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 Introduced and referred February 22, 1979 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

Reported correctly enrolled.

Concurred in. Sent to enrolling.

Returned from second house.

LC 1343/01

House BILL NO. 582 1 INTRODUCED BY _____ 2 3 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT ANTIQUE 4 AIRCRAFT FROM PROPERTY TAXATION; AMENDING SECTIONS 15-6-113. 5 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."

Section 3. Section 67-3-201, MCA, is amended to read: 6 *67-3-201. Aircraft registration and licensing. [1] 7 Except as provided in 67-3-102, a person may not operate or R 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 government which has been registered with the department and 12 the registration with the department is in force. 13

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 and25 regularly scheduled for the primary purpose of carrying

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persons or property for hire in interstate or international 1 transportation; or 2 3 (d) dismantled or otherwise nonflyable aircraft. (4) An aircraft shall be registered as property within 4 a particular county of the state. This rounty shall be the 5 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. However, if the owner declares by affidavit that the 9 10 aircraft is customarily kept at a landing facility in another county within the state, he may register the 11

12 aircraft as property within such other county.

13 (5) Aff Except as provided in [section 1]s. 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."

Section 4. Section 67-3-202, MCA, is amended to read:
 "67-3-202. Penalty for registration violations. (1)
 When an aircraft required to be registered under the
 provisions of subsections (2) through (6) of 67-3-201 is not
 registered on or before March 1 of the current calendar

year, a penalty fee of \$100 shall be added to the registration fee and collected. Registration of an aircraft in the name of the applicant for the year immediately precading the year for which application for registration is made shall be prime facie evidence that the aircraft has been based in this state during the year for which 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 aircraft to any jurisdiction other than the county where the 16 17 aircraft is required to be registered is liable for the tax 18 in that county without credit for such other taxes paid. addition to this civil liability, a person who attempts to 19

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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registered in the state without having displayed upon such 1

2 aircraft a certificate of registration issued by the

3 department for that aircraft commits a misdemeanor."

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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 form property taxation.

FISCAL IMPACT

 FY80
 FY81

 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 Z. dramfor

BUDGET DIRECTOR Office of Budget and Program Planning Date: ________

46th Legislature

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Approved by Committee

on Taxation HOUSE BILL NO. 582 1 INTRODUCED BY BURNETT 2 3 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT ANTIQUE 4 ATRIBAN FROM PROPERTY TAXATION: AMENDING SECTIONS 15-6-113. 5 57-3-201. AND 67-3-202. HCA." 6 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 8 NEW SECTION. Section 1. Antique aircraft exempt --9 application procedure. (1) Aircraft built-prior-to--1936 40 10 YEARS OLD OR OLDER and not regularly used for transportation 11 are exempt from property taxation. 12 (2) To apply for this exemption, the owner shall file 13 a signed application with the department of revenue 14 15 containing: (a) the name and address of the owner; 16 17 (b) a description of the aircraft; (c) a statement that the aircraft is not regularly 18 19 used for transportation. Section 2. Section 15-6-113, MCA, is amended to read: 20 "15-6-113. Class twelve property -- description --21 taxable percentage. (1) Class twelve property includes: 22 (a) boats and all watercraft; 23 (b) aircraft_ except as provided in [section 1]; 24 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 market value." 5 Section 3. Section 67-3-201, MCA, is amended to read: 6 7 #67-3-201. Aircraft registration and licensing. (1) A 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. (2) Aircraft customarily kept in this state shall be 14 registered with the department, which may charge a fee 15 16 therefor of not more than \$10. The registration shall be 17 renewed annually on or before March 1 each year. (3) Section 67-3-202 and subsections (2) through (6) 18 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

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SECOND READING

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persons or property for hire in interstate or international
 transportation; or
 (d) dismantled or otherwise nonflyable aircraft.

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

13 (5) A++ Except as provided in [section 1]s all aircraft shall be subject to all state, county, and school district tax levies and all other levies designated for aircraft- or airport-related uses. Such aircraft shall not 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."

Section 4. Section 67-3-202, MCA+ is amended to read:
*67-3-202. Penalty for registration violations. (1)
When an aircraft required to be registered under the
provisions of subsections (2) through (6) of 67-3-201 is not
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25 (3) A person who operates an aircraft required to be

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HOUSE BILL NO. 582 1 INTRODUCED BY BURNETT 2 3 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT ANTIQUE 4 AIRCRAFT FROM PROPERTY TAXATION; AMENDING SECTIONS 15-6-113. 5 67-3-201+ AND 67-3-202+ HCA." 6 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 8 NEW SECTION. Section 1. Antique aircraft exempt --9 application procedure. (1) Aircraft built-prior-to--1936 40 10 YEARS OLD OR OLDER and not regularly used for transportation 11 are exempt from property taxation. 12 (2) To apply for this exemption, the owner shall file 13 a signed application with the department of revenue 14 containing: 15 (a) the name and address of the owner; 16 (b) a description of the aircraft; 17 (c) a statement that the aircraft is not regularly 18 used for transportation. 19 Section 2. Section 15-6-113, NCA, is amended to read: 20 #15-6-113. Class twelve property -- description --21 22 taxable percentage. (1) Class twelve property includes: (a) boats and all watercraft; 23 (b) aircraft, except as provided in [section_1]; 24 25 (c) motorcycles; and

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1	HOUSE BILL NO. 582	1	(d) large farm machinery valued in the official guide
2	INTRODUCED BY BURNETT	2	tractors and farm implements and department valuation
3		3	schedules.
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT ANTIQUE	4	(2) Class twelve property is taxed at 11% of its
5	AIRCRAFT FROM PROPERTY TAXATION; AMENDING SECTIONS 15-6-113+	5	market value."
6	67-3-201+ AND 67-3-202+ MCA+"	6	Section 3. Section 67-3-201. MCA. is amended to read:
7		7	"67-3-201. Aircraft registration and licensing. (1)
8	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	5	Except as provided in 67-3-102+ a person may not operate or
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