~~provided in 84-301~~ and shall be taxable to the owners of  
 12 such shares bank in the county, school district, city, town,  
 13 or place where such bank or banking corporation is located  
 14 and not elsewhere ~~except as provided in section 84-4686~~  
 15 whether or not the owners of such shares are residents of  
 16 such county, school district, city, town or place.  
 17 {3} The cashier or secretary of any such bank or  
 18 banking corporation shall furnish to the department or its  
 19 agent, upon demand, the name of each stockholder with his  
 20 residence and the number of shares belonging to him at the  
 21 close of business on December 31 of the preceding year, and  
 22 if such cashier or secretary, for more than five days after  
 23 such demand, shall fail to furnish such information, he  
 24 shall be guilty of a misdemeanor and the department or its  
 25 agent may obtain such information from any other available

1 source, and for such purposes shall have access to the books  
 2 of such bank or banking corporation. For convenience the  
 3 ~~the~~ assessment of such shares shall be entered on the  
 4 personal property assessment list under the name of the bank  
 5 or banking corporation concerned, but in the assessment list  
 6 the names of the owners of such shares shall be set forth  
 7 and the number of shares owned by each, and such assessment,  
 8 when so entered, shall have all the force and effect as if  
 9 made in the names of the owners of such shares individually.  
 10 The bank or banking corporation in which such shares are  
 11 owned shall be ~~society~~ liable for the payment of taxes  
 12 assessed against such shares, and such taxes shall be  
 13 payable by and may be collected from such bank or banking  
 14 corporation in the same manner and under the same penalties  
 15 as other taxes, provided that such bank or banking  
 16 corporation may recover from such owners of shares any taxes  
 17 so paid on such shares, and shall have a lien therefor upon  
 18 such shares and upon any dividends accrued or to accrue  
 19 thereon."

20 Section 2. ~~Effective date~~ PERIOD OF EFFECTIVENESS.  
 21 This act is effective upon its passage and approval and is  
 22 effective for all valuation, assessment, and taxation of the  
 23 specified property for the taxable years 1977 and following  
 24 1978.

-End-

HOUSE BILL NO. 735

INTRODUCED BY SCULLY, AAGESON, FABREGA, RAMIREZ, LIEN

A BILL FOR AN ACT ENTITLED: "AN ACT TO IMPOSE THE BANK SHARE TAX UPON THE BANK; TO PROVIDE A DEDUCTION FOR PROPERTY EXEMPT FROM TAXATION UNITED STATES OBLIGATIONS FOR BANK SHARE TAX PURPOSES; TO PROVIDE FOR EQUALIZATION OF THE VALUE OF BANK SHARES FOR TAX PURPOSES PROVIDING A PERIOD OF EFFECTIVENESS; AMENDING SECTIONS SECTION 84-307, 84-308, 84-401, 84-402, 84-403, 84-404, AND 84-405; AND PROVIDING AN EFFECTIVE DATE R.C.M. 1947."

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

Section 1. Section 84-307, R.C.M. 1947, is amended to read as follows:

"84-307. Assessment and valuation of shares of banks -- deductions. (1) The shares of all banking corporations engaged in the banking business in Montana shall be valued and assessed for the purpose of taxation at the full cash value thereof as shown on the books of the bank, less:

(a) the book value of the real estate, moneyed capital and other property of any such bank assessed and taxed as the property of said bank; and

(b) that portion of the book value of any property UNITED STATES OBLIGATIONS owned by the bank which is exempt

from property taxation as bears the same ratio to the value of such exempt property UNITED STATES OBLIGATIONS as the stock equity of such bank bears to the total assets of such bank as shown on the books of the bank.

(2) Valuation and assessment of such shares for the purposes of taxation shall be made as provided in Title 84, chapter 46, EXCEPT THAT, FOR PURPOSES OF COMPUTING THE DEDUCTION ALLOWED BY SUBSECTION (1)(B) OF THIS SECTION, THE BOOK VALUE OF THE UNITED STATES OBLIGATIONS OWNED BY A BANK SHALL BE THE AVERAGE OF THE BOOK VALUES OF THE UNITED STATES OBLIGATIONS OWNED BY A BANK SHALL BE THE AVERAGE OF THE BOOK VALUES OF THE UNITED STATES OBLIGATIONS OWNED BY THE BANK ON THE LAST BANKING DAY OF EACH OF THE 12 MONTHS OF THE PRECEDING TAXABLE YEAR, EXCEPT THAT, FOR PURPOSES OF COMPUTING THE DEDUCTION ALLOWED BY SUBSECTION (1)(B) OF THIS SECTION, THE BOOK VALUE OF UNITED STATES OBLIGATIONS OWNED BY A BANK SHALL BE THE AVERAGE OF THE BOOK VALUES OF THE UNITED STATES OBLIGATIONS OWNED BY THE BANK ON THE LAST BANKING DAY OF EACH OF THE 12 MONTHS OF THE PRECEDING TAXABLE YEAR."

Section 2. Section 84-401, R.C.M. 1947, is amended to read as follows:

"84-401. Property assessed at forty percent (40%) of its full cash value -- exceptions. (1) All taxable real property and improvements must be assessed at forty percent

1 ~~(40%) of its full cash value except~~  
 2 ~~(i)(a) Properties in section 84-301, under Class B, may~~  
 3 ~~shall be assessed at one hundred percent (100%) of full cash~~  
 4 ~~value.~~  
 5 ~~(i)(b) The assessment of agricultural lands shall be~~  
 6 ~~based upon the productive capacity of the lands when valued~~  
 7 ~~for agricultural purposes. All lands shall be valued as~~  
 8 ~~agricultural lands for tax purposes that meet the~~  
 9 ~~qualifications of section 84-437, R.C.M., 1947. Land and~~  
 10 ~~the improvements thereon shall be separately assessed when~~  
 11 ~~any of the following conditions occur:~~  
 12 ~~(a)(i) when ownership of the improvements is different~~  
 13 ~~from ownership of the land;~~  
 14 ~~(b)(ii) when requested in writing by the taxpayer; or~~  
 15 ~~(c)(iii) when the land is outside an incorporated city~~  
 16 ~~or town;~~  
 17 ~~(2) Bank shares valued as provided in 84-307 shall be~~  
 18 ~~assessed at 40% of their full cash value.~~  
 19 ~~(3) The taxable value of all property shall be~~  
 20 ~~determined by sections 84-301 and 84-308.~~  
 21 ~~Section 3, Section 84-308, R.C.M., 1947, is amended to~~  
 22 ~~read as follows:~~  
 23 ~~"84-308. Basis for imposition of taxes on moneyed~~  
 24 ~~capital and bank shares. As a basis for the imposition of~~  
 25 ~~taxes upon the rates of taxation for the different classes~~

1 ~~of property herein specified, a percentage of the true and~~  
 2 ~~full value of each class shall be taken as follows:~~  
 3 ~~Moneyed capital and shares of banks, both national and~~  
 4 ~~state, thirty per centum (30%) of true and full value on~~  
 5 ~~that portion of the true and full value the assessed value~~  
 6 ~~not represented by surplus, as shown on the books of the~~  
 7 ~~bank, seven per centum (7%) on that portion of the true and~~  
 8 ~~full assessed value represented by surplus, as shown on the~~  
 9 ~~books of the bank, provided that on that portion of any of~~  
 10 ~~such surplus which is over and above the amount represented~~  
 11 ~~by the stated capital of a bank, the excess shall be subject~~  
 12 ~~to thirty per centum (30%) of true and full assessed value.~~  
 13 ~~The state department of revenue shall prepare, distribute~~  
 14 ~~and cause to be used such forms as it may require to obtain~~  
 15 ~~from the banks doing business in this state reports of such~~  
 16 ~~facts and figures as may be necessary to ascertain the~~  
 17 ~~taxable value of bank shares as a basis for the imposition~~  
 18 ~~of taxes."~~  
 19 ~~Section 4, Section 84-4602, R.C.M., 1947, is amended to~~  
 20 ~~read as follows:~~  
 21 ~~"84-4602. Assessment of stock in banking corporations.~~  
 22 ~~All shares of stock in state and national banks existing by~~  
 23 ~~authority of the United States and located and doing~~  
 24 ~~business within this state shall be assessed to the owners~~  
 25 ~~thereof respective bank in the cities, towns or places~~



1 where such banks are located, and not elsewhere ~~except as~~  
 2 ~~provided in 84-4606~~ in the assessment of all state, county,  
 3 school districts, and municipal taxes imposed and levied in  
 4 such place, whether or not the owner of such stock is a  
 5 resident of such city, town or place."

6 Section 5, Section 84-4603, R.S.M. 1947, is amended to  
 7 read as follows:

8 "84-4603. Payment of taxes. --- entry of assessment.  
 9 Every ~~state and~~ national bank shall pay to the person  
 10 authorized to collect taxes in the state, county, city,  
 11 town or place in which such bank is located, at the time of  
 12 each year when other taxes become due, the amount of the tax  
 13 upon the shares in such bank. Said banks shall be liable for  
 14 the payment of the said tax, and if the same is not paid on  
 15 or before the thirtieth day of November of each year, at six  
 16 o'clock p.m., the said tax shall become delinquent, and  
 17 shall be collected in the same manner and be subject to the  
 18 same laws as all other delinquent taxes.

19 For convenience, the ~~the~~ assessment of shares of stock  
 20 in ~~state and~~ national banks, and herein referred to, shall  
 21 be entered on the personal property assessment list under  
 22 the name of the bank, and in such statement the names of the  
 23 holders of bank stock shall be set forth, and the shares  
 24 owned by each, and such assessments, when so entered, shall  
 25 have all the force and effect as if made in the name and

1 against the holder of bank stock individually."

2 Section 6, Section 84-4604, R.S.M. 1947, is amended to  
 3 read as follows:

4 "84-4604. Statements to be furnished by officers. The  
 5 cashier of every ~~state and~~ national bank shall make and  
 6 deliver to the department of revenue or its agent in the  
 7 county in which said bank is located, within five days after  
 8 demand therefor, a statement, verified by his oath, showing  
 9 the name of each shareholder, with his residence and the  
 10 number of shares ~~of such bank~~ belonging to him at the close  
 11 of business on December 31 each year, as the same then  
 12 appeared on the books of said bank, and showing the face  
 13 value of the capital stock, and the amount of surplus and  
 14 undivided profits of said bank, and an estimate of the value  
 15 for which such stock shall be assessed. If said cashier  
 16 fails to make such statement as required, the department of  
 17 revenue or its agent shall forthwith obtain said information  
 18 from the officers of the bank, and for this purpose shall  
 19 have access to the books of the bank, and the department or  
 20 its agent shall therefor make an assessment of such stock,  
 21 which shall be as fair and equitable as can be made from the  
 22 best information available, or the figures disclosed by any  
 23 prior report of the officers or directors of the bank, made  
 24 to any state or federal officer to whom such bank is by law  
 25 required to make reports, may be adopted."

1 Section 7--Section 84-4685v-RvEvMv-1947v-is amended to  
2 read as follows:

3 #84-4685v--Taxation--of--banks--and--shares--of--stock--in--  
4 (1)--Every--state--bank--or--~~national~~ banking--corporation--located  
5 and--doing--business--in--this--state--and--every--private--banker  
6 doing--business--in--this--state--shall--be--taxable--upon--the  
7 value--of--all--real--estate--and--personal--property--owned--by--such  
8 bank--banking--corporation--or--private--banker--and--also--upon  
9 the--moneyed--capital--employed--in--such--business--such--moneyed  
10 capital--to--be--ascertained--as--provided--by--section--84-301  
11 ~~84-301~~--and--the--cashier--or--secretary--of--every--such--bank--or  
12 banking--corporation--and--every--such--private--banker--shall  
13 furnish--to--the--department--of--revenue--or--its--agent--in--the  
14 county--in--which--its--or--his--bank--is--located--within--five--days  
15 after--demand--thereof--a--statement--verified--by--his--oath  
16 showing--all--the--resources--and--liabilities--of--such--bank--as  
17 disclosed--by--its--books--at--the--close--of--business--on--December  
18 31--of--the--preceding--year--if--such--cashier--secretary--or  
19 private--banker--shall--fail--to--make--the--statement--hereby  
20 required--the--department--or--its--agent--shall--forthwith--obtain  
21 such--information--from--any--other--available--sources--and--for  
22 this--purpose--shall--have--access--to--the--books--of--such--bank  
23 banking--corporation--or--private--banker--The--department--or  
24 its--agent--shall--thereupon--make--an--assessment--of--the--real  
25 estate--and--personal--property--owned--by--such--bank--banking

1 corporation--or--private--banker--and--of--the--moneyed--capital  
2 employed--in--the--business--of--such--bank--banking--corporation  
3 or--private--banker--which--assessment--shall--be--as--fair--and  
4 equitable--as--can--be--made--from--the--best--information--available  
5 or--for--the--purpose--of--said--assessment--the--figures--disclosed  
6 by--any--prior--report--made--by--such--bank--banking--corporation  
7 or--private--banker--to--any--state--or--federal--officer--pursuant  
8 to--any--state--or--federal--law--may--be--adopted--Any--person  
9 required--by--this--section--to--make--the--statement--hereinabove  
10 provided--who--shall--fail--to--furnish--the--same--shall--be  
11 guilty--of--a--misdemeanor--and--shall--be--punished--accordingly

12 (2)--All--shares--of--stock--in--any--such--bank--or--banking  
13 corporation--shall--be--assessed valued at--their--full--cash  
14 value--except--to--the--extent--that--that--value--is--represented  
15 in--property--which--is--assessable--and--taxable--to--such--bank--or  
16 banking--corporation--in--this--state ~~or--exempt--from--taxation--as~~  
17 ~~provided--in--84-301v~~--and--shall--be--taxable--to--the--owners--of  
18 such--shares ~~bank~~ in--the--county--school--district--city--town--or  
19 or--place--where--such--bank--or--banking--corporation--is--located  
20 and--not--elsewhere ~~except--as--provided--in--section--84-4685v~~  
21 whether--or--not--the--owners--of--such--shares--are--residents--of  
22 such--county--school--district--city--town--or--place

23 (3)--The--cashier--or--secretary--of--any--such--bank--or  
24 banking--corporation--shall--furnish--to--the--department--or--its  
25 agent--upon--demand--the--name--of--each--stockholder--with--his

~~1 residence and the number of shares belonging to him at the~~  
~~2 close of business on December 31 of the preceding year and~~  
~~3 if such cashier or secretary for more than five days after~~  
~~4 such demand shall fail to furnish such information he~~  
~~5 shall be guilty of a misdemeanor and the department or its~~  
~~6 agent may obtain such information from any other available~~  
~~7 source and for such purposes shall have access to the books~~  
~~8 of such bank or banking corporation for convenience the~~  
~~9 ing assessment of such shares shall be entered on the~~  
~~10 personal property assessment list under the name of the bank~~  
~~11 or banking corporation concerned but in the assessment list~~  
~~12 the names of the owners of such shares shall be set forth~~  
~~13 and the number of shares owned by each and such assessment~~  
~~14 when so entered shall have all the force and effect as if~~  
~~15 made in the names of the owners of such shares individually~~  
~~16 The bank or banking corporation in which such shares are~~  
~~17 owned shall be solely liable for the payment of taxes~~  
~~18 assessed against such shares and such taxes shall be~~  
~~19 payable by and may be collected from such bank or banking~~  
~~20 corporation in the same manner and under the same penalties~~  
~~21 as other taxes provided that such bank or banking~~  
~~22 corporation may recover from such owners of shares any taxes~~  
~~23 so paid on such shares and shall have a lien therefor upon~~  
~~24 such shares and upon any dividends accrued or to accrue~~  
~~25 thereon"~~

1 Section 2. ~~Effective date~~ PERIOD OF EFFECTIVENESS.  
 2 This act is effective upon its passage and approval and is  
 3 effective for all valuation, assessment, and taxation of the  
 4 specified property for the taxable years 1977 and following  
 5 1978.

-End-