

CHAPTER NO. 229

HOUSE BILL NO. 582

INTRODUCED BY BURNETT

IN THE HOUSE

February 6, 1979	Introduced and referred to Committee on Taxation.
February 16, 1979	Committee recommend bill do pass as amended. Report adopted.
February 17, 1979	Printed and placed on members' desks.
February 20, 1979	Second reading, do pass.
February 21, 1979	Considered correctly engrossed.
February 22, 1979	Third reading, passed. Transmitted to second house.

IN THE SENATE

February 22, 1979	Introduced and referred to Committee on Taxation.
March 7, 1979	Committee recommend bill be concurred in. Report adopted.
March 9, 1979	Second reading, concurred in.
March 13, 1979	Third reading, concurred in.

IN THE HOUSE

March 14, 1979	Returned from second house. Concurred in. Sent to enrolling. Reported correctly enrolled.
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1 House BILL NO. 582
 2 INTRODUCED BY Barnett

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 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT ANTIQUE
 5 AIRCRAFT FROM PROPERTY TAXATION; AMENDING SECTIONS 15-6-113,
 6 67-3-201, AND 67-3-202, MCA."

7
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 NEW SECTION. Section 1. Antique aircraft exempt --
 10 application procedure. (1) Aircraft built prior to 1936 and
 11 not regularly used for transportation are exempt from
 12 property taxation.

13 (2) To apply for this exemption, the owner shall file
 14 a signed application with the department of revenue
 15 containing:

- 16 (a) the name and address of the owner;
- 17 (b) a description of the aircraft;
- 18 (c) a statement that the aircraft is not regularly
 19 used for transportation.

20 Section 2. Section 15-6-113, MCA, is amended to read:

21 "15-6-113. Class twelve property -- description --
 22 taxable percentage. (1) Class twelve property includes:

- 23 (a) boats and all watercraft;
- 24 (b) aircraft, except as provided in [section 1];
- 25 (c) motorcycles; and

1 (d) large farm machinery valued in the official guide
 2 tractors and farm implements and department valuation
 3 schedules.

4 (2) Class twelve property is taxed at 11% of its
 5 market value."

6 Section 3. Section 67-3-201, MCA, is amended to read:

7 "67-3-201. Aircraft registration and licensing. (1)
 8 Except as provided in 67-3-102, a person may not operate or
 9 cause or authorize to be operated a civil aircraft within
 10 this state unless the aircraft has an appropriate effective
 11 license, certificate, or permit issued by the United States
 12 government which has been registered with the department and
 13 the registration with the department is in force.

14 (2) Aircraft customarily kept in this state shall be
 15 registered with the department, which may charge a fee
 16 therefor of not more than \$10. The registration shall be
 17 renewed annually on or before March 1 each year.

18 (3) Section 67-3-202 and subsections (2) through (6)
 19 of this section shall not apply to:

- 20 (a) aircraft owned and operated by the federal
 21 government, the state, or any political subdivision thereof;
- 22 (b) aircraft owned and held by an aircraft dealer
 23 solely for the purpose of resale;
- 24 (c) aircraft operated by an airline company and
 25 regularly scheduled for the primary purpose of carrying

1 persons or property for hire in interstate or international
2 transportation; or

3 (d) dismantled or otherwise nonflyable aircraft.

4 (4) An aircraft shall be registered as property within
5 a particular county of the state. This county shall be the
6 county of the owner's principal residence, if the owner is a
7 natural person, or the owner's principal place of doing
8 business in the state, if the owner is not a natural person.
9 However, if the owner declares by affidavit that the
10 aircraft is customarily kept at a landing facility in
11 another county within the state, he may register the
12 aircraft as property within such other county.

13 (5) ~~At~~ Except as provided in [section 1], all
14 aircraft shall be subject to all state, county, and school
15 district tax levies and all other levies designated for
16 aircraft- or airport-related uses. Such aircraft shall not
17 be liable for other city tax levies.

18 (6) Aircraft not registered in the state but entering
19 the state to engage in commercial operations shall be
20 registered prior to commencing operation."

21 Section 4. Section 67-3-202, MCA, is amended to read:

22 "67-3-202. Penalty for registration violations. (1)
23 When an aircraft required to be registered under the
24 provisions of subsections (2) through (6) of 67-3-201 is not
25 registered on or before March 1 of the current calendar

1 year, a penalty fee of \$100 shall be added to the
2 registration fee and collected. Registration of an aircraft
3 in the name of the applicant for the year immediately
4 preceding the year for which application for registration is
5 made shall be prima facie evidence that the aircraft has
6 been based in this state during the year for which
7 application for registration is made.

8 (2) An Except for aircraft exempt from property
9 taxation as provided in [section 1], an application for
10 registration shall be accompanied by a copy of the receipt
11 for or statement of personal property tax paid, signed by
12 the treasurer of the county where the aircraft is registered
13 or a statement of lien assignment against real property
14 signed by the county assessor where the aircraft is
15 registered. A person who pays personal property tax on his
16 aircraft to any jurisdiction other than the county where the
17 aircraft is required to be registered is liable for the tax
18 in that county without credit for such other taxes paid.
19 In addition to this civil liability, a person who attempts to
20 establish the situs of his aircraft in any jurisdiction
21 other than the county where the aircraft is required to be
22 registered with intent to avoid payment of taxes to that
23 county commits the offense of false swearing as defined in
24 45-7-202.

25 (3) A person who operates an aircraft required to be

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1 registered in the state without having displayed upon such
2 aircraft a certificate of registration issued by the
3 department for that aircraft commits a misdemeanor."

-End-

HB 582

STATE OF MONTANA

REQUEST NO. 284-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 9, 19 79, there is hereby submitted a Fiscal Note for House Bill 582 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 proposed bill exempts antique aircraft from property taxation.

FISCAL IMPACT

	<u>FY80</u>	<u>FY81</u>
University Levy (6 mills)	No Fiscal Impact	Minimal Fiscal Impact

EFFECT ON LOCAL GOVERNMENT

The legislation should have no impact in FY 80 and minimal impact in FY 81.

(Prepared by the Department of Revenue)

Richard L. Drayton
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/10/79

Approved by Committee
on Taxation

HOUSE BILL NO. 582

INTRODUCED BY BURNETT

A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT ANTIQUE AIRCRAFT FROM PROPERTY TAXATION; AMENDING SECTIONS 15-6-113, 67-3-201, AND 67-3-202, MCA."

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

NEW SECTION. Section 1. Antique aircraft exempt -- application procedure. (1) Aircraft built prior to ~~1936~~ 40 YEARS OLD OR OLDER and not regularly used for transportation are exempt from property taxation.

(2) To apply for this exemption, the owner shall file a signed application with the department of revenue containing:

- (a) the name and address of the owner;
- (b) a description of the aircraft;
- (c) a statement that the aircraft is not regularly used for transportation.

Section 2. Section 15-6-113, MCA, is amended to read:

"15-6-113. Class twelve property -- description -- taxable percentage. (1) Class twelve property includes:

- (a) boats and all watercraft;
- (b) aircraft, except as provided in [section 1];
- (c) motorcycles; and

(d) large farm machinery valued in the official guide tractors and farm implements and department valuation schedules.

(2) Class twelve property is taxed at 11% of its market value."

Section 3. Section 67-3-201, MCA, is amended to read:

"67-3-201. Aircraft registration and licensing. (1) Except as provided in 67-3-102, a person may not operate or cause or authorize to be operated a civil aircraft within this state unless the aircraft has an appropriate effective license, certificate, or permit issued by the United States government which has been registered with the department and the registration with the department is in force.

(2) Aircraft customarily kept in this state shall be registered with the department, which may charge a fee therefor of not more than \$10. The registration shall be renewed annually on or before March 1 each year.

(3) Section 67-3-202 and subsections (2) through (6) of this section shall not apply to:

- (a) aircraft owned and operated by the federal government, the state, or any political subdivision thereof;
- (b) aircraft owned and held by an aircraft dealer solely for the purpose of resale;
- (c) aircraft operated by an airline company and regularly scheduled for the primary purpose of carrying

1 persons or property for hire in interstate or international
2 transportation; or

3 (d) dismantled or otherwise nonflyable aircraft.

4 (4) An aircraft shall be registered as property within
5 a particular county of the state. This county shall be the
6 county of the owner's principal residence, if the owner is a
7 natural person, or the owner's principal place of doing
8 business in the state, if the owner is not a natural person.
9 However, if the owner declares by affidavit that the
10 aircraft is customarily kept at a landing facility in
11 another county within the state, he may register the
12 aircraft as property within such other county.

13 (5) ~~All~~ Except as provided in [section 1], all
14 aircraft shall be subject to all state, county, and school
15 district tax levies and all other levies designated for
16 aircraft- or airport-related uses. Such aircraft shall not
17 be liable for other city tax levies.

18 (6) Aircraft not registered in the state but entering
19 the state to engage in commercial operations shall be
20 registered prior to commencing operation."

21 Section 4. Section 67-3-202, MCA, is amended to read:

22 "67-3-202. Penalty for registration violations. (1)
23 When an aircraft required to be registered under the
24 provisions of subsections (2) through (6) of 67-3-201 is not
25 registered on or before March 1 of the current calendar

1 year, a penalty fee of \$100 shall be added to the
2 registration fee and collected. Registration of an aircraft
3 in the name of the applicant for the year immediately
4 preceding the year for which application for registration is
5 made shall be prima facie evidence that the aircraft has
6 been based in this state during the year for which
7 application for registration is made.

8 (2) ~~An Except for aircraft exempt from property~~
9 ~~taxation as provided in [section 1],~~ an application for
10 registration shall be accompanied by a copy of the receipt
11 for or statement of personal property tax paid, signed by
12 the treasurer of the county where the aircraft is registered
13 or a statement of lien assignment against real property
14 signed by the county assessor where the aircraft is
15 registered. A person who pays personal property tax on his
16 aircraft to any jurisdiction other than the county where the
17 aircraft is required to be registered is liable for the tax
18 in that county without credit for such other taxes paid. In
19 addition to this civil liability, a person who attempts to
20 establish the situs of his aircraft in any jurisdiction
21 other than the county where the aircraft is required to be
22 registered with intent to avoid payment of taxes to that
23 county commits the offense of false swearing as defined in
24 45-7-202.

25 (3) A person who operates an aircraft required to be

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1 registered in the state without having displayed upon such
2 aircraft a certificate of registration issued by the
3 department for that aircraft commits a misdemeanor."

-End-

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

NEW SECTION. Section 1. Antique aircraft exempt -- application procedure. (1) Aircraft ~~built prior to 1936~~ 50 YEARS OLD OR OLDER and not regularly used for transportation are exempt from property taxation.

(2) To apply for this exemption, the owner shall file a signed application with the department of revenue containing:

- (a) the name and address of the owner;
- (b) a description of the aircraft;
- (c) a statement that the aircraft is not regularly used for transportation.

Section 2. Section 15-6-113, MCA, is amended to read: "15-6-113. Class twelve property -- description -- taxable percentage. (1) Class twelve property includes:

- (a) boats and all watercraft;
- (b) aircraft, except as provided in [section 1];
- (c) motorcycles; and

(d) large farm machinery valued in the official guide tractors and farm implements and department valuation schedules.

(2) Class twelve property is taxed at 11% of its market value."

Section 3. Section 67-3-201, MCA, is amended to read:

"67-3-201. Aircraft registration and licensing. (1)

Except as provided in 67-3-102, a person may not operate or cause or authorize to be operated a civil aircraft within this state unless the aircraft has an appropriate effective license, certificate, or permit issued by the United States government which has been registered with the department and the registration with the department is in force.

(2) Aircraft customarily kept in this state shall be registered with the department, which may charge a fee therefor of not more than \$10. The registration shall be renewed annually on or before March 1 each year.

(3) Section 67-3-202 and subsections (2) through (6) of this section shall not apply to:

- (a) aircraft owned and operated by the federal government, the state, or any political subdivision thereof;
- (b) aircraft owned and held by an aircraft dealer solely for the purpose of resale;
- (c) aircraft operated by an airline company and regularly scheduled for the primary purpose of carrying

1 persons or property for hire in interstate or international
2 transportation; or

3 (d) dismantled or otherwise nonflyable aircraft.

4 (4) An aircraft shall be registered as property within
5 a particular county of the state. This county shall be the
6 county of the owner's principal residence, if the owner is a
7 natural person, or the owner's principal place of doing
8 business in the state, if the owner is not a natural person.
9 However, if the owner declares by affidavit that the
10 aircraft is customarily kept at a landing facility in
11 another county within the state, he may register the
12 aircraft as property within such other county.

13 (5) ~~All Except as provided in [section 1], all~~
14 aircraft shall be subject to all state, county, and school
15 district tax levies and all other levies designated for
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20 establish the situs of his aircraft in any jurisdiction
21 other than the county where the aircraft is required to be
22 registered with intent to avoid payment of taxes to that
23 county commits the offense of false swearing as defined in
24 45-7-202.

25 (3) A person who operates an aircraft required to be

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1 registered in the state without having displayed upon such
2 aircraft a certificate of registration issued by the
3 department for that aircraft commits a misdemeanor."

-End-