

HOUSE BILL 385

IN THE HOUSE

January 24, 1979	Introduced and referred to Committee on Taxation.
March 24, 1979	Committee recommend bill, as amended.
March 26, 1979	Printed and placed on members' desks.  Second reading, do pass.
March 27, 1979	Considered correctly engrossed.  Third reading, passed.

IN THE SENATE

March 27, 1979	Introduced and referred to Committee on Taxation.
April 10, 1979	Committee recommend bill, as amended.
April 11, 1979	Second reading, indefinitely postponed.

IN THE HOUSE

April 12, 1979	Returned from Senate, indefinitely postponed.
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1 House BILL NO. 385  
 2 INTRODUCED BY Tolson  
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE METHOD OF  
 5 ASSESSING AND TAXING AUTOMOBILES AND LIGHT TRUCKS;  
 6 ESTABLISHING MIDDLE BOOK VALUE AS THE BASIS OF ASSESSMENT;  
 7 PROVIDING A STATEWIDE TAX RATE; ELIMINATING A REQUIREMENT TO  
 8 PAY A PROPERTY TAX IN ORDER TO RECEIVE DISABLED VETERAN  
 9 LICENSE PLATES; AMENDING SECTIONS 10-2-301, 15-6-101,  
 10 15-6-110, 15-8-111, 61-3-317, 61-3-503, AND 61-3-504, MCA;  
 11 AND PROVIDING AN EFFECTIVE DATE."  
 12

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

14 Section 1. Section 15-6-101, MCA, is amended to read:  
 15 "15-6-101. Property subject to taxation --  
 16 classification. (1) All property in this state is subject to  
 17 taxation, except as provided otherwise.

18 (2) For the purpose of taxation, the taxable property  
 19 in the state shall be classified in accordance with 15-6-102  
 20 through 15-6-121 and [section 4]."

21 Section 2. Section 15-6-110, MCA, is amended to read:  
 22 "15-6-110. Class nine property -- description --  
 23 taxable percentage. (1) Class nine property includes:

24 (a) automobiles, motor trucks, with a manufacturer's  
 25 rated capacity of more than three-quarters of a ton and

1 other power-driven cars and vehicles of all kinds except  
 2 mobile homes, motorcycles, aircraft, camper trailers, and  
 3 truck campers, light trucks, and automobiles; and

4 (b) furniture and fixtures used in commercial, office,  
 5 and hotel activities, except improvements included in class  
 6 thirteen.

7 (2) Class nine property is taxed at 13.3% of its  
 8 market value."

9 Section 3. Section 15-8-111, MCA, is amended to read:  
 10 "15-8-111. Assessment -- market value standard --  
 11 exceptions. (1) All taxable property must be assessed at  
 12 100% of its market value except as provided in subsection  
 13 (5) of this section and in 15-7-111 through 15-7-114.

14 (2) (a) Market value is the value at which property  
 15 would change hands between a willing buyer and a willing  
 16 seller, neither being under any compulsion to buy or to sell  
 17 and both having reasonable knowledge of relevant facts.

18 (b) The market value of automobiles and light trucks,  
 19 assessed and taxed as provided in [section 4], is the  
 20 "middle value", defined as the value of the vehicle before  
 21 reconditioning and profit, as shown in national appraisal  
 22 guides or manuals.

23 (3) The department of revenue or its agents may not  
 24 adopt a lower or different standard of value from market  
 25 value in making the official assessment and appraisal of the

1 value of property in class one and classes seven through  
2 eighteen. For purposes of taxation, assessed value is the  
3 same as appraised value.

4 (4) The taxable value for all property in class one  
5 and classes seven through eighteen is the percentage of  
6 market value established for each class of property in  
7 15-6-102 and 15-6-108 through 15-6-119.

8 (5) The assessed value of properties in 15-6-103  
9 through 15-6-107 and 15-6-120 is as follows:

10 (a) Property in 15-6-106, under class five, is  
11 assessed at 100% of book value by the method established in  
12 15-6-106 and the sections cited therein.

13 (b) Properties in 15-6-103, under class two, are  
14 assessed at 100% of the annual net proceeds after deducting  
15 the expenses specified and allowed by 15-23-503.

16 (c) Properties in 15-6-104, 15-6-105, and 15-6-120,  
17 under classes three, four, and nineteen are assessed at 100%  
18 of the annual gross proceeds.

19 (d) Properties in 15-6-107, under class six, are  
20 assessed at 100% of the productive capacity of the lands  
21 when valued for agricultural purposes. All lands that meet  
22 the qualifications of 15-7-202 are valued as agricultural  
23 lands for tax purposes.

24 (6) Land and the improvements thereon are separately  
25 assessed when any of the following conditions occur:

1 (a) ownership of the improvements is different from  
2 ownership of the land;

3 (b) the taxpayer makes a written request; or

4 (c) the land is outside an incorporated city or town.

5 (7) The taxable value of all property in classes two  
6 through six is the percentage of assessed value established  
7 in 15-6-103 through 15-6-107 for each class of property."

8 NEW SECTION. Section 4. Property taxation of  
9 automobiles and light trucks. (1) Automobiles and trucks  
10 with a manufacturer's rated capacity of three-quarters of a  
11 ton or less are assessed on their middle book value, as  
12 provided in 15-8-111(2)(b).

13 (2) The department of revenue shall prepare valuation  
14 schedules showing this middle value when no national  
15 appraisal guide exists.

16 (3) A tax rate of 6% is applied against the assessed  
17 value of automobiles and trucks to determine the tax due  
18 each year. This tax is a property tax and is collected under  
19 the procedure established in Title 15, chapter 16.

20 (4) The minimum tax on each automobile and light truck  
21 is \$10 a year.

22 (5) The assessed value of automobiles and light trucks  
23 is not included in the taxable valuation of taxing  
24 jurisdictions. Local and state mill levies may not be  
25 applied against the assessed value of this property.

1 Section 5. Section 10-2-301, MCA, is amended to read:  
 2 "10-2-301. Free license plates to disabled veterans.  
 3 Any person who is a veteran of the armed service of the  
 4 United States and 100% disabled because of an injury which  
 5 has been determined by the veterans administration to be  
 6 service connected and who is a citizen and resident of the  
 7 state of Montana and who is the owner of a passenger  
 8 automobile or of a truck up to and including three-quarter  
 9 ton GVW-rated capacity shall be provided with free license  
 10 plates ~~upon payment of personal property tax equal to 1% of~~  
 11 ~~the taxable value for such automobile or truck and~~ upon  
 12 proof of 100% service-connected disability."

13 Section 6. Section 61-3-317, MCA, is amended to read:  
 14 "61-3-317. New registration required for transferred  
 15 vehicle -- grace period -- penalty -- display of proof of  
 16 purchase. (1) Except as otherwise provided herein, the new  
 17 owner of the transferred motor vehicle shall have the grace  
 18 period of 20 calendar days from the date of purchase to make  
 19 application and pay the taxes as provided by part 5 of this  
 20 chapter and [section 4], as if the same was being registered  
 21 for the first time in that registration year. If the motor  
 22 vehicle was not purchased from a duly licensed motor vehicle  
 23 dealer as provided in this chapter, it shall not be a  
 24 violation of this chapter or any other law for the purchaser  
 25 to operate the vehicle upon the streets and highways of this

1 state without a certificate of registration during the  
 2 20-day period; provided, that at all times during that  
 3 period a bill of sale or other proof of purchase reciting  
 4 the date of purchase shall be clearly displayed in the rear  
 5 window of the motor vehicle. Registration and license fees  
 6 collected under 61-3-321 are not required to be paid when a  
 7 license plate is transferred under this section and  
 8 61-3-335. Failure to make application within the time  
 9 provided herein shall subject the purchaser to a penalty of  
 10 \$10. The penalty shall be collected by the county treasurer  
 11 at the time of registration, and shall be in addition to the  
 12 fees otherwise provided by law.

13 (2) Any purchaser of a new or used motor vehicle from  
 14 a duly licensed motor vehicle dealer shall have the grace  
 15 period of 20 calendar days from the date of purchase to make  
 16 application for registration and to obtain registration  
 17 plates, and it shall not be a violation of this chapter or  
 18 any other law for such purchaser to operate such vehicle  
 19 upon the streets and highways of this state without a  
 20 certificate of registration and registration plates during  
 21 the 20-day period; provided that at all times during said  
 22 period the sticker issued by the dealer at the time of  
 23 purchase shall remain affixed to said vehicle as provided in  
 24 61-4-111. Failure to make such application within the time  
 25 provided herein subjects the purchaser to a penalty of \$10.

1 The penalty is to be collected by the county treasurer at  
2 the time of registration and is in addition to the fees  
3 otherwise provided by law."

4 Section 7. Section 61-3-503, MCA, is amended to read:

5 "61-3-503. Assessment. (1) A person who files an  
6 application for registration or reregistration of a motor  
7 vehicle, except of a mobile home as defined in 15-1-101(1),  
8 shall before filing such application with the county  
9 treasurer submit the same to the county assessor of the  
10 county. The county assessor shall enter on the application  
11 in a space to be provided for that purpose the market value  
12 and taxable value of the vehicle, or the tax due for  
13 automobiles and light trucks, for the year for which the  
14 application for registration is made.

15 (2) Except as provided in subsection (3) motor  
16 vehicles, except mobile homes as defined in 15-1-101(1), are  
17 assessed for taxes on January 1 in each year irrespective of  
18 the time fixed by law for the assessment of other classes of  
19 personal property and irrespective of whether the levy and  
20 tax may be a lien upon real property within the state. In no  
21 event may any motor vehicle be subject to assessment, levy,  
22 and taxation more than once in each year.

23 (3) Vehicles subject to the provisions of 61-3-313  
24 through 61-3-316 shall be assessed as of the first day of  
25 the year in which the registration period occurs and a lien

1 for taxes and fees due thereon shall occur on the  
2 anniversary date of the registration and shall continue  
3 thereafter until such fees and taxes shall have been paid."

4 Section 8. Section 61-3-504, MCA, is amended to read:

5 "61-3-504. Computation of tax. ~~(1)~~ The amount of taxes  
6 on the motor vehicle, except a mobile home as defined in  
7 15-1-101(1), automobile, or light truck, is computed and  
8 determined by the county treasurer on the basis of the levy  
9 of the year preceding the current year of application for  
10 registration or reregistration.

11 ~~(2) The amount of tax on an automobile or light truck~~  
12 ~~is determined as provided in [section 4].~~

13 ~~(3) The determination of tax due is entered on the~~  
14 ~~application form in a space provided therefor."~~

15 Section 9. Effective date. This act is effective on  
16 passage and approval and applies to taxable years beginning  
17 after December 31, 1978.

-End-

STATE OF MONTANA

REQUEST NO. 141-79

FISCAL NOTE

Form BD-15

In compliance with a written request received January 26, 19 79, there is hereby submitted a Fiscal Note for House Bill 385 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 changes the method of assessing taxing automobiles and light trucks; establishing middle book value as the basis of assessment; providing a statewide tax rate; eliminating a requirement to pay a property tax in order to receive disabled veteran license plates; amending sections 10-2-301, 15-6-101, 15-6-110, 15-8-111, 61-3-317, 61-3-503, and 61-3-504, MCA; and providing an effective date.

FISCAL IMPACT

No fiscal impact.

EFFECT ON LOCAL GOVERNMENT

This bill is designed to raise the same amount of revenues for local governments.

(Prepared by the Department of Revenue)

*Richard L. Drayton*  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/8/79

Approved by Committee  
on Taxation

HOUSE BILL NO. 385

INTRODUCED BY FABREGA

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3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE METHOD OF  
5 ASSESSING AND TAXING AUTOMOBILES AND LIGHT TRUCKS;  
6 ESTABLISHING ~~MIDDLE-BOOK~~ AVERAGE TRADE-IN VALUE AS THE BASIS  
7 OF ASSESSMENT; PROVIDING A STATEWIDE TAX RATE; ELIMINATING A  
8 REQUIREMENT TO PAY A PROPERTY TAX IN ORDER TO RECEIVE  
9 DISABLED VETERAN LICENSE PLATES; AMENDING SECTIONS 10-2-301,  
10 15-6-101, 15-6-110, 15-8-111, 61-3-317, 61-3-503, AND  
11 61-3-504, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

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17 taxation, except as provided otherwise.

18 (2) For the purpose of taxation, the taxable property  
19 in the state shall be classified in accordance with 15-6-102  
20 through 15-6-121 and [section 4]."

21 Section 2. Section 15-6-110, MCA, is amended to read:

22 "15-6-110. Class nine property -- description --  
23 taxable percentage. (1) Class nine property includes:

24 (a) automobiles; motor trucks; with a manufacturer's  
25 rated capacity of more than three-quarters of a ton and

1 other power-driven cars and vehicles of all kinds except  
2 mobile homes, motorcycles, aircraft, camper trailers, and  
3 truck campers, light trucks, and automobiles; and

4 (b) furniture and fixtures used in commercial, office,  
5 and hotel activities, except improvements included in class  
6 thirteen.

7 (2) Class nine property is taxed at 13.3% of its  
8 market value."

9 Section 3. Section 15-8-111, MCA, is amended to read:

10 "15-8-111. Assessment -- market value standard --  
11 exceptions. (1) All taxable property must be assessed at  
12 100% of its market value except as provided in subsection  
13 (5) of this section and in 15-7-111 through 15-7-114.

14 (2) (a) Market value is the value at which property  
15 would change hands between a willing buyer and a willing  
16 seller, neither being under any compulsion to buy or to sell  
17 and both having reasonable knowledge of relevant facts.

18 (b) The market value of automobiles and light trucks,  
19 assessed and taxed as provided in [section 4], is the  
20 "middle AVERAGE TRADE-IN value", defined as the value of the  
21 vehicle before reconditioning and profit, as shown in  
22 national appraisal guides or manuals.

23 (3) The department of revenue or its agents may not  
24 adopt a lower or different standard of value from market  
25 value in making the official assessment and appraisal of the

1 value of property in class one and classes seven through  
2 eighteen. For purposes of taxation, assessed value is the  
3 same as appraised value.

4 (4) The taxable value for all property in class one  
5 and classes seven through eighteen is the percentage of  
6 market value established for each class of property in  
7 15-6-102 and 15-6-108 through 15-6-119.

8 (5) The assessed value of properties in 15-6-103  
9 through 15-6-107 and 15-6-120 is as follows:

10 (a) Property in 15-6-106, under class five, is  
11 assessed at 100% of book value by the method established in  
12 15-6-106 and the sections cited therein.

13 (b) Properties in 15-6-103, under class two, are  
14 assessed at 100% of the annual net proceeds after deducting  
15 the expenses specified and allowed by 15-23-503.

16 (c) Properties in 15-6-104, 15-6-105, and 15-6-120,  
17 under classes three, four, and nineteen are assessed at 100%  
18 of the annual gross proceeds.

19 (d) Properties in 15-6-107, under class six, are  
20 assessed at 100% of the productive capacity of the lands  
21 when valued for agricultural purposes. All lands that meet  
22 the qualifications of 15-7-202 are valued as agricultural  
23 lands for tax purposes.

24 (6) Land and the improvements thereon are separately  
25 assessed when any of the following conditions occur:

1 (a) ownership of the improvements is different from  
2 ownership of the land;

3 (b) the taxpayer makes a written request; or

4 (c) the land is outside an incorporated city or town.

5 (7) The taxable value of all property in classes two  
6 through six is the percentage of assessed value established  
7 in 15-6-103 through 15-6-107 for each class of property."

8 **NEW SECTION.** Section 4. Property taxation of  
9 automobiles and light trucks. (1) Automobiles and trucks  
10 with a manufacturer's rated capacity of three-quarters of a  
11 ton or less are assessed on their ~~middle~~--book **AVERAGE**  
12 **TRADE-IN** value, as provided in 15-8-111(2)(b).

13 (2) The department of revenue shall prepare valuation  
14 schedules showing this ~~middle~~ **AVERAGE TRADE-IN** value when no  
15 national appraisal guide exists.

16 (3) A tax rate of 6% ~~4%~~ is applied against the  
17 assessed value of automobiles and trucks to determine the  
18 tax due each year. This tax is a property tax and is  
19 collected under the procedure established in Title 15,  
20 chapter 16.

21 (4) The minimum tax on each automobile and light truck  
22 is \$10 a year.

23 (5) The assessed value of automobiles and light trucks  
24 is ~~not~~ included in the taxable valuation of taxing  
25 jurisdictions--~~local~~; HOWEVER, LOCAL and state mill levies



1 may not be applied against the assessed value of this  
 2 property. THE DEPARTMENT OF REVENUE OR ITS AGENT SHALL  
 3 FURNISH TO EACH COUNTY IN ACCORDANCE WITH TITLE 15, CHAPTER  
 4 8, PART 7, THE TAXABLE VALUE OF AUTOMOBILES AND LIGHT TRUCKS  
 5 TAXED IN THE COUNTY TO BE USED FOR ALL PURPOSES EXCEPT MILL  
 6 LEVIES, THE TAXABLE VALUE IS DETERMINED BY APPLYING A 20%  
 7 CLASSIFICATION AGAINST THE AVERAGE TRADE-IN VALUE.

8 Section 5. Section 10-2-301, MCA, is amended to read:  
 9 "10-2-301. Free license plates to disabled veterans.  
 10 Any person who is a veteran of the armed service of the  
 11 United States and 100% disabled because of an injury which  
 12 has been determined by the veterans administration to be  
 13 service connected and who is a citizen and resident of the  
 14 state of Montana and who is the owner of a passenger  
 15 automobile or of a truck up to and including three-quarter  
 16 ton GVW-rated capacity shall be provided with free license  
 17 plates upon payment of personal property tax equal to 1% of  
 18 the taxable value for such automobile or truck and upon  
 19 proof of 100% service-connected disability."

20 Section 6. Section 61-3-317, MCA, is amended to read:  
 21 "61-3-317. New registration required for transferred  
 22 vehicle -- grace period -- penalty -- display of proof of  
 23 purchase. (1) Except as otherwise provided herein, the new  
 24 owner of the transferred motor vehicle shall have the grace  
 25 period of 20 calendar days from the date of purchase to make

1 application and pay the taxes as provided by part 5 of this  
 2 chapter and ~~(section 4)~~, as if the same was being registered  
 3 for the first time in that registration year. If the motor  
 4 vehicle was not purchased from a duly licensed motor vehicle  
 5 dealer as provided in this chapter, it shall not be a  
 6 violation of this chapter or any other law for the purchaser  
 7 to operate the vehicle upon the streets and highways of this  
 8 state without a certificate of registration during the  
 9 20-day period; provided, that at all times during that  
 10 period a bill of sale or other proof of purchase reciting  
 11 the date of purchase shall be clearly displayed in the rear  
 12 window of the motor vehicle. Registration and license fees  
 13 collected under 61-3-321 are not required to be paid when a  
 14 license plate is transferred under this section and  
 15 61-3-335. Failure to make application within the time  
 16 provided herein shall subject the purchaser to a penalty of  
 17 \$10. The penalty shall be collected by the county treasurer  
 18 at the time of registration, and shall be in addition to the  
 19 fees otherwise provided by law.

20 (2) Any purchaser of a new or used motor vehicle from  
 21 a duly licensed motor vehicle dealer shall have the grace  
 22 period of 20 calendar days from the date of purchase to make  
 23 application for registration and to obtain registration  
 24 plates, and it shall not be a violation of this chapter or  
 25 any other law for such purchaser to operate such vehicle

1 upon the streets and highways of this state without a  
 2 certificate of registration and registration plates during  
 3 the 20-day period; provided that at all times during said  
 4 period the sticker issued by the dealer at the time of  
 5 purchase shall remain affixed to said vehicle as provided in  
 6 61-4-111. Failure to make such application within the time  
 7 provided herein subjects the purchaser to a penalty of \$10.  
 8 The penalty is to be collected by the county treasurer at  
 9 the time of registration and is in addition to the fees  
 10 otherwise provided by law."

11 Section 7. Section 61-3-503, MCA, is amended to read:

12 "61-3-503. Assessment. (1) A person who files an  
 13 application for registration or reregistration of a motor  
 14 vehicle, except of a mobile home as defined in 15-1-101(1),  
 15 shall before filing such application with the county  
 16 treasurer submit the same to the county assessor of the  
 17 county. The county assessor shall enter on the application  
 18 in a space to be provided for that purpose the market value  
 19 and taxable value of the vehicle, or the tax due for  
 20 automobiles and light trucks, for the year for which the  
 21 application for registration is made.

22 (2) Except as provided in subsection (3) motor  
 23 vehicles, except mobile homes as defined in 15-1-101(1), are  
 24 assessed for taxes on January 1 in each year irrespective of  
 25 the time fixed by law for the assessment of other classes of

1 personal property and irrespective of whether the levy and  
 2 tax may be a lien upon real property within the state. In no  
 3 event may any motor vehicle be subject to assessment, levy,  
 4 and taxation more than once in each year.

5 (3) Vehicles subject to the provisions of 61-3-313  
 6 through 61-3-316 shall be assessed as of the first day of  
 7 the year in which the registration period occurs and a lien  
 8 for taxes and fees due thereon shall occur on the  
 9 anniversary date of the registration and shall continue  
 10 thereafter until such fees and taxes shall have been paid."

11 Section 8. Section 61-3-504, MCA, is amended to read:

12 "61-3-504. Computation of tax. [1] The amount of taxes  
 13 on the motor vehicle, except a mobile home as defined in  
 14 15-1-101(1), automobile, or light truck, is computed and  
 15 determined by the county treasurer on the basis of the levy  
 16 of the year preceding the current year of application for  
 17 registration or reregistration.

18 [2] The amount of tax on an automobile or light truck  
 19 is determined as provided in [section 4].

20 [3] The determination of tax due is entered on the  
 21 application form in a space provided therefor."

22 Section 9. Effective date. This act is effective on  
 23 passage and approval and applies to taxable years beginning  
 24 after December 31, 1978.

-End-

HOUSE BILL NO. 385

INTRODUCED BY FABREGA

A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE METHOD OF ASSESSING AND TAXING AUTOMOBILES AND LIGHT TRUCKS; ESTABLISHING MIDDLE-BOOK AVERAGE TRADE-IN VALUE AS THE BASIS OF ASSESSMENT; PROVIDING A STATEWIDE TAX RATE; ELIMINATING A REQUIREMENT TO PAY A PROPERTY TAX IN ORDER TO RECEIVE DISABLED VETERAN LICENSE PLATES; AMENDING SECTIONS 10-2-301, 15-6-101, 15-6-110, 15-8-111, 61-3-317, 61-3-503, AND 61-3-504, MCA; AND PROVIDING AN EFFECTIVE DATE."

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(2) For the purpose of taxation, the taxable property in the state shall be classified in accordance with 15-6-102 through 15-6-121 and [section 4]."

Section 2. Section 15-6-110, MCA, is amended to read:

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(a) automobiles, motor trucks, with a manufacturer's rated capacity of more than three-quarters of a ton and

other power-driven cars and vehicles of all kinds except mobile homes, motorcycles, aircraft, camper trailers, and truck campers, light trucks, and automobiles; and

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(2) Class nine property is taxed at 13.3% of its market value."

Section 3. Section 15-8-111, MCA, is amended to read:

"15-8-111. Assessment -- market value standard -- exceptions. (1) All taxable property must be assessed at 100% of its market value except as provided in subsection (5) of this section and in 15-7-111 through 15-7-114.

(2) (a) Market value is the value at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.

(b) The market value of automobiles and light trucks, assessed and taxed as provided in [section 4], is the "middle AVERAGE TRADE-IN value", defined as the value of the vehicle before reconditioning and profit, as shown in national appraisal guides or manuals.

(3) The department of revenue or its agents may not adopt a lower or different standard of value from market value in making the official assessment and appraisal of the

1 value of property in class one and classes seven through  
2 eighteen. For purposes of taxation, assessed value is the  
3 same as appraised value.

4 (4) The taxable value for all property in class one  
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9 through 15-6-107 and 15-6-120 is as follows:

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11 assessed at 100% of book value by the method established in  
12 15-6-106 and the sections cited therein.

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14 assessed at 100% of the annual net proceeds after deducting  
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16 (c) Properties in 15-6-104, 15-6-105, and 15-6-120,  
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11 ton or less are assessed on their ~~middle~~-book AVERAGE  
12 TRADE-IN value, as provided in 15-8-111(2)(b).

13 (2) The department of revenue shall prepare valuation  
14 schedules showing this ~~middle~~ AVERAGE TRADE-IN value when no  
15 national appraisal guide exists.

16 (3) A tax rate of ~~6%~~ 4% is applied against the  
17 assessed value of automobiles and trucks to determine the  
18 tax due each year. This tax is a property tax and is  
19 collected under the procedure established in Title 15,  
20 chapter 16.

21 (4) The minimum tax on each automobile and light truck  
22 is \$10 a year.

23 (5) The assessed value of automobiles and light trucks  
24 is not included in the taxable valuation of taxing  
25 jurisdictions ~~except~~; HOWEVER, LOCAL and state mill levies

1 may not be applied against the assessed value of this  
 2 property. THE DEPARTMENT OF REVENUE OR ITS AGENT SHALL  
 3 FURNISH TO EACH COUNTY IN ACCORDANCE WITH TITLE 15, CHAPTER  
 4 8, PART 7, THE TAXABLE VALUE OF AUTOMOBILES AND LIGHT TRUCKS  
 5 TAXED IN THE COUNTY TO BE USED FOR ALL PURPOSES EXCEPT MILL  
 6 LEVIES. THE TAXABLE VALUE IS DETERMINED BY APPLYING A 20%  
 7 CLASSIFICATION AGAINST THE AVERAGE TRADE-IN VALUE.

8 Section 5. Section 10-2-301, MCA, is amended to read:

9 "10-2-301. Free license plates to disabled veterans.

10 Any person who is a veteran of the armed service of the  
 11 United States and 100% disabled because of an injury which  
 12 has been determined by the veterans administration to be  
 13 service connected and who is a citizen and resident of the  
 14 state of Montana and who is the owner of a passenger  
 15 automobile or of a truck up to and including three-quarter  
 16 ton GVW-rated capacity shall be provided with free license  
 17 plates upon payment of personal property tax equal to 1% of  
 18 the taxable value for such automobile or truck and upon  
 19 proof of 100% service-connected disability."

20 Section 6. Section 61-3-317, MCA, is amended to read:

21 "61-3-317. New registration required for transferred  
 22 vehicle -- grace period -- penalty -- display of proof of  
 23 purchase. (1) Except as otherwise provided herein, the new  
 24 owner of the transferred motor vehicle shall have the grace  
 25 period of 20 calendar days from the date of purchase to make

1 application and pay the taxes as provided by part 5 of this  
 2 chapter and ~~[section 4]~~, as if the same was being registered  
 3 for the first time in that registration year. If the motor  
 4 vehicle was not purchased from a duly licensed motor vehicle  
 5 dealer as provided in this chapter, it shall not be a  
 6 violation of this chapter or any other law for the purchaser  
 7 to operate the vehicle upon the streets and highways of this  
 8 state without a certificate of registration during the  
 9 20-day period; provided, that at all times during that  
 10 period a bill of sale or other proof of purchase reciting  
 11 the date of purchase shall be clearly displayed in the rear  
 12 window of the motor vehicle. Registration and license fees  
 13 collected under 61-3-321 are not required to be paid when a  
 14 license plate is transferred under this section and  
 15 61-3-335. Failure to make application within the time  
 16 provided herein shall subject the purchaser to a penalty of  
 17 \$10. The penalty shall be collected by the county treasurer  
 18 at the time of registration, and shall be in addition to the  
 19 fees otherwise provided by law.

20 (2) Any purchaser of a new or used motor vehicle from  
 21 a duly licensed motor vehicle dealer shall have the grace  
 22 period of 20 calendar days from the date of purchase to make  
 23 application for registration and to obtain registration  
 24 plates, and it shall not be a violation of this chapter or  
 25 any other law for such purchaser to operate such vehicle

1 upon the streets and highways of this state without a  
 2 certificate of registration and registration plates during  
 3 the 20-day period; provided that at all times during said  
 4 period the sticker issued by the dealer at the time of  
 5 purchase shall remain affixed to said vehicle as provided in  
 6 61-4-111. Failure to make such application within the time  
 7 provided herein subjects the purchaser to a penalty of \$10.  
 8 The penalty is to be collected by the county treasurer at  
 9 the time of registration and is in addition to the fees  
 10 otherwise provided by law."

11 Section 7. Section 61-3-503, MCA, is amended to read:

12 "61-3-503. Assessment. (1) A person who files an  
 13 application for registration or reregistration of a motor  
 14 vehicle, except of a mobile home as defined in 15-1-101(1),  
 15 shall before filing such application with the county  
 16 treasurer submit the same to the county assessor of the  
 17 county. The county assessor shall enter on the application  
 18 in a space to be provided for that purpose the market value  
 19 and taxable value of the vehicle, or the tax due for  
 20 automobiles and light trucks, for the year for which the  
 21 application for registration is made.

22 (2) Except as provided in subsection (3) motor  
 23 vehicles, except mobile homes as defined in 15-1-101(1), are  
 24 assessed for taxes on January 1 in each year irrespective of  
 25 the time fixed by law for the assessment of other classes of

1 personal property and irrespective of whether the levy and  
 2 tax may be a lien upon real property within the state. In no  
 3 event may any motor vehicle be subject to assessment, levy,  
 4 and taxation more than once in each year.

5 (3) Vehicles subject to the provisions of 61-3-313  
 6 through 61-3-316 shall be assessed as of the first day of  
 7 the year in which the registration period occurs and a lien  
 8 for taxes and fees due thereon shall occur on the  
 9 anniversary date of the registration and shall continue  
 10 thereafter until such fees and taxes shall have been paid."

11 Section 8. Section 61-3-504, MCA, is amended to read:

12 "61-3-504. Computation of tax. (1) The amount of taxes  
 13 on the motor vehicle, except a mobile home as defined in  
 14 15-1-101(1), automobile, or light truck, is computed and  
 15 determined by the county treasurer on the basis of the levy  
 16 of the year preceding the current year of application for  
 17 registration or reregistration.

18 (2) The amount of tax on an automobile or light truck  
 19 is determined as provided in [section 4].

20 (3) The determination of tax due is entered on the  
 21 application form in a space provided therefor."

22 Section 9. Effective date. This act is effective on  
 23 passage and approval and applies to taxable years beginning  
 24 after December 31, 1978.

-End-

April 10, 1979

SENATE STANDING COMMITTEE REPORT  
(Taxation)

That House Bill No. 385, third reading bill, be amended as follows:

1. Title, line 5.  
Following: "AUTOMOBILES"  
Strike: "AND"  
Insert: ", "  
Following: "TRUCKS"  
Insert: ", MOTOR HOMES, TRAVEL TRAILERS, AND CAMPERS"
2. Title, line 6.  
Following: "TRADE-IN"  
Insert: "OR USED WHOLESALE"
3. Title, line 9.  
Following: "PLATES;"  
Insert: "INCREASING THE NEW MOTOR VEHICLE TAX AND PROVIDING FOR ITS DISTRIBUTION;"
4. Title, line 10.  
Following: "15-6-110,"  
Insert: "15-6-111,"  
Following: "61-3-317,"  
Insert: "61-3-502,"
5. Page 2, line 18.  
Following: "automobiles"  
Insert: ", motor homes, travel trailers, campers,"
6. Page 2, line 20.  
Following: "TRADE-IN"  
Insert: "or used wholesale"
7. Page 4, line 9.  
Following: "automobiles"  
Insert: ", motor homes, travel trailers, campers,"  
Following: "(1) Automobiles"  
Insert: ", motor homes, travel trailers, campers,"
8. Page 4, line 12.  
Following: "TRADE-IN"  
Insert: "or used wholesale"  
Following: "15-8-111(2)(b)."  
Insert: "'Average trade-in' or 'used wholesale' value is that value shown in national sales guides that does not include reconditioning sales costs or dealer markup."
9. Page 4, line 14.  
Following: "TRADE-IN"  
Insert: "or used wholesale"
10. Page 4, line 16.  
Following: "6%"  
Strike: "4%"  
Insert: "3%"

Page 2  
House Bill No. 385

11. Page 4, line 17.  
Following: "automobiles"  
Insert: ", motor homes, travel trailers, campers,"
  12. Page 4, line 21.  
Following: "automobile"  
Insert: ", motor home, travel trailer, camper,"
  13. Page 4, line 22.  
Following: "is"  
Strike: "\$10"  
Insert: "\$15"
  14. Page 4, line 23.  
Following: "automobiles"  
Insert: ", motor homes, travel trailers, campers,"
  15. Page 5, line 4.  
Following: "AUTOMOBILES"  
Insert: ", motor homes, travel trailers, campers,"
  16. Page 5, line 7.  
Following: "TRADE-IN"  
Insert: "or used wholesale"
  17. Page 7, line 20.  
Following: "automobiles"  
Insert: ", motor homes, travel trailers, campers,"
  18. Page 8, line 14.  
Following: "automobile,"  
Insert: "motor home, travel trailer, camper,"
  19. Page 8, line 18.  
Following: "automobile"  
Insert: ", motor home, travel trailer, camper,"
  20. Page 8.  
Following: line 21  
Insert: "Section 8. Section 15-6-111, MCA, IS AMENDED TO READ:  
"15-6-111. Class ten property - description - taxable percentage.  
(1) Class ten property includes:  
(a) aerial, surface, and portable ski lifts and ski tows, including the towers, cables, ropes, sheave assemblies, conveying devices, power units, and all accessories; and  
(b) manufacturing and mining machinery, fixtures, and supplies, except those included in class eighteen; and  
(c) ~~camper-trailers and truck-campers valued in the "N.A.R.A. recreational-Vehicle-Appraisal-Guide"~~.  
(2) Class ten property is taxed at 12½ of market value."
- Section 9. Section 61-3-502, MCA, IS AMENDED TO READ:  
"61-3-502. Sales tax on new motor vehicles -- exemption.  
(1) In consideration of the right to use the highways of the state, there shall be imposed a tax upon all sales of new motor

vehicles for which a license is sought and an original application for title is made. The tax shall be paid by the purchaser when he applies for his original Montana license through the county treasurer.

(2) The sales tax shall be:

(a) ~~1-1/2%~~ 3% of the F.O.B. factory list price or F.O.B. port of entry list price, during the first quarter of the year or prorated one-twelfth for each month or part of month for a registration period other than a calendar year or calendar quarter;

(b) ~~1-1/8%~~ 2 1/4% of the list price during the second quarter of the year;

(c) ~~3/4-of-1%~~ 1 1/2% during the third quarter of the year;

(d) ~~3/8-of-1%~~ 3/4% during the fourth quarter of the year.

(3) If the manufacturer or importer fails to furnish the F.O.B. factory list price or F.O.B. port of entry list price, the department may use published price lists.

(4) The One-half the proceeds from this tax shall be remitted to the state treasurer every 30 days for credit to the state highway account of the earmarked revenue fund and one-half retained by the county treasurer and placed in the motor vehicle suspense fund.

(5) The new vehicle is not subject to any other assessment or taxation during the calendar year in which the original application for title is made.

(6)(a) The applicant for original registration of any wholly new and unused motor vehicle or new motor vehicle furnished without charge by the dealer to the school district for use as a traffic education motor vehicle by a school district operating a state-approved traffic education program within the state, whether or not previously licensed or titled to the school district, except a mobile home as defined in 15-1-101(1), acquired by original contract after January 1 of any year shall be required, whenever such vehicle has not been otherwise assessed, to pay the motor vehicle sales tax provided by this section irrespective of whether the vehicle was in the state of Montana on January 1 of the year.

(b) No such motor vehicle may be registered or licensed under the provisions of this subsection unless the application for registration is accompanied by a statement of origin to be furnished by the dealer selling the vehicle, showing that the vehicle has not previously been registered or owned, except as otherwise provided herein, by any person, firm, corporation, or association that is not a new motor vehicle dealer holding a franchise or distribution agreement from a new car manufacturer, distributor, or importer.

(7) Motor vehicles operating exclusively for transportation of persons for hire within the limits of incorporated cities or towns and within 15 miles from such limits are exempt from subsection (1). Motor vehicles brought or driven into Montana by a nonresident migratory bona fide agricultural worker temporarily employed in agricultural work in this state where those motor vehicles are used exclusively for transportation of agricultural workers are also

exempt from subsection (1). Vehicles lawfully displaying a licensed dealer's plate as provided in 61-4-102 are exempt from subsection (1) when moving to or from a dealer's place of business when unladen or laden with dealer's property only, and in the case of vehicles having a gross laden weight of less than 24,000 pounds, while in the process of demonstration in the course of the dealer's business."

Renumber: subsequent section