

1 House BILL NO. 737
2 INTRODUCED BY Armenchen Vincent Frater

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.M. 1947, is amended to
11 read as follows:

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

15 Class One. The annual net proceeds of all mines and
16 mining claims, 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

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

3 Class Two. All agricultural and other tools, implements
4 and machinery, gas and other engines and boilers, threshing
5 machines and outfits used therewith, automobiles, motor
6 trucks and other power-driven cars, vehicles of all kinds
7 except mobile homes, boats and all watercraft, harness,
8 saddlery and robes and except as provided in Class Five (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
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
25 improvements, except improvements included in Class Nine,

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

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

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

25 (b) All unprocessed agricultural products either on

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
 5 farm storage and owned by the producer, and excepting
 6 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.

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
 16 surviving spouse remains unmarried and the owner and
 17 occupant of the property, shall remain within this
 18 classification.

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

1 operation not having been assessed prior to July 1, 1961,
 2 within the state of Montana. New industry shall mean any
 3 person, corporation, firm, partnership, association, or
 4 other group which establishes a new plant or plants in this
 5 state for the operation of a new industrial endeavor, as
 6 distinguished from a mere expansion, reorganization, or
 7 merger of an existing industry or industries. Provided,
 8 however, that new industrial property shall be limited to
 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
 14 commercial products or materials; industries that engage in
 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
 18 Manual, 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
 23 does not include a plant which will create an adverse impact
 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
 4 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
 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
 14 construction period.

15 In the event of a prepayment of taxes, the maximum
 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.M. 1947, shall not begin until the
 22 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
 25 which has been in operation in this state for three (3)

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

6 (b) 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 homes 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.

18 Class Eight. (a) Any improvement on real property,
19 trailers affixed to land or mobile home belonging to any
20 person who qualifies under any one or more of the
21 hereinafter set forth categories, with appurtenant land not
22 exceeding five (5) acres, which together have a market value
23 of not more than twenty-seven thousand five hundred dollars
24 (\$27,500), which dwelling is owned or under a contract for
25 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

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 age, 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
13 more than six thousand dollars (\$6,000) for a single person
14 and six thousand eight hundred dollars (\$6,800) for a
15 married couple total per annum whether said dwelling is
16 occupied by a single person or a married couple. Provided,
17 further, that one who applies for classification of property
18 under this class must make an affidavit to the state
19 department of revenue on a form as may be provided by the
20 state department of revenue supplied without cost to the
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
25 residential dwelling, such land and improvements with right

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
 4 not be increased during the life of the recipient of
 5 retirement benefits or widow or widower covered under this
 6 class, unless the owner-resident makes a substantial
 7 improvement in the dwelling. For the purposes of the
 8 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
 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
 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.

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

24 Class Ten. The annual gross proceeds of coal mines
 25 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.

6 Class Twelve. (a) A pickup camper, travel trailer,
 7 including a fifth wheel trailer, motor home, or boat which
 8 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 whose total income each year from all sources is not more
 11 than \$8,000 for a single person or \$10,000 for a married
 12 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."

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

18 "84-302. Basis for imposition of taxes. As a basis for
 19 the imposition of taxes upon the different classes of
 20 property specified in the preceding section, a percentage of
 21 the true and full value of the property of each class shall
 22 be taken as follows:

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

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

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.

3 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 ~~value."~~

-End-

STATE OF MONTANA

REQUEST NO. 612-77

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 737 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 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

Richard L. Drayton
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 3-8-77

Approved by Committee
on Taxation

HOUSE BILL NO. 737

INTRODUCED BY HUENNEKENS, VINCENT, PRATES

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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the purpose of taxation the taxable property in the state
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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
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
property used and owned by all persons, firms, corporations,
and other organizations which are engaged in the business of
furnishing telephone communications, exclusively to rural
areas, or to rural areas and cities and towns provided that
any such city or town has a population of eight hundred
(800) persons or less; and provided further, that the
average circuit miles for each station on the system is more
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.

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

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

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

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

25 (b) All unprocessed agricultural products either on

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 whomscever, except all perishable fruits and vegetables in
 5 farm storage and owned by the producer, and excepting
 6 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.

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
 16 surviving spouse remains unmarried and the owner and
 17 occupant of the property, shall remain within this
 18 classification.

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

1 operation not having been assessed prior to July 1, 1961,
 2 within the state of Montana. New industry shall mean any
 3 person, corporation, firm, partnership, association, or
 4 other group which establishes a new plant or plants in this
 5 state for the operation of a new industrial endeavor, as
 6 distinguished from a mere expansion, reorganization, or
 7 merger of an existing industry or industries. Provided,
 8 however, that new industrial property shall be limited to
 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
 14 commercial products or materials; industries that engage in
 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
 18 Manual, 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
 23 does not include a plant which will create an adverse impact
 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
 4 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
 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
 14 construction period.

15 In the event of a prepayment of taxes, the maximum
 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.M. 1947, shall not begin until the
 22 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
 25 which has been in operation in this state for three (3)

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

6 (b) 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 homes 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.

18 Class Eight. (a) Any improvement on real property,
 19 trailers affixed to land or mobile home belonging to any
 20 person who qualifies under any one or more of the
 21 hereinafter set forth categories, with appurtenant land not
 22 exceeding five (5) acres, which together have a market value
 23 of not more than twenty-seven thousand five hundred dollars
 24 (\$27,500), which dwelling is owned or under a contract for
 25 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

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 age, 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
 13 more than six thousand dollars (\$6,000) for a single person
 14 and six thousand eight hundred dollars (\$6,800) for a
 15 married couple total per annum whether said dwelling is
 16 occupied by a single person or a married couple. Provided,
 17 further, that one who applies for classification of property
 18 under this class must make an affidavit to the state
 19 department of revenue on a form as may be provided by the
 20 state department of revenue supplied without cost to the
 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
 25 residential dwelling, such land and improvements with right

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
 4 not be increased during the life of the recipient of
 5 retirement benefits or widow or widower covered under this
 6 class, unless the owner-resident makes a substantial
 7 improvement in the dwelling. For the purposes of the
 8 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
 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
 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.

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

24 Class Ten. The annual gross proceeds of coal mines
 25 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.

6 Class Twelve. (a) A pickup camper, travel trailer,
 7 including a fifth wheel trailer, motor home, or boat which
 8 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 FROM 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
 13 DOES NOT EXCEED THE INCOME LIMITATIONS SET IN CLASS EIGHT OF
 14 THIS SECTION FOR A SINGLE PERSON OR MARRIED COUPLE,
 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."

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
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1 Class 1. One hundred per cent (100%) of its true and
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 17 for the first full year following completion of the repair,
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 19 percent (12%) of the true and full value for the second full
 20 year following completion of the repair, maintenance or
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 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

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-

1 HOUSE BILL NO. 737
 2 INTRODUCED BY HUENNEKENS, VINCENT, FRATES
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 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTIONS
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 11 read as follows:

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

15 Class One. The annual net proceeds of all mines and
 16 mining claims, 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

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

3 Class Two. All agricultural and other tools, implements
 4 and machinery, gas and other engines and boilers, threshing
 5 machines and outfits used therewith, automobiles, motor
 6 trucks and other power-driven cars, vehicles of all kinds
 7 except mobile homes, boats and all watercraft, harness,
 8 saddlery and robes and except as provided in Class Five (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
 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
 25 improvements, except improvements included in Class Nine,

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

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

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

25 (b) All unprocessed agricultural products either on

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 whosoever, except all perishable fruits and vegetables in
 5 farm storage and owned by the producer, and excepting
 6 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.

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
 16 surviving spouse remains unmarried and the owner and
 17 occupant of the property, shall remain within this
 18 classification.

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

1 operation not having been assessed prior to July 1, 1961,
 2 within the state of Montana. New industry shall mean any
 3 person, corporation, firm, partnership, association, or
 4 other group which establishes a new plant or plants in this
 5 state for the operation of a new industrial endeavor, as
 6 distinguished from a mere expansion, reorganization, or
 7 merger of an existing industry or industries. Provided,
 8 however, that new industrial property shall be limited to
 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
 14 commercial products or materials; industries that engage in
 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
 18 Manual, 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
 23 does not include a plant which will create an adverse impact
 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
 4 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
 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
 14 construction period.

15 In the event of a prepayment of taxes, the maximum
 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.M. 1947, shall not begin until the
 22 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
 25 which has been in operation in this state for three (3)

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

6 (b) 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 homes 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.

18 Class Eight. (a) Any improvement on real property,
 19 trailers affixed to land or mobile home belonging to any
 20 person who qualifies under any one or more of the
 21 hereinafter set forth categories, with appurtenant land not
 22 exceeding five (5) acres, which together have a market value
 23 of not more than twenty-seven thousand five hundred dollars
 24 (\$27,500), which dwelling is owned or under a contract for
 25 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

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 age, 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
 13 more than six thousand dollars (\$6,000) for a single person
 14 and six thousand eight hundred dollars (\$6,800) for a
 15 married couple total per annum whether said dwelling is
 16 occupied by a single person or a married couple. Provided,
 17 further, that one who applies for classification of property
 18 under this class must make an affidavit to the state
 19 department of revenue on a form as may be provided by the
 20 state department of revenue supplied without cost to the
 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
 25 residential dwelling, such land and improvements with right

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
 4 not be increased during the life of the recipient of
 5 retirement benefits or widow or widower covered under this
 6 class, unless the owner-resident makes a substantial
 7 improvement in the dwelling. For the purposes of the
 8 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
 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
 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.

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

24 Class Ten. The annual gross proceeds of coal mines
 25 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.

6 ~~Class Twelve. (a) A pickup camper, travel trailer,~~
 7 ~~including a fifth wheel trailer, OR motor home or boat~~
 8 ~~which is owned by or under installment sales contract to and~~
 9 ~~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 not more~~
 12 ~~than \$8,000 for a single person or \$10,000 for a married~~
 13 ~~couple DOES NOT EXCEED THE INCOME LIMITATIONS SET IN CLASS~~
 14 ~~EIGHT OF THIS SECTION FOR A SINGLE PERSON OR MARRIED COUPLE,~~
 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."~~

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:

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.
 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
 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
 13 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
 17 for the first full year following completion of the repair,
 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, 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

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-

April 14, 1977

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: "62"

3. 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.

(3) This class of property is taxed at 7% of market value." "

HOUSE BILL NO. 737

INTRODUCED BY HUENNEKENS, VINCENT, FRATES

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."

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 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 property used and owned by all persons, firms, corporations, and other organizations which are engaged in the business of furnishing telephone communications, exclusively to rural areas, or to rural areas and cities and towns provided that any such city or town has a population of eight hundred (800) persons or less; and provided further, that the average circuit miles for each station on the system is more 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.

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

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

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

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

25 (b) All unprocessed agricultural products either on

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
 5 farm storage and owned by the producer, and excepting
 6 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.

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
 16 surviving spouse remains unmarried and the owner and
 17 occupant of the property, shall remain within this
 18 classification.

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

1 operation not having been assessed prior to July 1, 1961,
 2 within the state of Montana. New industry shall mean any
 3 person, corporation, firm, partnership, association, or
 4 other group which establishes a new plant or plants in this
 5 state for the operation of a new industrial endeavor, as
 6 distinguished from a mere expansion, reorganization, or
 7 merger of an existing industry or industries. Provided,
 8 however, that new industrial property shall be limited to
 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
 14 commercial products or materials; industries that engage in
 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
 18 Manual, 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
 23 does not include a plant which will create an adverse impact
 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
 4 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
 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
 14 construction period.

15 In the event of a prepayment of taxes, the maximum
 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.M. 1947, shall not begin until the
 22 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
 25 which has been in operation in this state for three (3)

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

6 (b) 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 homes 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.

18 Class Eight. (a) Any improvement on real property,
 19 trailers affixed to land or mobile home belonging to any
 20 person who qualifies under any one or more of the
 21 hereinafter set forth categories, with appurtenant land not
 22 exceeding five (5) acres, which together have a market value
 23 of not more than twenty-seven thousand five hundred dollars
 24 (\$27,500), which dwelling is owned or under a contract for
 25 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

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 age, 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
 13 more than six thousand dollars (\$6,000) for a single person
 14 and six thousand eight hundred dollars (\$6,800) for a
 15 married couple total per annum whether said dwelling is
 16 occupied by a single person or a married couple. Provided,
 17 further, that one who applies for classification of property
 18 under this class must make an affidavit to the state
 19 department of revenue on a form as may be provided by the
 20 state department of revenue supplied without cost to the
 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
 25 residential dwelling, such land and improvements with right

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
 4 not be increased during the life of the recipient of
 5 retirement benefits or widow or widower covered under this
 6 class, unless the owner-resident makes a substantial
 7 improvement in the dwelling. For the purposes of the
 8 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
 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
 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.

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

24 Class Ten. The annual gross proceeds of coal mines
 25 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.

6 ~~Class Twelve. (a) A pickup camper, travel trailer,~~
 7 ~~including a fifth wheel trailer, OR motor home, or boat~~
 8 ~~which is owned by or under installment sales contract to and~~
 9 ~~is actually used primarily by a person 60 62 years of age or~~
 10 ~~older WHO IS ESSENTIALLY RETIRED FROM FULL EMPLOYMENT AND~~
 11 ~~whose total income each year from all sources is not more~~
 12 ~~than \$8,000 for a single person or \$10,000 for a married~~
 13 ~~couple DOES NOT EXCEED THE INCOME LIMITATIONS SET IN CLASS~~
 14 ~~EIGHT OF THIS SECTION FOR A SINGLE PERSON OR MARRIED COUPLE,~~
 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 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
 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:

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.

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
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
13 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
17 for the first full year following completion of the repair,
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, 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

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."

12 SECTION 3. IF HOUSE BILL 70 IS ENACTED INTO LAW, THEN
13 IN LIEU OF SECTIONS 1 AND 2 OF THIS ACT, THERE IS A NEW
14 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
25 file an affidavit with the department of revenue as to his

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1 income, as set forth in class fifteen herein.
2 (3) This class of property is taxed at 7% of market
3 value.

-End-

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.M. 1947, is amended to
 11 read as follows:

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

15 Class One. The annual net proceeds of all mines and
 16 mining claims, 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

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

3 Class Two. All agricultural and other tools, implements
 4 and machinery, gas and other engines and boilers, threshing
 5 machines and outfits used therewith, automobiles, motor
 6 trucks and other power-driven cars, vehicles of all kinds
 7 except mobile homes, boats and all watercraft, harness,
 8 saddlery and robes and except as provided in Class Five (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
 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
 25 improvements, except improvements included in Class Nine,

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

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

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

25 (b) All unprocessed agricultural products either on

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
 5 farm storage and owned by the producer, and excepting
 6 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.

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
 16 surviving spouse remains unmarried and the owner and
 17 occupant of the property, shall remain within this
 18 classification.

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

1 operation not having been assessed prior to July 1, 1961,
 2 within the state of Montana. New industry shall mean any
 3 person, corporation, firm, partnership, association, or
 4 other group which establishes a new plant or plants in this
 5 state for the operation of a new industrial endeavor, as
 6 distinguished from a mere expansion, reorganization, or
 7 merger of an existing industry or industries. Provided,
 8 however, that new industrial property shall be limited to
 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
 14 commercial products or materials; industries that engage in
 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
 18 Manual, 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
 23 does not include a plant which will create an adverse impact
 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
 4 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
 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
 14 construction period.

15 In the event of a prepayment of taxes, the maximum
 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.M. 1947, shall not begin until the
 22 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
 25 which has been in operation in this state for three (3)

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

6 (b) 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 homes 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.

18 Class Eight. (a) Any improvement on real property,
 19 trailers affixed to land or mobile home belonging to any
 20 person who qualifies under any one or more of the
 21 hereinafter set forth categories, with appurtenant land not
 22 exceeding five (5) acres, which together have a market value
 23 of not more than twenty-seven thousand five hundred dollars
 24 (\$27,500), which dwelling is owned or under a contract for
 25 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

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 age, 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
 13 more than six thousand dollars (\$6,000) for a single person
 14 and six thousand eight hundred dollars (\$6,800) for a
 15 married couple total per annum whether said dwelling is
 16 occupied by a single person or a married couple. Provided,
 17 further, that one who applies for classification of property
 18 under this class must make an affidavit to the state
 19 department of revenue on a form as may be provided by the
 20 state department of revenue supplied without cost to the
 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
 25 residential dwelling, such land and improvements with right

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
 4 not be increased during the life of the recipient of
 5 retirement benefits or widow or widower covered under this
 6 class, unless the owner-resident makes a substantial
 7 improvement in the dwelling. For the purposes of the
 8 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
 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
 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.

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

24 Class Ten. The annual gross proceeds of coal mines
 25 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.

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

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.

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
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
13 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
17 for the first full year following completion of the repair,
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, 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

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."~~

12 ~~SECTION 3. IF HOUSE BILL 79 IS ENACTED INTO LAW, THEN~~
13 ~~IN LIEU OF SECTIONS 1 AND 2 OF THIS ACT, THERE IS A NEW~~
14 ~~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~~
25 ~~file an affidavit with the department of revenue as to his~~

1 ~~income as set forth in class fifteen herein~~

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

4 SECTION 3. IF HOUSE BILL 70 IS ENACTED INTO LAW, THEN
5 IN LIEU OF SECTIONS 1 AND 2 OF THIS ACT, THERE IS A NEW
6 R.C.M. SECTION THAT READS AS FOLLOWS:

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

16 (2) 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 Fifteen herein.

19 (3) This class of property is taxed at 6% of market
20 value."

-End-