1 House BILL NO. 737
2 INTRODUCED BY Frenchen Vicent Frate

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A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTIONS

84-301 AND 84-302+ R.C.M. 1947. TO PROVIDE FOR

CLASSIFICATION AND BASIS FOR TAXATION OF RECREATIONAL

VEHICLES OWNED BY CERTAIN SENIOR CITIZENS."

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

Section 1. Section 84-301, R.C.M. 1947, is amended to read as follows:

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

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

for gas, oil, coal or minerals, and the same shall be placed
in this classification for the purpose of taxation.

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

Class Three. Livestock. poultry, and unprocessed products of both; furniture and fixtures used in commercial activities; the annual gross proceeds of underground coal mines; and all office or hotel furniture and fixtures, except improvements included in Class Nine.

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Class Four• (a) All land; town and city lots, with improvements, except improvements included in Class Nine;

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and all trailers affixed to land owned, leased, or under contract or purchase by the trailer owner, manufacturing and mining machinery, fixtures and supplies, except as otherwise provided by the constitution of Montana, and except as such property may be included in Class Five, Class Seven or Class Eight.

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- (b) Mobile homes without regard to the ownership of the land upon which they are situated, except those held by a distributor or dealer of mobile homes as part of his stock in trade, and except as such property may be included in Class Eight.
- transformer stations, meters, tools, improvements, machinery and other property used and owned by co-operative rural electrical and co-operative rural telephone associations organized under the laws of Montana except those within the incorporated limits of a city or town in which less than ninety-five per cent (95%) of the electric consumers and/or telephone users are served by a co-operative organization, and as to the property enumerated in this sub-section (a) within incorporated limits of a city or town in which less than ninety-five per cent (95%) of the electric consumers or users will be served by a co-operative organization, such property shall be put in Class Two.
- (b) All unprocessed agricultural products either on

- the farm or in storage, irrespective of whether said
 products are owned by the elevator, warehouse or flour mill
 owner or company storing the same, or any other person
 whomsoever, except all perishable fruits and vegetables in
 farm storage and owned by the producer, and excepting
 livestock and poultry and the unprocessed products of both-
 - (c) The dwelling house, and the lot on which it is erected, owned and occupied by any resident of the state, who has been honorably discharged from active service in any branch of the armed forces, who is rated one hundred per cent (100%) disabled due to a service-connected disability by the United States veterans administration or its successors.
- In the event of the veteran's death, the dwelling house, and the lot on which it is erected, so long as the surviving spouse remains unmarried and the owner and occupant of the property, shall remain within this classification.
- 19 Class Six. Property formerly included in this class is 20 now classified by section 84-308, R.C.M. 1947.
- Class Seven. (a) All new industrial property. New industrial property shall mean any new industrial plant, including land, buildings, machinery and fixtures which, in the determination of the state department of revenue, is used by a new industry during the first three (3) years of

operation not having been assessed prior to July 1, 1961, within the state of Montana. New industry shall mean any person, corporation, firm, partnership, association, or other group which establishes a new plant or plants in this state for the operation of a new industrial endeavor, as distinguished from a mere expansion, reorganization, or merger of an existing industry or industries. Provided, however, that new industrial property shall be limited to industries that manufacture, mill, mine, produce, process or fabricate materials, or do similar work in which capital and labor are employed and in which materials unserviceable in their natural state are extracted, processed or made fit for use or are substantially altered or treated so as to create commercial products or materials; industries that engage in the mechanical or chemical transformation of materials or substances into new products in the manner defined as manufacturing in the 1972 Standard Industrial Classification Manual, prapared by the United States office of management and budget; and in no event shall the term new industrial property be included to mean property used by retail or wholesale merchants, commercial services of any type, agriculture, trades or professions. New industrial property does not include a plant which will create an adverse impact on existing state, county, or municipal services. The department shall promulgate regulations

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1 determination of what constitutes an adverse impact taking 2 into consideration the number of people to be employed and 3 the size of the community in which the location is contemplated. Once the department has made an initial 5 determination that the industrial facility qualifies as new 6 industrial property, the department shall then upon proper 7 notice hold a hearing to determine if the new industrial 8 classification should be retained by the property. The local taxing authority may appear at the hearing, and it 10 also may waive its objection to retention of this 11 classification if the industry agrees to the prepayment of 12 taxes sufficient to satisfy tax requirements created by the 13 location and construction of the facility during 14 construction period.

In the event of a prepayment of taxes, the maximum amount or prepayment shall be the amount without the application of the Class 7 (a) to such property.

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If a major new industrial facility qualifies under Class 7 (a) the reduction of its yearly payment of property taxes for reimbursement of its prepaid taxes as provided for in section 84-41-105, R.C.M. 1947, shall not begin until the Class 7 qualification expires. And provided further, that new industrial property shall not be included to mean property which is used or employed in any industrial plant which has been in operation in this state for three (3)

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

(b) Business inventories. Business inventories shall include goods intended for sale or lease in the ordinary course of business, and shall include raw materials and work in progress with respect to such goods, but shall not include goods actually leased or rented on the lien date, or mobile homes held by a dealer or distributor as a part of his stock in trade.

- 13 (c) Air pollution control equipment as defined in section 69-3923.
- 15 (d) A capital investment in a recognized nonfossil 16 form of energy generation, to the extent provided under 17 section 84-7403.

Class Eight. (a) Any improvement on real property, trailers affixed to land or mobile home belonging to any person who qualifies under any one or more of the hereinafter set forth categories, with appurtenant land not exceeding five (5) acres, which together have a market value of not more than twenty-seven thousand five hundred dollars (\$27,500), which dwelling is owned or under a contract for deed, and which is actually occupied for at least ten (10)

1 months per year as the primary residential dwelling of:

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

(2) a widower sixty-two (62) years of age or older, whether with or without minor dependent children, who qualifies under the income limitations of (4), or

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

(4) a recipient or recipients of retirement or disability benefits whose income from all sources is not more than six thousand dollars (\$6,000) for a single person and six thousand eight hundred dollars (\$6,800) for a married couple total per annum whether said dwelling is occupied by a single person or a married couple. Provided, further, that one who applies for classification of property under this class must make an affidavit to the state department of revenue on a form as may be provided by the state department of revenue supplied without cost to the applicant, as to his income, if applicable, as to his retirement benefits, if applicable, or, as to his marital status, if applicable, and to the fact that he or she actually occupies or maintains as his or her primary residential dwelling, such land and improvements with right

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ì of the county welfare board to investigate the applicant, on the completion of the form, as to answers given on the form. 2 Provided, further, the assessed value of said property shall 3 4 not be increased during the life of the recipient of retirement benefits or widow or widower covered under this 5 class, unless the owner-resident makes a substantial 6 improvement in the dwelling. For the purposes of the 7 affidavit required for classification of property under this 8 class, it shall be sufficient if the applicant signs a Ģ statement swearing to or affirming the correctness of the 10 information supplied, whether or not the statement is signed 11 1.2 before a person authorized to administer oaths, and mails 13 the application and statement to the department of revenue. This signed statement shall be treated as a statement under 14 eath or equivalent affirmation for purposes of section 15 16 94-7-203, R.C.M. 1947, relating to the criminal offense of 17 false swearing.

18 (b) A capital investment in a building for an energy
19 conservation purpose, to the extent provided under section
20 84-7403.

Class Nine. The incremental increase in the value of real estate attributable to repairing, maintaining or improving existing improvements.

Class Ten. The annual gross proceeds of coal mines using the strip mining method.

1 Class Eleven. Centrally assessed utility allocations
2 after deductions of locally assessed properties and except
3 as provided in Class Two for rural telephones and Class Five
4 (a) for cooperatives, and all other property not included in
5 the ten (10) preceding classes.

Class Twelve. (a) A pickup camper: travel trailer:
including a fifth wheel trailer: motor home: or boat which
is owned by or under installment sales contract to and is
actually used primarily by a person 60 years of age or older
whose total income each year from all sources is not more
than \$8,000 for a single person or \$10,000 for a married
couple.

13 (b) A person who applies for this classification must
14 file an affidavit with the department of revenue as to his
15 income."

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

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18 M64-302. Basis for imposition of taxes. As a basis for the imposition of taxes upon the different classes of property specified in the preceding section, a percentage of the true and full value of the property of each class shall be taken as follows:

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

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

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1 value.

- 2 Class 3. Thirty-three and one-third per cent (33 1/3%)
- 3 of its true and full value.
- 4 Class 4. Thirty per cent (30%) of its true and full
- 5 value.
- 6 Class 5. Seven per cent (7%) of its true and full
- 7 value.
- 8 Class 6. As specified in section 84-308. R.C.M. 1947.
- 9 Class 7. Seven per cent (7%) of its true and full
- 10 value.
- 11 Class 8. Fifteen per cent (15%) of its true and full
- 12 value.
- 13 Class 9. Six percent (6%) of the true and full value
- 14 for the first full year following completion of the repair,
- 15 maintenance or improving of existing improvements; twelve
- 16 percent (12%) of the true and full value for the second full
- 17 year following completion of the repair, maintenance or
- 18 improving of existing improvements; eighteen percent (18%)
- 19 of the true and full value for the third full year following
- 20 completion of the repair, maintenance or improving of
- 21 existing improvements; twenty-four percent (24%) of the true
- 22 and full value for the fourth full year following completion
- 23 of the repair, maintenance or improving of existing
- 24 improvements; and thirty percent (30%) for the fifth full
- 25 year following completion of the repair, maintenance or

- 1 improving of existing improvements and for every year
- 2 thereafter.
- B Class 10. Forty-five per cent (45%) of its true and
- 4 full value.
- 5 Class 11. Forty per cent (40%) of its true and full
- 6 value.
- 7 Class 12. Ten per cent (10%) of its true and full
- 8 yalue."

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STATE OF MONTANA

REQUEST NO. __612-77

FISCAL NOTE

Form BD-15

ln (compliance with a written request received <u>March 3</u> , 19 <u>77</u> , there is hereby submitted a Fiscal Note
for	House Bill .737 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.
Bac	kground information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members
of t	he Legislature upon request.

DESCRIPTION

This bill provides for classification and basis for taxation of recreational vehicles owned by certain senior citizens.

ASSUMPTIONS

The state receives a small portion of property tax collections and the taxable value of recreational vehicles owned by retired persons with incomes less than \$6000 or joint incomes less than \$6800 is small. Therefore, the fiscal impact of this bill should be negligible.

EFFECT ON LOCAL REVENUE

Even though local governments receive a large share of property tax collections the fiscal impact on local governments should be small.

PREPARED BY DEPARTMENT OF REVENUE

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 3-8-77

45th Legislature HB 0737/02 HB 0737/02

Approved by Committee on Taxation

1 HOUSE BILL NO. 737 INTRODUCED BY HUENNERENS, VINCENT, PRATES 2 3 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTIONS a 5 84-301 AND 84-302, R.C.M. 1947, TO PROVIDE FOR 6 CLASSIFICATION AND BASIS FOR TAXATION OF RECREATIONAL VEHICLES OWNED BY CERTAIN SENIOR CITIZENS." 7 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: q 10 Section 1. Section 84-301, R.C.H. 1947, is amended to read as follows: 11 #84-301. Classification of property for taxation. For 12 13 the purpose of taxation the taxable property in the state shall be classified as follows: 14 Class One. The annual net proceeds of all mines and 15 16 mining claims, except coal mines, after deducting only the expenses specified and allowed by section 84-5403; also 17 18 where the right to enter upon land, to explore or prospect, 19 or dig for oil, gas, coal or mineral is reserved in land or 20 received by mesne conveyance (exclusive of leasehold 21 interests), devise or succession by any person or 22 corporation, the surface title to which has passed to or 23 remains in another, the state department of revenue shall 24 determine the value of the right to enter upon said tract of land for the purpose of digging, exploring, or prespecting

for gas, oil, coal or minerals, and the same shall be placed
in this classification for the purpose of taxation.

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

- 19 Class Three. Livestock, poultry, and unprocessed
 20 products of both; furniture and fixtures used in commercial
 21 activities; the annual gross proceeds of underground coal
 22 mines; and all office or hotel furniture and fixtures,
 23 except improvements included in Class Nine.
- Class Four. (a) All land, town and city lots, with improvements, except improvements included in Class Nine,

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and all trailers affixed to land owned, leased, or under contract or purchase by the trailer owner, manufacturing and mining machinery, fixtures and supplies, except as otherwise provided by the constitution of Montana, and except as such property may be included in Class Five, Class Seven or Class Eight.

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

Class Five. (a) All poles, lines, transfermers, transformer stations, meters, tools, improvements, machinery and other property used and owned by co-operative rural electrical and co-operative rural telephone associations organized under the laws of Montana except those within the incorporated limits of a city or town in which less than ninety-five per cent (95%) of the electric consumers and/or telephone users are served by a co-operative organization, and as to the property enumerated in this sub-section (a) within incorporated limits of a city or town in which less than ninety-five per cent (95%) of the electric consumers or users will be served by a co-operative organization, such property shall be put in Class Two.

(b) All unprocessed agricultural products either ca

the farm or in storage, irrespective of whether said products are owned by the elevator, warehouse or flour mill owner or company storing the same, or any other person whomscever, except all perishable fruits and vegetables in farm storage and owned by the producer, and excepting livestock and poultry and the unprocessed products of both.

7 (c) The dwelling house, and the lot on which it is 8 erected, owned and occupied by any resident of the state, 9 who has been honorably discharged from active service in any 10 branch of the armed forces, who is rated one hundred per 11 cent (100%) disabled due to a service-connected disability 12 by the United States veterans administration or its 13 successors.

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

19 Class Six. Property formerly included in this class is 20 now classified by section 84-308, R.C.M. 1947.

Class Seven. (a) All new industrial property. New industrial property shall mean any new industrial plant, including land, buildings, machinery and fixtures which, in the determination of the state department of revenue, is used by a new industry during the first three (3) years of

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operation not having been assessed prior to July 1, 1961. within the state of Bontana. New industry shall mean any 2 3 person, corporation, firm, partnership, association, or other group which establishes a new plant or plants in this state for the operation of a new industrial endeavor, as distinguished from a mere expansion, reorganization, or merger of an existing industry or industries. Provided, 7 8 however, that new industrial property shall be limited to g industries that manufacture, mill, mine, produce, process or 10 fabricate materials, or do similar work in which capital and 11 labor are employed and in which materials unserviceable in 12 their natural state are extracted, processed or made fit for 13 use or are substantially altered or treated so as to create 14 commercial products or materials: industries that engage in 15 the mechanical or chemical transformation of materials or substances into new products in the manner defined as 16 17 manufacturing in the 1972 Standard Industrial Classification 18 Mangal, prepared by the United States office of management 19 and budget; and in no event shall the term new industrial 20 property be included to mean property used by retail or 21 wholesale merchants, commercial services of any type, 22 agriculture, trades or professions. New industrial property does not include a plant which will create an adverse impact 23 on existing state, county, or municipal services. The 24 department shall promulgate regulations

determination of what constitutes an adverse impact taking 2 into consideration the number of people to be employed and 3 the size of the community in which the location is contemplated. Once the department has made an initial 5 determination that the industrial facility qualifies as new industrial property, the department shall then upon proper 7 notice hold a hearing to determine if the new industrial classification should be retained by the property. The local taxing authority may appear at the hearing, and it 10 also may waive its objection to retention of this classification if the industry agrees to the prepayment of 11 12 taxes sufficient to satisfy tax requirements created by the 13 location and construction of the facility during 14 construction period. In the event of a prepayment of taxes, the maximum 15 16 amount or prepayment shall be the amount without the 17 application of the Class 7 (a) to such property. 18 If a major new industrial facility qualifies under 19 Class 7 (a) the reduction of its yearly payment of property 20 taxes for reimbursement of its prepaid taxes as provided for 21 in section 84-41-105, R.C.B. 1947, shall not begin until the

Class 7 qualification expires. And provided further, that

new industrial property shall not be included to mean

property which is used or employed in any industrial plant

which has been in operation in this state for three (3)

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

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- (b) Business inventories. Business inventories shall include goods intended for sale or lease in the ordinary course of business, and shall include raw materials and work in progress with respect to such goods, but shall not include goods actually leased or rented on the lien date, or mobile homes held by a dealer or distributor as a part of his stock in trade.
- 13 (c) Air pollution control equipment as defined in section 69-3923.
 - (d) A capital investment in a recognized nonfossil form of energy generation, to the extent provided under section 84-7403.

class Eight. (a) Any improvement on real property, trailers affixed to land or mobile home belonging to any person who qualifies under any one or more of the hereinafter set forth categories, with appurtenant land not exceeding five (5) acres, which together have a market value of not more than twenty-seven thousand five hundred dollars (\$27,500), which dwelling is owned or under a contract for deed, and which is actually occupied for at least ten (10)

- months per year as the primary residential dwelling of:
- 2 (1) a widow sixty-two (62) years of age or older,
 3 whether with or without minor dependent children, who
 4 qualifies under the income limitations of (4), or
- 5 (2) a widower sixty-two (62) years of age or older, 6 whether with or without minor dependent children, who 7 qualifies under the income limitations of (4), or
 - (3) a widow or widower with minor or dependent children regardless of age, who qualifies under the income limitations of (4), or
- (4) a recipient or recipients of retirement or 11 disability benefits whose income from all sources is not 12 13 more than six thousand dollars (\$6,000) for a single person and six thousand eight hundred dollars (\$6.800) for a 14 married couple total per annum whether said dwelling is 15 occupied by a single person or a married couple. Provided, 16 17 further, that one who applies for classification of property 18 under this class must make an affidavit to the state department of revenue on a form as may be provided by the 19 state department of revenue supplied without cost to the 20 applicant, as to his income, if applicable, as to his 21 retirement benefits, if applicable, or, as to his marital 22 status, if applicable, and to the fact that he or she 23 24 actually occupies or maintains as his or her primary residential dwelling, such land and improvements with right 25

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1 of the county welfare board to investigate the applicant, on 2 the completion of the form, as to answers given on the form. 3 Provided, further, the assessed value of said property shall not be increased during the life of the recipient of 4 retirement benefits or widow or widower covered under this 5 class, unless the owner-resident makes a substantial 6 7 improvement in the dwelling. For the purposes of the affidavit required for classification of property under this 8 4 class, it shall be sufficient if the applicant signs a 10 statement swearing to or affirming the correctness of the 11 information supplied, whether or not the statement is signed 12 before a person authorized to administer caths, and mails 13 the application and statement to the department of revenue. 14 This signed statement shall be treated as a statement under 15 oath or equivalent affirmation for purposes of section 94-7-203, R.C.M. 1947, relating to the criminal offense of 16

18 (b) A capital investment in a building for an energy
19 conservation purpose, to the extent provided under section
20 84-7403.

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false swearing.

Class Nine. The incremental increase in the value of real estate attributable to repairing, maintaining or improving existing improvements.

Class Ten. The annual gross proceeds of coal mines using the strip mining method.

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2 after deductions of locally assessed properties and except
3 as provided in Class Two for rural telephones and Class Five
4 (a) for cooperatives, and all other property not included in
5 the ten (10) preceding classes.

6 Class Twelve. (a) A pickup camper, travel trailery 7 including a fifth wheel trailer, motor home, or boat which is owned by or under installment sales contract to and is 9 actually used primarily by a person 60 years of age or older 10 WHO IS ESSENTIALLY RETIRED PROS FULL EMPLOYMENT AND whose 11 total income each year from all sources is not more than 12 \$8,000 for a single person or \$10,000 for a married couple DOES NOT EXCEED THE INCOME LIMITATIONS SET IN CLASS RIGHT OF 13 14 THIS SECTION FOR A SINGLE PERSON OR MARRIED COUPLE, 15 WHICHPVER IS APPLICABLE.

16 (b) A person who applies for this classification must
17 file an affidavit with the department of revenue as to his
18 income."

19 Section 2. Section 84-302, R.C.M. 1947, is amended to 20 read as follows:

21 **84-302. Basis for imposition of taxes. As a basis for 22 the imposition of taxes upon the different classes of 23 property specified in the preceding section, a percentage of 24 the true and full value of the property of each class shall 25 be taken as follows:

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- 3 Class 2. Twenty per cent (20%) of its true and full value.
- 5 Class 3. Thirty-three and one-third per cent (33 1/3%) 6 of its true and full value.
- 7 Class 4. Thirty per cent (30%) of its true and full 8 value.
- 9 Class 5. Seven per cent (7%) of its true and full value.
- 11 Class 6. As specified in section 84-308, R.C.M. 1947.
- 12 Class 7. Seven per cent (7%) of its true and full value.
- 14 Class 8. Fifteen per cent (15%) of its true and full
- 15 value.
- 16 Class 9. Six percent (6%) of the true and full value
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- 18 maintenance or improving of existing improvements; twelve
- 19 percent (12%) of the true and full value for the second full
- 20 year following completion of the repair, maintenance or
- 21 improving of existing improvements; eighteen percent (18%)
- 22 of the true and full value for the third full year following
- 23 completion of the repair, waintenance or improving of
- 24 existing improvements; twenty-four percent (24%) of the true
- 25 and full value for the fourth full year following completion

- 1 of the repair, maintenance or improving of existing
- 2 improvements; and thirty percent (30%) for the fifth full
- 3 year following completion of the repair, maintenance or
- 4 improving of existing improvements and for every year
- 5 thereafter.
- 6 Class 10. Forty-five per cent (45%) of its true and
- 7 full value.
- 8 Class 11. Forty per cent (40%) of its true and full
- 9 value.
- 10 Class 12. Ten per cent (10%) of its true and full
- 11 value."

-End-

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HB 0737/03

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for gas, oil, coal or minerals, and the same shall be placed
in this classification for the purpose of taxation.

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

19 Class Three. Livestock, poultry, and unprocessed
20 products of both; furniture and fixtures used in commercial
21 activities; the annual gross proceeds of underground coal
22 mines; and all office or hotel furniture and fixtures,
23 except improvements included in Class Nine.

24 Class Four. (a) All land, town and city lots, with improvements, except improvements included in Class Nine,

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and all trailers affixed to land owned, leased, or under contract or purchase by the trailer owner, manufacturing and mining machinery, fixtures and supplies, except as otherwise provided by the constitution of Montana, and except as such property may be included in Class Five, Class Seven or Class Eight.

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

transformer stations, meters, tools, improvements, machinery and other property used and owned by co-operative rural electrical and co-operative rural telephone associations organized under the laws of Montana except those within the incorporated limits of a city or town in which less than ninety-five per cent (95%) of the electric consumers and/or telephone users are served by a co-operative organization, and as to the property enumerated in this sub-section (a) within incorporated limits of a city or town in which less than ninety-five per cent (95%) of the electric consumers or users will be served by a co-operative organization, such property shall be put in Class Two.

(b) All unprocessed agricultural products either on

the rarm or in strage, irrespective of whether said products are owned by the elevator, warehouse or flour mill owner or company storing the same, or any other person whomsoever, except all perishable fruits and vegetables in farm storage and owned by the producer, and excepting livestock and poultry and the unprocessed products of both.

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

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

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

Class Seven. (a) All new industrial property. New industrial property shall mean any new industrial plant, including land, buildings, machinery and fixtures which, in the determination of the state department of revenue, is used by a new industry during the first three (3) years of

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operation not having been assessed prior to July 1, 1961, within the state of Montana. New industry shall mean any person, corporation, firm, partnership, association, or other group which establishes a new plant or plants in this state for the operation of a new industrial endeavor, as distinguished from a mere expansion, reorganization, or merger of an existing industry or industries. Provided, however, that new industrial property shall be limited to industries that manufacture, will, mine, produce, process or fabricate materials, or do similar work in which capital and labor are employed and in which materials unserviceable in their natural state are extracted, processed or made fit for use or are substantially altered or treated so as to create commercial products or materials; industries that engage in the mechanical or chemical transformation of materials or substances into new products in the manner defined as manufacturing in the 1972 Standard Industrial Classification Manual, prepared by the United States office of management and budget; and in no event shall the term new industrial property be included to mean property used by retail or wholesale merchants, commercial services of any type, agriculture, trades or professions. New industrial property does not include a plant which will create an adverse impact on existing state, county, or municipal services. The department shall promulgate regulations for the

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determination of what constitutes an adverse impact taking 2 into consideration the number of people to be employed and 3 size of the community in which the location is contemplated. Once the department has made an initial 4 determination that the industrial facility qualifies as new industrial property, the department shall then upon proper 7 notice hold a hearing to determine if the new industrial classification should be retained by the property. The 9 local taxing authority may appear at the hearing, and it 10 also may waive its objection to retention of this 11 classification if the industry agrees to the prepayment of 12 taxes sufficient to satisfy tax requirements created by the Ĺ3 location and construction of the facility during 14 construction period.

In the event of a prepayment of taxes, the maximum amount or prepayment shall be the amount without the application of the Class 7 (a) to such property.

18 If a major new industrial facility qualifies under Class 7 (a) the reduction of its yearly payment of property 19 20 taxes for reimbursement of its prepaid taxes as provided for 21 in section 84-41-105, R.C.M. 1947, shall not begin until the 10 Class 7 qualification expires. And provided further, that 23 new industrial property shall not be included to mean 24 property which is used or employed in any industrial plant which has been in operation in this state for three (3) 25

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

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- (b) Business inventories. Business inventories shall include goods intended for sale or lease in the ordinary course of business, and shall include raw materials and work in progress with respect to such goods, but shall not include goods actually leased or rented on the lien date, or mobile homes held by a dealer or distributor as a part of his stock in trade.
- (c) Air pollution control equipment as defined in 13 14 section 69-3923.
- 15 (d) A capital investment in a recognized nonfossil 16 form of energy generation, to the extent provided under 17 section 84-7403.

Class Eight. (a) Any improvement on real property, trailers affixed to land or mobile home belonging to any person who qualifies under any one or more of the hereinafter set forth categories, with appurtenant land not exceeding five (5) acres, which together have a market value of not more than twenty-seven thousand five hundred dollars (\$27.500), which dwelling is owned or under a contract for deed, and which is actually occupied for at least ten (10)

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months per year as the primary residential dwelling of: (1) a widow sixty-two (62) years of age or older. 2 whether with or without minor dependent children, who

qualifies under the income limitations of (4), or

(2) a widower sixty-two (62) years of age or olders woether with or without minor dependent children, who qualifies under the income limitations of (4), or

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

(4) a recipient or recipients of retirement or disability benefits whose income from all sources is not more than six thousand dollars (\$6,000) for a single person and six thousand eight hundred dollars (\$6,800) for a married couple total per annum whether said dwelling is occupied by a single person or a married couple. Provided, further, that one who applies for classification of property under this class must make an affidavit to the state department of revenue on a form as may be provided by the state department of revenue supplied without cost to the applicant, as to his income, if applicable, as to his retirement benefits, if applicable, or, as to his marital status, if applicable, and to the fact that he or she actually occupies or maintains as his or her primary residential dwelling, such land and improvements with right

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of the county welfare board to investigate the applicant, on the completion of the form, as to answers given on the form. Provided, further, the assessed value of said property shall not be increased during the life of the recipient of retirement benefits or widow or widower covered under this class, unless the owner-resident makes a substantial improvement in the dwelling. For the purposes of the affidavit required for classification of property under this class, it shall be sufficient if the applicant signs a statement swearing to or affirming the correctness of the information supplied, whether or not the statement is signed before a person authorized to administer oaths, and mails the application and statement to the department of revenue. Inis signed statement shall be treated as a statement under oath or equivalent affirmation for purposes of section 94-7-203. R.C.M. 1947, relating to the criminal offense of talse swearing.

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(b) A capital investment in a building for an energy conservation purpose, to the extent provided under section 84-7403.

Class Nine. The incremental increase in the value of real estate attributable to repairing, maintaining or improving existing improvements.

24 Class Ten. The annual gross proceeds of coal mines 25 using the strip mining method. Class Eleven. Centrally assessed utility allocations
after deductions of locally assessed properties and except
as provided in Class Two for rural telephones and Class Five
(a) for cooperatives, and all other property not included in
the ten (10) preceding classes.

Class Twelve. (a) A pickup camper, travel trailers including a fifth wheel trailery OR motor homey-or-boot which is owned by or under installment sales contract to and is actually used primarily by a person 60 years of age or 10 older WHO IS ESSENTIALLY RETIRED FROM FULL EMPLOYMENT AND 11 whose total income each year from all sources is more 12 them 10,000 for a single derson or 110,000 for a secreted 13 counte DOES NOT EXCEED THE INCOME LIMITATIONS SET IN CLASS EIGHT OF THIS SECTION FOR A SINGLE PERSON OR MARRIED COUPLE. 14 15 WHICHEVER IS APPLICABLE.

16 (b) A person who applies for this classification must

17 file an affidavit with the department of revenue as to his

18 income."

read as follows:

21 **84-302. Basis for imposition of taxes. As a basis for the imposition of taxes upon the different classes of

property specified in the preceding section, a percentage of the true and full value of the property of each class shall

25 be taken as follows:

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Section 2. Section 84-302. R.C.M. 1947. is amended to

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2	full value.								

- 3 Jass 2. (wenty per cent (20%) of its true and full 4 value.
- iliss 3. Thirty-three and one-third per cent (33 1/3%)
 of its true and full value.
- 7 Class 4. Thirty per cent (30%) of its true and full 8 value.
- 9 Class 5. Seven per cent (7%) of its true and full 10 value.
- 11 Class 6. As specified in section 84-308. R.C.M. 1947.
- 12 Class 7. Seven per cent (7%) of its true and full value.
- 14 Class 8. Fifteen per cent (15%) of its true and full value.

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Class 9. Six percent (6%) of the true and full value for the first full year following completion of the repair, maintenance or improving of existing improvements; twelve percent (12%) of the true and full value for the second full year following completion of the repair, maintenance or improving of existing improvements; eighteen percent (18%) of the true and full value for the third full year following completion of the repair, maintenance or improving of existing improvements; twenty-four percent (24%) of the true and full value for the fourth full year following completion

of the repair, maintenance or improving of existing improvements; and thirty percent (30%) for the fifth full year following completion of the repair, maintenance or improving of existing improvements and for every year thereafter.

6 Class 10. Forty-five per cent (45%) of its true and

7 full value.

6 Class 11. Forty per cent (40%) of its true and full 9 value.

10 Class 12. Ien per cent (10%) of its true and full
11 value."

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STANDING COMMITTEE REPORT Senate Committee on Taxation

That House Bill No. 737 be amended as follows:

1. Amend page 10, section 1, line 8.

Following: "by"

Strike: "or under installment sales contract"

2. Amend page 10, section 1, line 9.

Following: "person"
Strike: "60"

Insert:

Amend page 10, section 1, line 10.

Following: "IS"

Strike: "ESSENTIALLY"

4. Amend page 10, section 1, line 18.

Following: "income"

Insert: "as set forth in Class 8 herein"

5. Amend page 12, line 11.

Following: line 11

Insert: "Section 3. If House Bill 70 is enacted into law, then in lieu of sections 1 and 2 of this act, there is a new R.C.M. section that reads as follows:

"Class of property - certain recreational vehicles. (1) There is a class of property which includes a pickup camper, travel trailer, including a fifth wheel trailer or motor home which is owned by and is actually used primarily by a person 62 years of age or older who is retired from full employment and whose total income each year from all sources does not exceed the income limitations set in class fifteen of this section for a single person or married couple, whichever is applicable.

- (2) A person who applies for this classification must file an affidavit with the department of revenue as to his income, as set forth in class fifteen herein.
 - This class of property is taxed at 7% of market value." "

45th Legislature Ha 0737/04

HS 0737/04

1	HOUSE BILL NO. 737
2	INTRODUCED BY HUENNEKENS, VINCENT, FRATES
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTIONS
5	84-301 AND 84-302, R.C.M. 1947, TO PROVIDE FOR
6	CLASSIFICATION AND BASIS FOR TAXATION OF RECREATIONAL
7	VEHICLES OWNED BY CERTAIN SENIOR CITIZENS.*
8	
9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
10	Section 1. Section 84-301, R.C.N. 1947, is amended to
11	read as follows:
12	#84-301. Classification of property for taxation. For
13	the purpose of taxation the taxable property in the state $\dot{\ }$
14	shall be classified as follows:
15	Class One. The annual net proceeds of all mines and
16	mining claims, except coal mines, after deducting only the
17	expenses specified and allowed by section 84-5403; also
18	where the right to enter upon land, to explore or prospect,
19	or dia for oil, gas, coal or mineral is reserved in land or
20	received by mesne conveyance (exclusive of leasehold
21	interests), devise or succession by any person or
22	corporation, the surface title to which has passed to or
23	remains in another, the state department of revenue shall
24	determine the value of the right to enter upon said tract of $% \left(1\right) =\left(1\right) \left(1\right)$
25	land for the purpose of digging, exploring, or prospecting

for gas, oil, coal or minerals, and the same shall be placed
in this classification for the purpose of taxation.

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

Class Three. Livestock, poultry, and unprocessed products of both; furniture and fixtures used in commercial activities; the annual gross proceeds of underground coal mines; and all office or hotel furniture and fixtures, except improvements included in Class Nine.

Class Four. (a) All land, town and city lots, with improvements, except improvements included in Class Nine,

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and all trailers affixed to land owned, leased, or under contract or purchase by the trailer owner, manufacturing and mining machinery, fixtures and supplies, except as otherwise provided by the constitution of Montana, and except as such property may be included in Class Five, Class Seven or Class Eight.

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

Class five. (a) All poles, lines, transformers, transformer stations, meters, tools, improvements, machinery and other property used and owned by co-operative rural electrical and co-operative rural telephone associations organized under the laws of Montana except those within the incorporated limits of a city or town in which less than ninety-five per cent (95%) of the electric consumers and/or telephone users are served by a co-operative organization, and as to the property enumerated in this sub-section (a) within incorporated limits of a city or town in which less than ninety-five per cent (95%) of the electric consumers or users will be served by a co-operative organization, such property shall be put in Class Two.

(b) All unprocessed agricultural products either on

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1 the farm or in storage, irrespective of whether said 2 products are owned by the elevator, warehouse or flour mill 3 owner or company storing the same, or any other person 4 whomsoever, except all perishable fruits and vegetables in farm storage and owned by the producer, and excepting livestock and poultry and the unprocessed products of both. 7 (c) The dwelling house, and the lot on which it is 8 erected, owned and occupied by any resident of the state, 9 who has been honorably discharged from active service in any 10 branch of the armed forces, who is rated one hundred per 11 cent (100%) disabled due to a service-connected disability 12 by the United States veterans administration or its 13 successors.

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

19 Class Six. Property formerly included in this class is 20 now classified by section 84-308. R.C.M. 1947.

Class Seven• (a) All new industrial property• New industrial property shall mean any new industrial plant• including land• buildings• machinery and fixtures which• in the determination of the state department of revenue• is used by a new industry during the first three (3) years of

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operation not having been assessed prior to July 1, 1961, 1 2 within the state of Montana. New industry shall mean any person, corporation, firm, partnership, association, or other group which establishes a new plant or plants in this state for the operation of a new industrial endeavor, as distinguished from a mere expansion, reorganization, or 7 merger of an existing industry or industries. Provided, however, that new industrial property shall be limited to Ą 9 industries that manufacture, mill, mine, produce, process or 10 fabricate materials, or do similar work in which capital and 11 labor are employed and in which materials unserviceable in 12 their natural state are extracted, processed or made fit for 13 use or are substantially altered or treated so as to create commercial products or materials; industries that engage in 14 15 the mechanical or chemical transformation of materials or 16 substances into new products in the manner defined as 17 manufacturing in the 1972 Standard Industrial Classification 1 /2 Manual, prepared by the United States office of management 19 and sudget; and in no event shall the term new industrial 2:0 property be included to mean property used by retail or 21 wholesale merchants, commercial services of any type, 22 agriculture, trades or professions. New industrial property does not include a plant which will create an adverse impact 23 24 on existing state. county, or municipal services. The 25 department shall promulgate regulations for the

1 determination of what constitutes an adverse impact taking 2 into consideration the number of people to be employed and 3 the size of the community in which the location is contemplated. Once the department has made an initial 5 determination that the industrial facility qualifies as new industrial property, the department shall then upon proper 7 notice hold a hearing to determine if the new industrial classification should be retained by the property. The 8 9 local taxing authority may appear at the hearing, and it 10 also may waive its objection to retention of this 11 classification if the industry agrees to the prepayment of 12 taxes sufficient to satisfy tax requirements created by the 13 location and construction of the facility during construction period. 14

In the event of a prepayment of taxes, the maximum amount or prepayment shall be the amount without the application of the Class 7 (a) to such property.

If a major new industrial facility qualifies under Class 7 (a) the reduction of its yearly payment of property taxes for reimbursement of its prepaid taxes as provided for in section 84-41-105, R.C.M. 1947, shall not begin until the Class 7 qualification expires. And provided further, that new industrial property shall not be included to mean property which is used or employed in any industrial plant which has been in operation in this state for three (3)

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- years or longer. Any person, corporation, firm, partnership,
 association or other group seeking to qualify its property
 for inclusion in this class shall make application to the
 state department of revenue in such manner and form as may
 be required by said department.
- 6 (h) Business inventories. Business inventories shall
 7 include goods intended for sale or lease in the ordinary
 8 course of business, and shall include raw materials and work
 9 in progress with respect to such goods, but shall not
 10 include goods actually leased or rented on the lien date, or
 11 mobile nomes held by a dealer or distributor as a part of
 12 his stock in trade.
- 13 (c) Air pollution control equipment as defined in 14 section 69-3923.
- 15 (d) A capital investment in a recognized nonfossil
 16 form of energy generation, to the extent provided under
 17 section 84-7403.

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Class Fight. (a) Any improvement on real property, trailers affixed to land or mobile home belonging to any person who qualifies under any one or more of the hereinafter set forth categories, with appurtenant land not exceeding five (5) acres, which together have a market value of not more than twenty-seven thousand five hundred dollars (\$27,500), which dwelling is owned or under a contract for deed, and which is actually occupied for at least ten (10)

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1 months per year as the primary residential dwelling of:

- 2 (1) a widow sixty-two (62) years of age or older.
 3 whether with or without minor dependent children, who
 4 qualifies under the income limitations of (4), or
- 5 (2) a widower sixty-two (62) years of age or older.
 6 whether with or without minor dependent children, who
 7 qualifies under the income limitations of (4), or
- 8 (3) a widow or widower with minor or dependent
 9 children regardless of ane, who qualifies under the income
 10 limitations of (4), or
- 11 (4) a recipient or recipients of retirement or 12 disability benefits whose income from all sources is not more than six thousand dollars (\$6,000) for a single person 13 and six thousand eight hundred dollars (\$6,800) for a 14 married couple total per annum whether said dwelling is 15 16 occupied by a single person or a married couple. Provided. further, that one who applies for classification of property 17 under this class must make an affidavit to the state 18 19 department of revenue on a form as may be provided by the state department of revenue supplied without cost to the 20 21 applicant, as to his income, if applicable, as to his 22 retirement benefits, if applicable, or, as to his marital 23 status, if applicable, and to the fact that he or she 24 actually occupies or maintains as his or her primary residential dwelling, such land and improvements with right

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1 of the county welfare board to investigate the applicant, on the completion of the form, as to answers given on the form. Provided, further, the assessed value of said property shall 3 not be increased during the life of the recipient of retirement benefits or widow or widower covered under this class, unless the owner-resident makes a substantial improvement in the dwelling. For the purposes of the 7 affidavit required for classification of property under this 9 class, it shall be sufficient if the applicant signs a 10 statement swearing to or affirming the correctness of the information supplied, whether or not the statement is signed ŀl before a person authorized to administer paths, and mails 13 the application and statement to the department of revenue. 14 This signed statement shall be treated as a statement under oath or equivalent affirmation for purposes of section 15 16 94-7-203, R.C.M. 1947, relating to the criminal offense of 17 false swearing.

(b) A capital investment in a building for an energy conservation purpose, to the extent provided under section 84-7403.

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21 Class Nine. The incremental increase in the value of 22 real estate attributable to repairing, maintaining or 23 improving existing improvements.

Class Ten. The annual gross proceeds of coal mines 24 25 using the strip mining method.

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1 Class Eleven. Centrally assessed utility allocations 2 after deductions of locally assessed properties and except 3 as provided in Class Two for rural telephones and Class Five (a) for cooperatives, and all other property not included in 5 the ten (10) preceding classes.

Class Twelve. (a) A pickup camper. travel trailer. including a fifth wheel trailery OR motor homey--or--boot which is owned by-or-under-installment-sales-contract-to and is actually used primarily by a person 60 62 years of age or older WHO IS ESSENTIALLY RETIRED FROM FULL EMPLOYMENT AND whose total income each year from all sources is not more than 18+000 for a single person or \$10+000 for a married couple DOES NOT EXCEED THE INCOME LIMITATIONS SET IN CLASS EIGHT OF THIS SECTION FOR A SINGLE PERSON OR MARRIED COUPLE. WHICHEVER IS APPLICABLE.

16 (b) A person who applies for this classification must 17 file an affidavit with the department of revenue as to his 18 income AS SET FORTH IN CLASS EIGHT HEREIN."

19 Section 2. Section 84-302, R.C.M. 1947, is amended to 20 read as follows:

21 "84-302. Basis for imposition of taxes. As a basis for 22 the imposition of taxes upon the different classes of property specified in the preceding section, a percentage of 23 24 the true and full value of the property of each class shall

be taken as follows:

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- 1 Class 1. One hundred per cent (100%) of its true and full value.
- Class 2. Twenty per cent (20%) of its true and full 3
- value.
- Class 3. Thirty-three and one-third per cent (33 1/3%) 5
- of its true and full value.
- Class 4. Thirty per cent (30%) of its true and full 7
- value. 8

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- 9 Class 5. Seven per cent (7%) of its true and full
- 10 value.
- Class 6. As specified in section 84-308. R.C.H. 1947. 11
- Class 7. Seven per cent (7%) of its true and full 12
- 13 value.
- 14 Class 8. Fifteen per cent (15%) of its true and full
- 15 value.

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- Class 9. Six percent (6%) of the true and full value 16
 - for the first full year following completion of the repair,
- maintenance or improving of existing improvements; twelve 18
- percent (12%) of the true and full value for the second full 19
- year following completion of the repair, maintenance or 20
- 21 improving of existing improvements; eighteen percent (18%)
- 22 of the true and full value for the third full year following
- 23 completion of the repair, maintenance or improving of
- 24 existing improvements; twenty-four percent (24%) of the true
- 25 and full value for the fourth full year following completion

- of the repair, maintenance or improving of existing
- improvements: and thirty percent (30%) for the fifth full
- year following completion of the repair, maintenance or
- improving of existing improvements and for every year
- thereafter.
- Class 10. Forty-five per cent (45%) of its true and
- full value.
- а Class 11. Forty per cent (40%) of its true and full
- value.
- 10 Class 12. Jen per cent (10%) of its true and full
- 11 value."

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- SECTION 3. IF HOUSE BILL 70 IS ENACTED INTO LAW, THEN 12
- 13 IN LIEU OF SECTIONS 1 AND 2 OF THIS ACT. THERE IS A NEW
 - R.C.M. SECTION THAT READS AS FOLLOWS:
- 15 Class of property -- certain recreational vehicles.
- 16 (1) There is a class of property which includes a pickup
- 17 camper, travel trailer, including a fifth wheel trailer or
- 18 motor home which is owned by and is actually used primarily
- 19 by a person 62 years of age or older who is retired from
- 20 full employment and whose total income each year from all
- 21 sources does not exceed the income limitations set in class
- 22 fifteen of this section for a single person or married
- 23 couple, whichever is applicable.
- 24 (2) A person who applies for this classification must
- file an affidavit with the department of revenue as to his

income* as set forth in class fifteen herein*

2 (3) This class of property is taxed at 7% of market

3 value.

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2	INTRODUCED BY HUENNEKENS, VINCENT, FRATES
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4	A BILL FOR AN ACT ENTITLED: MAN ACT TO AMEND SECTIONS
5	84-301 AND 84-302, R.C.M. 1947, TO PROVIDE FOR
6	CLASSIFICATION AND BASIS FOR TAXATION OF RECREATIONAL
7	VEHICLES OWNED BY CERTAIN SENIOR CITIZENS."
8	
9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
10	Section 1. Section 84-301, R.C.M. 1947, is amended to
11	read as follows:
12	#84-301. Classification of property for taxation. For
13	the purpose of taxation the taxable property in the state
14	shall be classified as follows:
l ō	Class One. The annual net proceeds of all mines and
16	mining claims, except coal mines, after deducting only the
17	expenses specified and allowed by section 84-5403; also
18	where the right to enter upon land, to explore or prospect,
19	or dig for oil, gas, coal or mineral is reserved in land or
20	received by mesne conveyance (exclusive of leasehold
21	interests), devise or succession by any person or
22	corporation, the surface title to which has passed to or
23	remains in another, the state department of revenue shall
24	determine the value of the right to enter upon said tract of
25	land for the purpose of digging, exploring, or prospecting

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for gas, oil, coal or minerals, and the same shall be placed
in this classification for the purpose of taxation.

Class Two. All agricultural and other tools, implements

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

19 Class Three. Livestock, poultry, and unprocessed
20 products of both; furniture and fixtures used in commercial
21 activities; the annual gross proceeds of underground coal
22 mines; and all office or hotel furniture and fixtures,
23 except improvements included in Class Nine.

Class Four. (a) All land, town and city lots, with improvements, except improvements included in Class Nine,

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1 and all trailers affixed to land owned, leased, or under contract or purchase by the trailer owner, manufacturing and mining machinery, fixtures and supplies, except as otherwise provided by the constitution of Montana, and except as such property may be included in Class Five. Class Seven or class Eight.

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- (b) Mobile homes without regard to the ownership of the land upon which they are situated, except those held by a distributor or dealer of mobile homes as part of his stock in trade, and except as such property may be included in Class Eight.
- Class Five. (a) All poles, lines, transformers. transformer stations, meters, tools, improvements, machinery and other property used and owned by co-operative rural electrical and co-operative rural telephone associations organized under the laws of Montana except those within the incorporated limits of a city or town in which less than ninety-five per cent (95%) of the electric consumers and/or telephone users are served by a co-operative organization, and as to the property enumerated in this sub-section (a) within incorporated limits of a city or town in which less than ninety-five per cent (95%) of the electric consumers or users will be served by a co-operative organization, such property shall be put in Class Two.
 - (b) All unprocessed agricultural products either on

3 the farm or in storage, irrespective of whether said 2 products are owned by the elevator, warehouse or flour mill owner or company storing the same, or any other person 3 4 whomsoever, except all perishable fruits and vegetables in farm storage and owned by the producer, and excepting 5 livestock and poultry and the unprocessed products of both.

- (c) The dwelling house, and the lot on which it is erected, owned and occupied by any resident of the state, who has been honorably discharged from active service in any branch of the armed forces, who is rated one hundred per cent (100%) disabled due to a service-connected disability by the United States veterans administration or its successors.
- 14 In the event of the veteran's death, the dwelling 15 house, and the lot on which it is erected, so long as the 1ó surviving spouse remains unmarried and the owner and 17 occupant of the property, shall remain within this classification. 13
- 19 Class Six. Property formerly included in this class is 20 now classified by section 84-308, R.C.M. 1947.
- 21 Class Seven. (a) All new industrial property. New 22 industrial property shall mean any new industrial plant, 23 including land, buildings, machinery and fixtures which, in 24 the determination of the state department of revenue, is

used by a new industry during the first three (3) years of 25

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operation not having been assessed prior to July 1, 1961, 1 within the state of Montana. New. industry shall mean any person, corporation, firm, partnership, association, or other group which establishes a new plant or plants in this state for the operation of a new industrial endeavor, as distinguished from a mere expansion, reorganization, or merger of an existing industry or industries. Provided, however, that new industrial property shall be limited to industries that manufacture, mill, mine, produce, process or fabricate materials, or do similar work in which capital and labor are employed and in which materials unserviceable in their natural state are extracted, processed or made fit for use or are substantially altered or treated so as to create commercial products or materials; industries that engage in the mechanical or chemical transformation of materials or substances into new products in the manner defined as manufacturing in the 1972 Standard Industrial Classification Manual, prepared by the United States office of wanagement and budget; and in no event shall the term new industrial property be included to mean property used by retail or wholesale merchants, commercial services of any type, agriculture. trades or professions. New industrial property does not include a plant which will create an adverse impact on existing state, county, or municipal services. The department shall promulgate regulations for the

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1 determination of what constitutes an adverse impact taking into consideration the number of people to be employed and 2 the size of the community in which the location is 3 contemplated. Once the department has made an initial determination that the industrial facility qualifies as new industrial property, the department shall then upon proper notice hold a hearing to determine if the new industrial 7 classification should be retained by the property. The local taxing authority may appear at the hearing, and it also may waive its objection to retention of this 10 11 classification if the industry agrees to the prepayment of 12 taxes sufficient to satisfy tax requirements created by the 13 location and construction of the facility during 14 construction period.

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In the event of a prepayment of taxes, the maximum amount or prepayment shall be the amount without the application of the Class 7(a) to such property.

If a major new industrial facility qualifies under Class 7(a) the reduction of its yearly payment of property taxes for reimbursement of its prepaid taxes as provided for in section 84-41-105, R.C.M. 1947, shall not begin until the Class 7 qualification expires. And provided further, that new industrial property shall not be included to mean property which is used or employed in any industrial plant which has been in operation in this state for three (3)

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

- (b) Business inventories. Business inventories shall include goods intended for sale or lease in the ordinary course of business, and shall include raw materials and work in progress with respect to such goods, but shall not include goods actually leased or rented on the lien date, or mobile homes held by a dealer or distributor as a part of his stock in trade.
- 13 (c) Air pollution control equipment as defined in 14 section 69-3923.
- 15 (d) A capital investment in a recognized nonfossil
 16 form of energy generation, to the extent provided under
 17 section 84-7403.

Class Eight. (a) Any improvement on real property, trailers affixed to land or mobile home belonging to any person who qualifies under any one or more of the hereinafter set forth categories, with appurtenant land not exceeding five (5) acres, which together have a market value of not more than twenty-seven thousand five hundred dollars (\$27,500), which dwelling is owned or under a contract for deed, and which is actually occupied for at least ten (10)

1 months per year as the primary residential dwelling of:

- 2 (1) a widow sixty-two (62) years of age or older, 3 whether with or without minor dependent children, who 4 qualifies under the income limitations of (4), or
 - (2) a widower sixty-two (62) years of age or older, whether with or without minor dependent children, who qualifies under the income limitations of (4), or
 - (3) a widow or widower with minor or dependent children regardless of age, who qualifies under the income limitations of (4), or
 - (4) a recipient or recipients of retirement or disability benefits whose income from all sources is not more than six thousand dollars (\$6,000) for a single person and six thousand eight hundred dollars (\$6,800) for a married couple total per annum whether said dwelling is occupied by a single person or a married couple. Provided, further, that one who applies for classification of property under this class must make an affidavit to the state department of revenue on a form as may be provided by the state department of revenue supplied without cost to the applicant, as to his income, if applicable, as to his retirement benefits, if applicable, or, as to his marital status, if applicable, and to the fact that he or she actually occupies or maintains as his or her primary residential dwelling, such land and improvements with right

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of the county welfare board to investigate the applicant, on 1 the completion of the form, as to answers given on the form. Provided, further, the assessed value of said property shall 3 not be increased during the life of the recipient of retirement benefits or widow or widower covered under this class, unless the owner-resident makes a substantial 7 improvement in the dwelling. For the purposes of the affidavit required for classification of property under this class, it shall be sufficient if the applicant signs a 10 statement swearing to or affirming the correctness of the 11 information supplied, whether or not the statement is signed 12 before a person authorized to administer oaths, and mails 13 the application and statement to the department of revenue. 14 This signed statement shall be treated as a statement under 15 oath or equivalent affirmation for purposes of section 94-7-203, R.C.M. 1947, relating to the criminal offense of 16 17 false swearing.

Class Nine. The incremental increase in the value of real estate attributable to repairing, maintaining or improving existing improvements.

(b) A capital investment in a building for an energy

conservation purpose, to the extent provided under section

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84-7403.

Class Ten. The annual gross proceeds of coal mines using the strip mining wethod.

Class Eleven. Centrally assessed utility allocations
after deductions of locally assessed properties and except
as provided in Class Two for rural telephones and Class Five
(a) for cooperatives, and all other property not included in
the ten (10) preceding classes.

Class Twelve. (a) A pickup camper. travel trailer.
including a fifth wheel trailer. OR motor bomes of bomt
which is owned by or under installment sales contract to and
is actually used primarily by a person 60 62 60 years of age
or older WHO IS ESSENTIALLY RETIRED FROM FULL EMPLOYMENT AND
whose total income each year from all sources is not more
than 10000 for a single person or sittings. Set in class
FIGHT OF THIS SECTION FOR A SINGLE PERSON OR MARRIED COUPLE.
WHICHEVER IS APPLICABLE.

(b) A person who applies for this classification must file an affidavit with the department of revenue as to his income AS SET FORTH IN CLASS FIGHT HEREIN.*

19 Section 2. Section 84-302, R.C.M. 1947, is amended to 20 read as follows:

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

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thereafter.

1 Class 1. One hundred per cent (100%) of its true and 2 full value.

- 3 Class 2. Twenty per cent (20%) of its true and full 4 value.
- Class 3. Thirty-three and one-third per cent (33 1/3%) 5 6 of its true and full value.
- 7 Class 4. Thirty per cent (30%) of its true and full я value.
- Q Class 5. Seven per cent (7%) of its true and full 10 value.
- Class 6. As specified in section 84-308, R.C.N. 1947. 11
- 12 Class 7. Seven per cent (7%) of its true and full
- 13 value.

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- 14 Class 8. Fifteen per cent (15%) of its true and full 15 value.
 - Class 9. Six percent (6%) of the true and full value for the first full year following completion of the repair, maintenance or improving of existing improvements; twelve percent (12%) of the true and full value for the second full year following completion of the repair, maintenance or improving of existing improvements; eighteen percent (18%) of the true and full value for the third full year following completion of the repair, maintenance or improving of existing improvements; twenty-four percent (24%) of the true and full value for the fourth full year following completion

- of the repair, maintenance or improving of existing improvements; and thirty percent (30%) for the fifth full year following completion of the repair, maintenance or improving of existing improvements and for every year
- Class 10. Forty-five per cent (45%) of its true and 7 full value.
- Я Class 11. Forty per cent (40%) of its true and full 9 value.
- 10 Class 12. Ten per cept (10%) of its true and full 11 value."
- 12 SECTION 3 -- IF HOUSE BILL TO IS CHACTED INTO LAW -- IMEN 13 IN LIEU OF SECTIONS 1 AND 2 OF THIS ACT THERE IS A NEW 14 RECEME SECTION THAT READS AS FOLLOWS.
- 15 Class-of-property------certain--recreational--vehicles-16 (1) There is a class of property which includes a pickup 17 campery travel trailery including a fifth wheel -trailer -or 13 motor-home which is owned-by-and-is-actually-used-primarily 19 by-a-person-62-years-of-age-or-older--who--is--retired--from 20 full-camployment-and-whose-total-income-each-year-from-all sources-does-not-exceed-the-income-limitations-set-in--class 21 fifteen-of-this-section-for-a-single-person-or-married 22 23 coupley-whichever-is-applicables
- 24 (2)-A-person-who-applies-for-this-classification-must 25 file-sn-offidavit-with-the-department-of-revenue-as-to-his

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incomey-as-set-forth-in-class-fifteen-herein

R.C.M. SECTION THAT READS AS FOLLOWS:

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- 2 (3)--This-class-of-property-is-taxed-at--7%--of--market
 3 values
- 4 SECTION 3. IF HOUSE BILL TO IS ENACTED INTO LAW. THEN
 5 IN LIEU OF SECTIONS 1 AND 2 OF THIS ACT. THERE IS A NEW

Class of property - certain recreational vehicles. (1)
There is a class of property which includes a pickup camper, travel trailer, including a fifth wheel trailer, or motor home which is owned by and is actually used primarily by a person 60 years of age or older who is retired from full employment and whose total income each year from all sources does not exceed the income limitations set in Class Fifteen of this section for a single person or married couple, whichever is applicable.

- (2) A person who applies for this classification must file an affidavit with the department of revenue as to his income, as set forth in Class Fifteen herein.
- 19 (3) This class of property is taxed at 6% of market 20 value.**

-End-