

House Bill 204

In The House

January 14, 1981	Introduced and referred to Committee on Taxation.
January 16, 1981	Fiscal note requested.
January 21, 1981	Fiscal note returned.
January 28, 1981	Fiscal note revised.
January 29, 1981	Committee recommend bill do pass as amended.
January 30, 1981	Bill printed and placed on members' desks.
January 31, 1981	Second reading pass consideration until February 3, 1981.
February 2, 1981	Fiscal note revised.
February 3, 1981	Second reading do not pass.

1
2 INTRODUCED BY HOUSE BILL NO. 204
E. Daily Gulin

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR A FEE IN
5 LIEU OF PROPERTY TAX ON MOTORBOATS; AMENDING SECTIONS
6 15-6-138, 15-8-201, 15-8-301, 15-8-404, 23-2-512, 23-2-513,
7 AND 23-2-515, MCA."
8

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

10 Section 1. Section 15-6-138, MCA, is amended to read:

11 "15-6-138. Class eight property -- description --
12 taxable percentage. (1) Class eight property includes:

- 13 (a) all agricultural implements and equipment;
- 14 (b) all mining machinery, fixtures, equipment, tools,
15 and supplies except:

 - 16 (i) those included in class five; and
 - 17 (ii) coal and ore haulers;

- 18 (c) all manufacturing machinery, fixtures, equipment,
19 tools, and supplies except those included in class five;
- 20 (d) motorcycles;
- 21 (e) watercraft ~~except motorboats subject to a fee in~~
22 lieu of tax;
- 23 (f) light utility and boat trailers;
- 24 (g) aircraft;
- 25 (h) snowmobiles and all-terrain vehicles;

- 1 (i) harness, saddlery, and other tack equipment; and
- 2 (j) all other machinery except that specifically
3 included in another class.

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

6 Section 2. Section 15-8-201, MCA, is amended to read:

7 "15-8-201. General assessment day. (1) The department
8 of revenue or its agent must, between January 1 and the
9 second Monday of July in each year, ascertain the names of
10 all taxable inhabitants and assess all property subject to
11 taxation in each county. The department or its agent must
12 assess property to the person by whom it was owned or
13 claimed or in whose possession or control it was at midnight
14 of January 1 next preceding. It must also ascertain and
15 assess all mobile homes arriving in the county after
16 midnight of January 1 next preceding. No mistake in the name
17 of the owner or supposed owner of real property, however,
18 renders the assessment invalid.

19 (2) The procedure provided by this section may not
20 apply to:

- 21 (a) motor vehicles that are required by 15-8-202 to be
22 assessed on January 1 or upon their anniversary registration
23 date;
- 24 (b) motor homes, ~~motorboats~~, and travel trailers
25 subject to a fee in lieu of property tax;

1 (c) livestock;

2 (d) property defined in 61-1-104(2) as "special mobile
3 equipment" that is subject to assessment for personal
4 property taxes on the date that application is made for a
5 special mobile equipment plate; and

6 (e) mobile homes held by a distributor or dealer of
7 mobile homes as a part of his stock-in-trade.

8 (3) Credits must be assessed as provided in
9 15-1-101(1)(c)."

10 Section 3. Section 15-8-301, MCA, is amended to read:

11 "15-8-301. Statement -- what to contain. (1) The
12 department of revenue or its agent must require from each
13 person a statement under oath setting forth specifically all
14 the real and personal property owned by such person or in
15 his possession or under his control at midnight on January
16 1. Such statement must be in writing, showing separately:

17 (a) all property belonging to, claimed by, or in the
18 possession or under the control or management of such
19 person;

20 (b) all property belonging to, claimed by, or in the
21 possession or under the control or management of any firm of
22 which such person is a member;

23 (c) all property belonging to, claimed by, or in the
24 possession or under the control or management of any
25 corporation of which such person is president, secretary,

1 cashier, or managing agent;

2 (d) the county in which such property is situated or
3 in which it is liable to taxation and (if liable to taxation
4 in the county in which the statement is made) also the city,
5 town, school district, road district, or other revenue
6 districts in which it is situated;

7 (e) an exact description of all lands in parcels or
8 subdivisions not exceeding 640 acres each and the sections
9 and fractional sections of all tracts of land containing
10 more than 640 acres which have been sectionized by the
11 United States government; improvements and personal
12 property, including all vessels, steamers, and other
13 watercraft except motorboats subject to a fee in lieu of
14 tax; all taxable state, county, city, or other municipal or
15 public bonds and the taxable bonds of any person, firm, or
16 corporation and deposits of money, gold dust, or other
17 valuables and the names of the persons with whom such
18 deposits are made and the places in which they may be found;
19 all mortgages, deeds of trust, contracts, and other
20 obligations by which a debt is secured and the property in
21 the county affected thereby;

22 (f) all solvent credits, secured or unsecured, due or
23 owing to such person or any firm of which he is a member or
24 due or owing to any corporation of which he is president,
25 secretary, cashier, or managing agent;

1 (g) all depots, shops, stations, buildings, and other
2 structures erected on the space covered by the right-of-way
3 and all other property owned by any person owning or
4 operating any railroad within the county.

5 (2) Whenever one member of a firm or one of the proper
6 officers of a corporation has made a statement showing the
7 property of the firm or corporation, another member of the
8 firm or another officer need not include such property in
9 the statement made by him but this statement must show the
10 name of the person or officer who made the statement in
11 which such property is included.

12 (3) The fact that such statement is not required or
13 that a person has not made such statement, under oath or
14 otherwise, does not relieve his property from taxation."

15 Section 4. Section 15-8-404, MCA, is amended to read:

16 "15-8-404. Property of particular types of firms. (1)
17 The personal property belonging to the business of a
18 merchant or of a manufacturer must be listed in the town or
19 district where his business is carried on.

20 (2) The personal property of express, transportation,
21 and stage companies, steamboats, vessels, and other
22 watercraft except motorboats subject to a fee in lieu of tax
23 must be listed and assessed in the county, town, or district
24 where such property is usually kept.

25 (3) The personal property and franchises of gas and

1 water companies must be listed and assessed in the county,
2 town, or district where the principal works are located. Gas
3 and water mains and pipes laid in roads, streets, or alleys
4 are personal property."

5 Section 5. Section 23-2-512, MCA, is amended to read:

6 "23-2-512. Identification number. (1) The owner of
7 each motorboat requiring numbering by this state shall file
8 an application for number in the office of the county
9 treasurer where the motorboat is owned ~~or-taxable~~ on forms
10 prepared and furnished by the division of motor vehicles.
11 The application must be signed by the owner of the motorboat
12 and be accompanied by a fee of \$1. Any alteration, change,
13 or false statement contained in the application will render
14 the certificate of number void. Upon receipt of the
15 application in approved form, the county treasurer shall
16 issue to the applicant a certificate of number prepared and
17 furnished by the division of motor vehicles, stating the
18 number assigned to the motorboat and the name and address of
19 the owner.

20 ~~(2) Before filing the application with the county~~
21 ~~treasurer, the applicant shall submit it to the county~~
22 ~~assessor, who shall enter on the application, in a space to~~
23 ~~be provided for that purpose, the market value and taxable~~
24 ~~value of the motorboat for the year for which the~~
25 ~~application for registration is made.~~

LC 0661/01

1 ~~(3)(2)~~ The applicant, upon the filing of the
 2 application, shall pay to the county treasurer the
 3 registration fee and the ~~personal--property--taxes--assessed~~
 4 ~~against fee in lieu of tax required for~~ the motorboat or
 5 vessel for the current year of registration before the
 6 application for registration or reregistration may be
 7 accepted by the county treasurer.

8 ~~(4)(3)~~ Should the ownership of a motorboat change, a
 9 new application form with the registration fee must be filed
 10 within a reasonable time with the county treasurer and a new
 11 certificate of number assigned in the same manner as
 12 provided for in an original assignment of number.

13 ~~(5)(4)~~ If an agency of the United States government
 14 has in force a comprehensive system of identification
 15 numbering for motorboats in the United States, the numbering
 16 system employed pursuant to this part by the division of
 17 motor vehicles must be in conformity.

18 ~~(6)(5)~~ Every certificate of number and the license
 19 decals assigned under this part continues in effect for a
 20 period not to exceed 1 year unless terminated or
 21 discontinued in accordance with the provisions of this part.
 22 Certificates of number and license decals must show the date
 23 of expiration and may be renewed by the owner in the same
 24 manner provided for in the initial securing of the
 25 certificate.

1 ~~(7)(6)~~ Certificates of number expire on April 30 of
 2 each year and may not be in effect unless renewed under this
 3 part.

4 ~~(8)(7)~~ In event of transfer of ownership, the
 5 purchaser shall furnish the county treasurer notice within a
 6 reasonable time of the acquisition of all or any part of his
 7 interest, other than the creation of a security interest, in
 8 a motorboat numbered in this state or of the loss, theft,
 9 destruction, or abandonment of the motorboat. The transfer,
 10 loss, theft, destruction, or abandonment terminates the
 11 certificate of number for the motorboat. Recovery from theft
 12 or transfer of a part interest that does not affect the
 13 owner's right to operate the motorboat does not terminate
 14 the certificate of number.

15 ~~(9)(8)~~ A holder of a certificate of number shall
 16 notify the county treasurer within reasonable time if his
 17 address no longer conforms to the address appearing on the
 18 certificate and furnish the county treasurer with his new
 19 address. The division of motor vehicles may provide by rule
 20 for the surrender of the certificate bearing the former
 21 address and its replacement with a certificate bearing the
 22 new address or the alteration of an outstanding certificate
 23 to show the new address of the holder.

24 ~~(10)(9)~~ (a) The number assigned must be painted on or
 25 attached to each outboard side of the forward half of the

1 motorboat or, if there are no such sides, at a corresponding
 2 location on both outboard sides of the foredeck of the
 3 motorboat. The number assigned must read from left to right
 4 in Arabic numerals and block characters of good proportion
 5 at least 3 inches tall excluding border or trim of a color
 6 that contrasts with the color of the background and be so
 7 maintained as to be clearly visible and legible. The number
 8 may not be placed on the obscured underside of the flared
 9 bow where it cannot be easily seen from another vessel or
 10 ashore. No numerals, letters, or devices other than those
 11 used in connection with the identifying number issued may be
 12 placed in the proximity of the identifying number. No
 13 numerals, letters, or devices that might interfere with the
 14 ready identification of the motorboat by its identifying
 15 number may be carried as to interfere with the motorboat's
 16 identification. No number other than the number and license
 17 decal assigned to a motorboat or granted reciprocity under
 18 this part may be painted, attached, or otherwise displayed
 19 on either side of the forward half of the motorboat.

20 (b) The certificate of number shall be pocket size and
 21 available to federal, state, or local law enforcement
 22 officers at all reasonable times for inspection on the
 23 motorboat whenever the motorboat is on waters of this state.

24 (c) Boat liveries are not required to have the
 25 certificate of number on board each motorboat, but a rental

1 agreement must be carried on board livery motorboats in
 2 place of the certificate of number.

3 ~~(11)(10) Fees, other than the fee in lieu of tax,~~
 4 collected under this section shall be transmitted to the
 5 state treasurer who shall deposit the fees in the motorboat
 6 certificate identification account of an earmarked revenue
 7 fund. These fees shall be used only for the administration
 8 and enforcement of this part, as amended.

9 ~~(12)(11) An owner of a motorboat must within a~~
 10 reasonable time notify the division of motor vehicles,
 11 giving the motorboat's identifying number and the owner's
 12 name when that motorboat becomes documented as a vessel of
 13 the United States or is transferred, lost, destroyed,
 14 abandoned, or frauded or within 60 days after change of
 15 state of principal use."

16 Section 6. Section 23-2-513, MCA, is amended to read:

17 "23-2-513. Dealer's identification number. (1) A
 18 dealer or manufacturer may apply directly to the division of
 19 motor vehicles for one identifying number and one or more
 20 certificates of number. A dealer's or manufacturer's
 21 identifying number shall be displayed on his boat while the
 22 boat is operating for a purpose related to the buying,
 23 selling, or exchanging of the boat by the dealer or
 24 manufacturer.

25 (2) The application for a dealer's or manufacturer's

1 identifying number must include his name and business
2 address. Each dealer or manufacturer will have one
3 identifying number assigned to his business.

4 (3) An application for dealer's or manufacturer's
5 identifying number and certificate of number must be
6 accompanied by the following fees:

7 (a) for the identifying number, first certificate of
8 number, and set of license decals, \$5;

9 (b) for each additional certificate of number and set
10 of license decals applied for in any application, \$2.

11 (4) The division of motor vehicles shall issue
12 certificates of number for the identifying numbers assigned
13 to a dealer or manufacturer in the same manner as provided
14 in 23-2-512(1) and ~~(10)~~ (9), as amended, except that no boat
15 may be described in the certificate and each certificate
16 must state that the identifying number has been assigned to
17 a dealer or manufacturer. A dealer's or manufacturer's
18 certificate of number expires on April 30 of the year for
19 which it is issued.

20 (5) A dealer's or manufacturer's identifying number
21 shall be displayed in the same manner as provided in
22 23-2-512~~(10)~~(9), as amended, except that the number may be
23 temporarily attached. The last three letters shall be "DLR"
24 for dealer and "MFR" for manufacturer. These letters shall
25 be included, respectively, in dealer or manufacturer

1 identification numbers only.

2 (6) No person other than a dealer or manufacturer or
3 an employee of a dealer or manufacturer may display or use a
4 dealer's or manufacturer's identifying number. A dealer's or
5 manufacturer's identifying number may be displayed only on
6 motorboats owned by the dealer or manufacturer.

7 (7) No dealer or manufacturer or employee of a dealer
8 or manufacturer may use a dealer's or manufacturer's
9 identifying number for any purpose other than the purpose
10 described in subsection (1) of this section."

11 Section 7. Section 23-2-515, MCA, is amended to read:

12 "23-2-515. License decals to be displayed. (1) Every
13 Montana boat numbered in accordance with the provisions of
14 23-2-512 and 23-2-513 shall be required to display license
15 decals. For this purpose the county treasurer, upon receipt
16 ~~of a certificate of tax of personal property showing payment~~
17 ~~of the fee in lieu of tax~~ on the motorboat for the current
18 year, shall issue a pair of decals prepared and furnished by
19 the division of motor vehicles with all new certificates of
20 number and renewals thereof.

21 (2) The decals shall be of a style and design
22 prescribed by the division of motor vehicles and shall be a
23 color differing from the preceding year. The license decal
24 will be serially numbered and have the expiration date of
25 April 30 of the appropriate year printed thereon.

1 (3) License decals shall be displayed only in the
2 following manner: one valid license decal on each side of
3 the forward half, 3 inches aft of the identifying numbers."

4 NEW SECTION. Section 8. Fee in lieu of tax for
5 motorboats. (1) There is a fee in lieu of property tax
6 imposed on motorboats. The fee is in addition to the annual
7 fee required by 23-2-512 for filing of the application for a
8 certificate of number.

9 (2) The fee imposed by subsection (1) need not be paid
10 by a dealer for motorboats that constitute inventory of the
11 dealership.

12 NEW SECTION. Section 9. Motorboat fees. (1) The owner
13 of a motorboat shall pay a fee based on the length of the
14 motorboat.

15 (2) The fee for a motorboat 14 feet or less in length
16 is \$2 a foot or fraction of a foot.

17 (3) The fee for a motorboat more than 14 feet in
18 length but less than 18 feet in length is \$3 a foot or
19 fraction of a foot.

20 (4) The fee for a motorboat 18 feet or longer in
21 length is \$4 a foot or fraction of a foot.

22 NEW SECTION. Section 10. Disposition of fees in lieu
23 of tax. The county treasurer shall distribute all fees in
24 lieu of tax collected on motorboats pursuant to [sections 8
25 and 9] in the relative proportions required by the levies

1 for state, county, school district, and municipal purposes
2 in the same manner as other personal property taxes are
3 distributed.

4 Section 11. Codification instruction. Sections 8 and 9
5 are intended to be codified as an integral part of Title 23,
6 chapter 2, part 5, and the provisions of Title 23, chapter
7 2, part 5, apply to sections 8 and 9.

8 Section 12. Applicability. This act applies to
9 motorboats registered during and after 1982.

-End-

HB 204

STATE OF MONTANA

REQUEST NO. 119-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 18, 19 81, there is hereby submitted a Fiscal Note for HOUSE BILL 204 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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

An act to provide for a fee in lieu of property tax on motorboats.

ASSUMPTIONS

1. Tax year 1980 - 21,902 watercraft assessed for tax purposes - assume all are motorboats.
2. Number of motorboats tax year 1982 - 22,000.
3. Legislation effective Jan. 1, 1982 - no fiscal impact until FY 1983.
4. S.B. 126 has no effect on this legislation (S.B.126 - change assessment basis from retail to wholesale value).
5. Motorboats are distributed equally in the fee schedule -1/3 - \$2/ft. ($\frac{1}{2}$ 12ft., $\frac{1}{2}$ 14ft.); 1/3 - \$3/ft (16 ft.); 1/3 - \$4/ft. (18 ft.).
6. University levy - 6 mills.
7. Average statewide levy - 220 mills
8. Taxable value watercraft 1980 - \$2,201,062, 1982 - \$2,200,000
9. Revenues from fee system are distributed in the same relative proportions as other personal property taxes are distributed.
10. University levy receives 2.5% of fee revenues.
11. Local governments receive 97.5% of fee revenues.

FISCAL IMPACT

	FY 82	FY 83
University Levy (6 mills)		
Under current law	NO EFFECT	\$13,200
Under proposed law		26,642
Estimated Increase		\$13,442

EFFECT ON LOCAL GOVERNMENT

The proposed legislation would increase revenues to local government by at least \$555,000 in FY 83.

LONG RANGE EFFECTS

The proposed legislation should increase revenues to the university levy fund by about \$13,000 per year, and to local governments by \$555,000 per year.

PREPARED BY THE DEPARTMENT OF REVENUE

David M. Lewis

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-21-81

STATE OF MONTANA

REQUEST NO. 119-81
REVISED

FISCAL NOTE

Form BD-15

In compliance with a written request received January 29, 19 81, there is hereby submitted a Fiscal Note for HOUSE BILL 204 -AMENDED pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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

An act to provide for a fee in lieu of property tax on motorboats.

ASSUMPTIONS

1. Tax Year 1980 - 21,902 watercraft assessed for tax purposes.
2. Legislation effective Jan. 1, 1982 - no fiscal impact until FY 83 (See Technical Note).
3. Number of watercraft tax year 1982 - 22,000.
4. SB 126 has no effect on this legislation (SB 126 - change assessment basis from retail to wholesale value).
5. Watercraft are distributed equally in the fee schedule - (avg. length) - 1/4 - \$2/ft. (13 ft); 1/4 - \$3/ft (17 ft); 1/4 - \$4/ft (22 ft); 1/4 - \$5/ft (25 ft).
6. Revenues from fee system are distributed in the same relative proportions as other personal property taxes are distributed.
7. University levy receives 2.5% of fee revenues.
8. Local governments receive 97.5% of fee revenues.
9. Taxable value watercraft 1980, tax year 1982 - \$2,200,000.
10. University levy - 6 mills, Average statewide levy - 220 mills.

FISCAL IMPACT

University Levy	FY 82	FY 83
Under current law		\$13,200
Under proposed law	NO EFFECT	<u>29,875</u>
Estimated Increase		\$26,675

EFFECT ON LOCAL GOVERNMENT

The proposed legislation should increase revenues to local governments by about \$1,070,000 in FY 83.

LONG RANGE EFFECTS

The proposed legislation should increase revenues to the university levy fund by about \$26,000 per year, and to local governments by \$1,070,000 for each subsequent fiscal year.

TECHNICAL NOTE

The effective date of the proposed legislation may cause some confusion. The amendment states that "this act is effective on passage and approval". If the intent of the bill is to provide a fee for watercraft for tax year 1981, it would not be possible to accomplish. Watercraft are currently assessed as of January 1 and the tax is due by April 30. Owners of some watercraft have already paid their taxes for tax year 1981. (Revenue impact may effect the second half of FY 82).

David M. Lewis
BUDGET DIRECTOR
Office of Budget and Program Planning
Date: 2-2-81

Approved by Committee on Taxation

HOUSE BILL NO. 204

INTRODUCED BY EUDAILY, QUILICI

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR A FEE IN LIEU OF PROPERTY TAX ON ~~MOTORBOATS~~ DESIGNATED WATERCRAFT; EXEMPTING CERTAIN WATERCRAFT FROM TAXATION; AMENDING SECTIONS 15-6-138, 15-6-201, ~~15-8-201~~, 15-8-301, 15-8-404, 23-2-512, 23-2-513, AND 23-2-515, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 15-6-138, MCA, is amended to read:

"15-6-138. Class eight property -- description -- taxable percentage. (1) Class eight property includes:

- (a) all agricultural implements and equipment;
- (b) all mining machinery, fixtures, equipment, tools, and supplies except:
 - (i) those included in class five; and
 - (ii) coal and ore haulers;
- (c) all manufacturing machinery, fixtures, equipment, tools, and supplies except those included in class five;
- (d) motorcycles;

~~(e) watercraft except motorboats subject to a fee in lieu of tax~~

~~(f) light utility and boat trailers;~~

- ~~(g) aircraft;~~
 - ~~(h) snowmobiles and all-terrain vehicles;~~
 - ~~(i) harness, saddlery, and other tack equipment;~~
- and
- ~~(j) all other machinery except that specifically included in another class.~~

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

~~Section 2. Section 15-8-201, MCA, is amended to read: "15-8-201. General assessment day. (1) The department of revenue or its agent must, between January 1 and the second Monday of July in each year, ascertain the names of all taxable inhabitants and assess all property subject to taxation in each county. The department or its agent must assess property to the person by whom it was owned or claimed or in whose possession or control it was at midnight of January 1 next preceding. It must also ascertain and assess all mobile homes arriving in the county after midnight of January 1 next preceding. No mistake in the name of the owner or supposed owner of real property, however, renders the assessment invalid.~~

~~(2) The procedure provided by this section may not apply to:~~

- ~~(a) motor vehicles that are required by 15-8-202 to be assessed on January 1 or upon their anniversary registration~~

1 ~~date;~~
 2 ~~(b) motor homes, motorboats, and travel trailers~~
 3 ~~subject to a fee in lieu of property tax;~~
 4 ~~(c) livestock;~~
 5 ~~(d) property defined in 61-1-104(2) as "special mobile~~
 6 ~~equipment" that is subject to assessment for personal~~
 7 ~~property taxes on the date that application is made for a~~
 8 ~~special mobile equipment plate; and~~
 9 ~~(e) mobile homes held by a distributor or dealer of~~
 10 ~~mobile homes as a part of his stock in trade;~~
 11 ~~(3) credits must be assessed as provided in~~
 12 ~~15-1-101(f)."~~

13 SECTION 2. SECTION 15-6-201, MCA, IS AMENDED TO READ:

14 "15-6-201. Exempt categories. (1) The following
 15 categories of property are exempt from taxation:

- 16 (a) the property of:
 17 (i) the United States, the state, counties, cities,
 18 towns, school districts;
 19 (ii) irrigation districts organized under the laws of
 20 Montana and not operating for profit;
 21 (iii) municipal corporations; and
 22 (iv) public libraries;
 23 (b) buildings, with land they occupy and furnishings
 24 therein, owned by a church and used for actual religious
 25 worship or for residences of the clergy, together with

1 adjacent land reasonably necessary for convenient use of
 2 such buildings;

3 (c) property used exclusively for agricultural and
 4 horticultural societies, for educational purposes, and for
 5 hospitals;

6 (d) property that meets the following conditions:
 7 (i) is owned and held by any association or
 8 corporation organized under Title 35, chapter 2, 3, 20, or
 9 21;

10 (ii) is devoted exclusively to use in connection with a
 11 cemetery or cemeteries for which a permanent care and
 12 improvement fund has been established as provided for in
 13 Title 35, chapter 20, part 3; and

14 (iii) is not maintained and operated for private or
 15 corporate profit;

16 (e) institutions of purely public charity;
 17 (f) evidence of debt secured by mortgages of record
 18 upon real or personal property in the state of Montana;

19 (g) public art galleries and public observatories not
 20 used or held for private or corporate profit;

21 (h) all household goods and furniture, including but
 22 not limited to clocks, musical instruments, sewing machines,
 23 and wearing apparel of members of the family, used by the
 24 owner for personal and domestic purposes or for furnishing
 25 or equipping the family residences;

1 (i) a truck canopy cover or topper weighing less than
 2 300 pounds and having no accommodations attached. Such
 3 property is also exempt from the fee in lieu of tax.

4 (j) a bicycle, as defined in 61-1-123, used by the
 5 owner for personal transportation purposes;

6 (k) A WATERCRAFT UNDER 11 FEET IN LENGTH AND A CANOE
 7 OR A KAYAK REGARDLESS OF LENGTH.

8 (2) (a) The term "institutions of purely public
 9 charity" includes organizations owning and operating
 10 facilities for the care of the retired or aged or
 11 chronically ill, which are not operated for gain or profit.

12 (b) The terms "public art galleries" and "public
 13 observatories" include only those art galleries and
 14 observatories, whether of public or private ownership, that
 15 are open to the public without charge at all reasonable
 16 hours and are used for the purpose of education only.

17 (3) The following portions of the appraised value of a
 18 capital investment made after January 1, 1979, in a
 19 recognized nonfossil form of energy generation, as defined
 20 in 15-32-102, are exempt from taxation for a period of 10
 21 years following installation of the property:

22 (a) \$20,000 in the case of a single family residential
 23 dwelling;

24 (b) \$100,000 in the case of a multifamily residential
 25 dwelling or a nonresidential structure."

1 Section 3. Section 15-8-301, MCA, is amended to read:
 2 "15-8-301. Statement -- what to contain. (1) The
 3 department of revenue or its agent must require from each
 4 person a statement under oath setting forth specifically all
 5 the real and personal property owned by such person or in
 6 his possession or under his control at midnight on January
 7 1. Such statement must be in writing, showing separately:

8 (a) all property belonging to, claimed by, or in the
 9 possession or under the control or management of such
 10 person;

11 (b) all property belonging to, claimed by, or in the
 12 possession or under the control or management of any firm of
 13 which such person is a member;

14 (c) all property belonging to, claimed by, or in the
 15 possession or under the control or management of any
 16 corporation of which such person is president, secretary,
 17 cashier, or managing agent;

18 (d) the county in which such property is situated or
 19 in which it is liable to taxation and (if liable to taxation
 20 in the county in which the statement is made) also the city,
 21 town, school district, road district, or other revenue
 22 districts in which it is situated;

23 (e) an exact description of all lands in parcels or
 24 subdivisions not exceeding 640 acres each and the sections
 25 and fractional sections of all tracts of land containing

1 more than 640 acres which have been sectionized by the
 2 United States government; improvements and personal
 3 property--including--all--vessels,--steamers,--and--other
 4 watercraft ~~except--motorboats--subject--to--a--fee--in--lieu--of~~
 5 ~~tax~~; all taxable state, county, city, or other municipal or
 6 public bonds and the taxable bonds of any person, firm, or
 7 corporation and deposits of money, gold dust, or other
 8 valuables and the names of the persons with whom such
 9 deposits are made and the places in which they may be found;
 10 all mortgages, deeds of trust, contracts, and other
 11 obligations by which a debt is secured and the property in
 12 the county affected thereby;

13 (f) all solvent credits, secured or unsecured, due or
 14 owing to such person or any firm of which he is a member or
 15 due or owing to any corporation of which he is president,
 16 secretary, cashier, or managing agent;

17 (g) all depots, shops, stations, buildings, and other
 18 structures erected on the space covered by the right-of-way
 19 and all other property owned by any person owning or
 20 operating any railroad within the county.

21 (2) Whenever one member of a firm or one of the proper
 22 officers of a corporation has made a statement showing the
 23 property of the firm or corporation, another member of the
 24 firm or another officer need not include such property in
 25 the statement made by him but this statement must show the

1 name of the person or officer who made the statement in
 2 which such property is included.

3 (3) The fact that such statement is not required or
 4 that a person has not made such statement, under oath or
 5 otherwise, does not relieve his property from taxation."

6 Section 4. Section 15-8-404, MCA, is amended to read:
 7 "15-8-404. Property of particular types of firms. (1)
 8 The personal property belonging to the business of a
 9 merchant or of a manufacturer must be listed in the town or
 10 district where his business is carried on.

11 (2) The personal property of express, transportation,
 12 and stage companies--steamboats,--vessels,--and--other
 13 watercraft ~~except--motorboats--subject--to--a--fee--in--lieu--of--tax~~
 14 must be listed and assessed in the county, town, or district
 15 where such property is usually kept.

16 (3) The personal property and franchises of gas and
 17 water companies must be listed and assessed in the county,
 18 town, or district where the principal works are located. Gas
 19 and water mains and pipes laid in roads, streets, or alleys
 20 are personal property."

21 Section 5. Section 23-2-512, MCA, is amended to read:
 22 "23-2-512. Identification number. (1) The owner of
 23 each motorboat requiring numbering by this state shall file
 24 an application for number in the office of the county
 25 treasurer where the motorboat is owned or-taxable on forms

1 prepared and furnished by the division of motor vehicles.
 2 The application must be signed by the owner of the motorboat
 3 and be accompanied by a fee of \$1. Any alteration, change,
 4 or false statement contained in the application will render
 5 the certificate of number void. Upon receipt of the
 6 application in approved form, the county treasurer shall
 7 issue to the applicant a certificate of number prepared and
 8 furnished by the division of motor vehicles, stating the
 9 number assigned to the motorboat and the name and address of
 10 the owner.

11 ~~{2}--Before-filing--the--application--with--the--county~~
 12 ~~treasurer--the--applicant--shall--submit--it--to--the--county~~
 13 ~~assessor--who--shall--enter--on--the--application--in--a--space--to~~
 14 ~~be--provided--for--that--purpose--the--market--value--and--taxable~~
 15 ~~value--of--the--motorboat--for--the--year--for--which--the~~
 16 ~~application--for--registration--is--made.~~

17 {3}{2} The applicant, upon the filing of the
 18 application, shall pay to the county treasurer the
 19 registration fee and the ~~personal-property-taxes-assessed~~
 20 against fee in lieu of tax required for the motorboat or
 21 vessel for the current year of registration before the
 22 application for registration or reregistration may be
 23 accepted by the county treasurer.

24 {4}{3} Should the ownership of a motorboat change, a
 25 new application form with the registration fee must be filed

1 within a reasonable time with the county treasurer and a new
 2 certificate of number assigned in the same manner as
 3 provided for in an original assignment of number.

4 {5}{4} If an agency of the United States government
 5 has in force a comprehensive system of identification
 6 numbering for motorboats in the United States, the numbering
 7 system employed pursuant to this part by the division of
 8 motor vehicles must be in conformity.

9 {6}{5} Every certificate of number and the license
 10 decals assigned under this part continues in effect for a
 11 period not to exceed 1 year unless terminated or
 12 discontinued in accordance with the provisions of this part.
 13 Certificates of number and license decals must show the date
 14 of expiration and may be renewed by the owner in the same
 15 manner provided for in the initial securing of the
 16 certificate.

17 {7}{6} Certificates of number expire on April 30 of
 18 each year and may not be in effect unless renewed under this
 19 part.

20 {8}{7} In event of transfer of ownership, the
 21 purchaser shall furnish the county treasurer notice within a
 22 reasonable time of the acquisition of all or any part of his
 23 interest, other than the creation of a security interest, in
 24 a motorboat numbered in this state or of the loss, theft,
 25 destruction, or abandonment of the motorboat. The transfer,

1 loss, theft, destruction, or abandonment terminates the
2 certificate of number for the motorboat. Recovery from theft
3 or transfer of a part interest that does not affect the
4 owner's right to operate the motorboat does not terminate
5 the certificate of number.

6 ~~(9)~~(8) A holder of a certificate of number shall
7 notify the county treasurer within reasonable time if his
8 address no longer conforms to the address appearing on the
9 certificate and furnish the county treasurer with his new
10 address. The division of motor vehicles may provide by rule
11 for the surrender of the certificate bearing the former
12 address and its replacement with a certificate bearing the
13 new address or the alteration of an outstanding certificate
14 to show the new address of the holder.

15 ~~(10)~~(9) (a) The number assigned must be painted on or
16 attached to each outboard side of the forward half of the
17 motorboat or, if there are no such sides, at a corresponding
18 location on both outboard sides of the foredeck of the
19 motorboat. The number assigned must read from left to right
20 in Arabic numerals and block characters of good proportion
21 at least 3 inches tall excluding border or trim of a color
22 that contrasts with the color of the background and be so
23 maintained as to be clearly visible and legible. The number
24 may not be placed on the obscured underside of the flared
25 bow where it cannot be easily seen from another vessel or

1 ashore. No numerals, letters, or devices other than those
2 used in connection with the identifying number issued may be
3 placed in the proximity of the identifying number. No
4 numerals, letters, or devices that might interfere with the
5 ready identification of the motorboat by its identifying
6 number may be carried as to interfere with the motorboat's
7 identification. No number other than the number and license
8 decal assigned to a motorboat or granted reciprocity under
9 this part may be painted, attached, or otherwise displayed
10 on either side of the forward half of the motorboat.

11 (b) The certificate of number shall be pocket size and
12 available to federal, state, or local law enforcement
13 officers at all reasonable times for inspection on the
14 motorboat whenever the motorboat is on waters of this state.

15 (c) Boat liveries are not required to have the
16 certificate of number on board each motorboat, but a rental
17 agreement must be carried on board livery motorboats in
18 place of the certificate of number.

19 ~~(11)~~(10) Fees, other than the fee in lieu of tax,
20 collected under this section shall be transmitted to the
21 state treasurer who shall deposit the fees in the motorboat
22 certificate identification account of an earmarked revenue
23 fund. These fees shall be used only for the administration
24 and enforcement of this part, as amended.

25 ~~(12)~~(11) An owner of a motorboat must within a

1 reasonable time notify the division of motor vehicles,
 2 giving the motorboat's identifying number and the owner's
 3 name when that motorboat becomes documented as a vessel of
 4 the United States or is transferred, lost, destroyed,
 5 abandoned, or frauded or within 60 days after change of
 6 state of principal use.

7 (12) THE REQUIREMENTS OF THIS SECTION APPLY TO ALL
 8 WATERCRAFT SUBJECT TO A FEE IN LIEU OF TAX."

9 Section 6. Section 23-2-513, MCA, is amended to read:

10 "23-2-513. Dealer's identification number. (1) A
 11 dealer or manufacturer may apply directly to the division of
 12 motor vehicles for one identifying number and one or more
 13 certificates of number. A dealer's or manufacturer's
 14 identifying number shall be displayed on his boat while the
 15 boat is operating for a purpose related to the buying,
 16 selling, or exchanging of the boat by the dealer or
 17 manufacturer.

18 (2) The application for a dealer's or manufacturer's
 19 identifying number must include his name and business
 20 address. Each dealer or manufacturer will have one
 21 identifying number assigned to his business.

22 (3) An application for dealer's or manufacturer's
 23 identifying number and certificate of number must be
 24 accompanied by the following fees:

25 (a) for the identifying number, first certificate of

1 number, and set of license decals, \$5;

2 (b) for each additional certificate of number and set
 3 of license decals applied for in any application, \$2.

4 (4) The division of motor vehicles shall issue
 5 certificates of number for the identifying numbers assigned
 6 to a dealer or manufacturer in the same manner as provided
 7 in 23-2-512(1) and ~~†††~~ (9), as amended, except that no boat
 8 may be described in the certificate and each certificate
 9 must state that the identifying number has been assigned to
 10 a dealer or manufacturer. A dealer's or manufacturer's
 11 certificate of number expires on April 30 of the year for
 12 which it is issued.

13 (5) A dealer's or manufacturer's identifying number
 14 shall be displayed in the same manner as provided in
 15 23-2-512~~†††~~(9), as amended, except that the number may be
 16 temporarily attached. The last three letters shall be "DLR"
 17 for dealer and "MFR" for manufacturer. These letters shall
 18 be included, respectively, in dealer or manufacturer
 19 identification numbers only.

20 (6) No person other than a dealer or manufacturer or
 21 an employee of a dealer or manufacturer may display or use a
 22 dealer's or manufacturer's identifying number. A dealer's or
 23 manufacturer's identifying number may be displayed only on
 24 motorboats owned by the dealer or manufacturer.

25 (7) No dealer or manufacturer or employee of a dealer

1 or manufacturer may use a dealer's or manufacturer's
 2 identifying number for any purpose other than the purpose
 3 described in subsection (1) of this section."

4 Section 7. Section 23-2-515, MCA, is amended to read:

5 "23-2-515. License decals to be displayed. (1) Every
 6 Montana boat numbered in accordance with the provisions of
 7 23-2-512 and 23-2-513 shall be required to display license
 8 decals. For this purpose the county treasurer, upon receipt
 9 ~~of a certificate of tax of personal property showing payment~~
 10 ~~of the fee in lieu of tax on the motorboat WATERCRAFT~~ for
 11 the current year, shall issue a pair of decals prepared and
 12 furnished by the division of motor vehicles with all new
 13 certificates of number and renewals thereof.

14 (2) The decals shall be of a style and design
 15 prescribed by the division of motor vehicles and shall be a
 16 color differing from the preceding year. The license decal
 17 will be serially numbered and have the expiration date of
 18 April 30 of the appropriate year printed thereon.

19 (3) License decals shall be displayed only in the
 20 following manner: one valid license decal on each side of
 21 the forward half, 3 inches aft of the identifying numbers."

22 NEW SECTION. Section 8. Fee in lieu of tax for
 23 motorboats DESIGNATED WATERCRAFT. (1) There is a fee in lieu
 24 of property tax imposed on motorboats WATERCRAFT 11 FEET IN
 25 LENGTH OR LONGER. The fee is in addition to the annual fee

1 required by 23-2-512 for filing of the application for a
 2 certificate of number.

3 (2) The fee imposed by subsection (1) need not be paid
 4 by a dealer for motorboats WATERCRAFT that constitute
 5 inventory of the dealership.

6 NEW SECTION. Section 9. Motorboat WATERCRAFT fees.

7 (1) The owner of a motorboat WATERCRAFT shall pay a fee
 8 based on the length of the motorboat WATERCRAFT.

9 (2) The fee for a motorboat ~~14~~ WATERCRAFT 15 feet or
 10 less in length is \$2 a foot or fraction of a foot.

11 (3) The fee for a motorboat WATERCRAFT more than ~~14~~ 15
 12 feet in length but less than ~~18~~ 19 feet in length is \$3 a
 13 foot or fraction of a foot.

14 ~~(4) THE FEE FOR A WATERCRAFT MORE THAN 19 FEET IN~~
 15 ~~LENGTH BUT LESS THAN 25 FEET IN LENGTH IS \$4 A FOOT OR~~
 16 ~~FRACTION OF A FOOT.~~

17 ~~(5) The fee for a motorboat 18~~ WATERCRAFT 25 feet
 18 or longer in length is \$4 ~~18~~ 25 a foot or fraction of a foot.

19 NEW SECTION. Section 10. Disposition of fees in lieu
 20 of tax. The county treasurer shall distribute all fees in
 21 lieu of tax collected on motorboats WATERCRAFT pursuant to
 22 [sections 8 and 9] in the relative proportions required by
 23 the levies for state, county, school district, and municipal
 24 purposes in the same manner as other personal property taxes
 25 are distributed.

1 NEW SECTION. SECTION 11. PENALTY. THE FAILURE TO PAY
2 THE FEE IN LIEU OF TAX AS PROVIDED IN [SECTIONS 5, 8, AND 9]
3 IS A MISDEMEANOR, PUNISHABLE BY A FINE EQUAL TO 25% OF THE
4 FEE IN LIEU OF TAX THAT IS DUE UPON THE WATERCRAFT FOR THE
5 CURRENT YEAR OF REGISTRATION.

6 Section 12. Codification instruction. Sections 8 and 9
7 are intended to be codified as an integral part of Title 23,
8 chapter 2, part 5, and the provisions of Title 23, chapter
9 2, part 5, apply to sections 8 and 9.

10 Section 13. ~~Applicability~~ EFFECTIVE DATE. This act IS
11 EFFECTIVE ON PASSAGE AND APPROVAL AND applies to ~~motorboats~~
12 WATERCRAFT registered during and after 1982.

-End-