

HOUSE BILL NO. 389

INTRODUCED BY HART, LUND, C. SMITH, JACOBSEN, SHONTZ, TVEIT

IN THE HOUSE

January 21, 1981	Introduced and referred to Committee on Taxation.
January 23, 1981	Fiscal note requested.
January 28, 1981	Fiscal note returned.
February 4, 1981	Committee recommend bill do pass. Report adopted.
February 5, 1981	Bill printed and placed on members' desks.
February 6, 1981	Second reading, pass consideration until 35th legislative day.
February 13, 1981	Second reading, do pass.
February 16, 1981	Considered correctly engrossed.
February 17, 1981	Third reading, passed. Ayes, 92; Noes, 7. Transmitted to Senate.

IN THE SENATE

February 18, 1981	Introduced and referred to Committee on Taxation.
March 13, 1981	Committee recommend bill be concurred in as amended. Report adopted.
March 16, 1981	Second reading, concurred in.
March 18, 1981	Third reading, concurred in as amended. Ayes, 47; Noes, 0.

IN THE HOUSE

March 19, 1981	Returned from Senate with amendments.
April 7, 1981	Second reading, amendments concurred in.
	On motion rules suspended and bill placed on third reading this day.
	Third reading, amendments concurred in. Ayes, 94; Noes, 1. Sent to enrolling.
April 9, 1981	Correctly enrolled.
	Signed by President.
	Signed by Speaker.
	Delivered to Governor.
April 15, 1981	Returned from Governor with recommended amendments.
April 20, 1981	Second reading, Governor's amendments concurred in.
	On motion rules suspended and Governor's amendments placed on third reading this day.
	Third reading, Governor's amendments concurred in. Ayes, 90; Noes, 4. Transmitted to Senate.

IN THE SENATE

April 21, 1981	Received from House.
April 22, 1981	Second reading, Governor's amendments concurred in.

April 22, 1981

On motion rules suspended.
Governor's amendments placed
on third reading this day.

Third reading, Governor's
amendments concurred in.
Ayes, 47; Noes, 0.

IN THE HOUSE

April 23, 1981

Returned from Senate.
Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 389
2 INTRODUCED BY Mr. Karl Lund Smith Johnson
3 W. T. Tracy

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR ANNUAL OR
5 QUARTERLY REGISTRATION OF MOTOR VEHICLES OWNED BY
6 NONRESIDENTS TEMPORARILY EMPLOYED IN MONTANA; SUBJECTING
7 SUCH VEHICLES TO TAXATION; AND ESTABLISHING WINDOW DECALS AS
8 THE FORM OF LICENSE EVIDENCING QUARTERLY REGISTRATION;
9 AMENDING SECTIONS 15-24-301, 15-24-302, 61-3-701, AND
10 61-3-703, MCA."

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

13 Section 1. Section 15-24-301, MCA, is amended to read:

14 *15-24-301. Personal property brought into the state
15 -- assessment -- exceptions -- custom combine equipment. (1)
16 Property in the following cases is subject to taxation and
17 assessment for all taxes levied that year in the county in
18 which it is located:

19 (a) any personal property (including livestock)
20 brought, driven, or coming into this state at any time
21 during the year that is used in the state for hire,
22 compensation, or profit;

23 (b) property whose owner or user is engaged in gainful
24 occupation or business enterprise in the state; or

25 (c) property which comes to rest and becomes a part of

1 the general property of the state.
2 (2) The taxes on this property are levied in the same
3 manner and to the same extent, except as otherwise provided,
4 as though the property had been in the county on the regular
5 assessment date, provided that the property has not been
6 regularly assessed for the year in some other county of the
7 state.

14 (4) This section does not apply to any motor
15 vehicle brought, driven, or coming into this state by any
16 nonresident person temporarily employed in Montana for a
17 period not exceeding 90 days if the motor vehicle is and
18 used exclusively for transportation of such person is
19 subject to taxation and assessment for taxes as follows:

20 (a) The motor vehicle is taxed by the county in which
21 it is located.

161 One-fourth of the annual tax liability of the
162 motor vehicle must be paid for each quarter or portion of a
163 quarter of the year that the motor vehicle is located in
164 Montana.

1 1cl_The quarterly taxes are due the first day of the
 2 quarter.

3 (5) Agricultural harvesting machinery classified under
 4 class eight, licensed in other states, and operated on the
 5 lands of persons other than the owner of the machinery under
 6 contracts for hire shall be subject to a fee in lieu of
 7 taxation of \$35 per machine for a 60-day period. The
 8 machines shall be subject to taxation under class eight only
 9 if they are sold in Montana."

10 Section 2. Section 15-24-302, MCA, is amended to read:
 11 "15-24-302. Collection procedure. All property
 12 mentioned in 15-24-301 is assessed at the same value as
 13 property of like kind and character, and the assessment,
 14 levy, and collection of the tax are governed by the
 15 provisions of 15-8-408; 15-16-111 through 15-16-115;
 16 15-16-404; chapter 17, part 9; and 15-24-202(1); as amended,
 17 except:

18 (1) taxation of motor vehicles under 15-24-301(4) to
 19 the extent that subsection varies from the general
 20 provisions cited above; and

21 (2) livestock taxation governed by 81-7-104 and Title
 22 81, chapter 7, part 2."

23 Section 3. Section 61-3-701, MCA, is amended to read:
 24 "61-3-701. Foreign vehicles used in gainful occupation
 25 to be registered -- reciprocity. (1) Before any foreign

1 licensed motor vehicle may be operated in any quarter of a
 2 year on the highways of this state for hire, compensation,
 3 or profit or before the owner and/or user thereof uses the
 4 vehicle if such owner and/or user is engaged in gainful
 5 occupation or business enterprise in the state, including
 6 highway work, the owner of the vehicle shall make
 7 application to a county treasurer for annual or quarterly
 8 registration upon an application form furnished by the
 9 division. Upon satisfactory evidence of ownership submitted
 10 to the county treasurer and the payment of property taxes as
 11 required by 15-8-201 through 15-8-203 or 15-24-201, the
 12 treasurer shall accept the application for registration and
 13 shall collect the regular license fee required for the
 14 vehicle.

15 (2) The treasurer shall thereupon issue to the
 16 applicant a copy of the application entitled "Owner's
 17 Certificate of Registration and Tax Receipt" and forward a
 18 duplicate copy of the certificate to the division. The
 19 treasurer shall at the same time issue to the applicant the
 20 proper license plates or other identification markers window
 21 decal as follows, which shall at all times be displayed upon
 22 the vehicle when operated or driven upon roads and highways
 23 of this state during the period of the life of the license:
 24 1st license plates shall be issued only to an
 25 applicant for annual registrations.

1 (b) (i) A window decal shall be issued to an applicant
2 for quarterly registration.
3 (ii) Decals must be color-coded to distinguish the four
4 quarterly registration periods of the calendar year.
5 (iii) An applicant may purchase a decal for more than
6 one registration quarter at a time.

7 (iv) The regular license fee may be collected only when
8 the first decal is issued to an applicant in a calendar
9 year, but the treasurer shall collect \$2 for each subsequent
10 decal issued for a vehicle in the same calendar year.

11 (v) A current window decal must be displayed on the
12 lower right-hand corner of the windshield.

13 (3) The registration receipt shall not constitute
14 evidence of ownership but shall be used only for
15 registration purposes. No Montana certificate of ownership
16 shall be issued for this type of registration.

17 (4) This section is not applicable to any vehicle
18 covered by a valid and existing reciprocal agreement or
19 declaration entered into under the provisions of the laws of
20 Montana."

21 Section 4. Section 61-3-703, MCA, is amended to read:
22 "61-3-703. Purpose. Sections 61-3-701 and 61-3-702
23 shall be solely for the purpose of taxation, registration,
24 and identification of vehicles operated in this state that
25 have paid a license in another state or foreign country, and

1 otherwise than as herein specifically set forth shall not be
2 construed as a repeal of any laws or parts of laws having to
3 do with the registration or licensing of automobiles within
4 the state."

-End-

STATE OF MONTANA

REQUEST NO. 201-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 23, 19 81, there is hereby submitted a Fiscal Note for House Bill 389 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 of Proposed Legislation

An act providing for annual or quarterly registration of motor vehicles owned by non-residents temporarily employed in Montana, subjecting such vehicles to taxation and establishing window decals as the form of license evincing quarterly registration.

Assumptions

1. In 1980, there were approximately 19,000 nonresidents that registered their vehicles for registration purposes only.
2. Assume 10,000 of these would go to quarterly registration.
3. Assume one-third of these would register for three quarters.
4. Assume one-third of these would register for two quarters.
5. Assume one-third of these would register for one quarter.

Fiscal Impact

Expenditures:

3,333 register 3 times = 9,999 decals

3,333 register 2 times = 6,666 decals

3,333 register 1 time = 3,333 decals

20,000 decals x \$250 per thousand = \$5,000 printing
additional data processing costs,

20,000 transactions x .05 = \$1,000 DP costs

mailing costs = \$ 100

Total costs per fiscal year = \$6,100

Total cost for biennium = \$12,200

Revenue:

Assumptions

1. 19,000 vehicles that fall within the class
2. Average assessed value of \$1,700 per vehicle
3. 220 mills average

This would result in a revenue increase of \$924,000 for each year of the biennium

Comments

The Department of Revenue feels that the enforcement of the proposal would be extremely difficult. Therefore, the actual revenue that would be generated by the proposal would depend to a large degree on the enforcement level.

Syle Manley, for

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-28-81

Fiscal Note 201-81

House Bill 389

Page 2

Technical Note

The bill requires the treasurer to collect \$2 for each subsequent decal issued to a vehicle in the same calendar year, but makes no mention of the disposition of the fee.

Approved by Committee
on Taxation

1 HOUSE BILL NO. 389
2 INTRODUCED BY Rep. Jack Lund Smith
3 by Street

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7 SUCH VEHICLES TO TAXATION; AND ESTABLISHING WINDOW DECALS AS
8 THE FORM OF LICENSE EVIDENCING QUARTERLY REGISTRATION;
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10 61-3-703, MCA."

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12 Section 1. Section 15-24-301, MCA, is amended to read:
13 "15-24-301. Personal property brought into the state
14 -- assessment -- exceptions -- custom combine equipment. (1)
15 Property in the following cases is subject to taxation and
16 assessment for all taxes levied that year in the county in
17 which it is located:

18 (a) any personal property (including livestock)
19 brought, driven, or coming into this state at any time
20 during the year that is used in the state for hire,
21 compensation, or profit;

22 (b) property whose owner or user is engaged in gainful
23 occupation or business enterprise in the state; or

24 (c) property which comes to rest and becomes a part of

1 the general property of the state.
2 (2) The taxes on this property are levied in the same
3 manner and to the same extent, except as otherwise provided,
4 as though the property had been in the county on the regular
5 assessment date, provided that the property has not been
6 regularly assessed for the year in some other county of the
7 state.

8 (3) Nothing in this section shall be construed to levy
9 a tax against a merchant or dealer within this state on
10 goods, wares, or merchandise brought into the county to
11 replenish the stock of the merchant or dealer in addition to
12 the tax levied against the inventory of said merchant or
13 dealer on the regular assessment date.

14 (4) This section does not apply to any motor
15 vehicle brought, driven, or coming into this state by any
16 nonresident person temporarily employed in Montana for a
17 period not exceeding 90 days if the motor vehicle is and
18 used exclusively for transportation of such person is
19 subject to taxation and assessment for taxes as follows:

20 (a) The motor vehicle is taxed by the county in which
21 it is located.

22 (b) One-fourth of the annual tax liability of the
23 motor vehicle must be paid for each quarter or portion of a
24 quarter of the year that the motor vehicle is located in
25 Montana.

SECOND READING

1 1c1 The quarterly taxes are due the first day of the
 2 quarter.

3 (5) Agricultural harvesting machinery classified under
 4 class eight, licensed in other states, and operated on the
 5 lands of persons other than the owner of the machinery under
 6 contracts for hire shall be subject to a fee in lieu of
 7 taxation of \$35 per machine for a 60-day period. The
 8 machines shall be subject to taxation under class eight only
 9 if they are sold in Montana."

10 Section 2. Section 15-24-302, MCA, is amended to read:
 11 "15-24-302. Collection procedure. All property
 12 mentioned in 15-24-301 is assessed at the same value as
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 15 provisions of 15-8-408; 15-16-111 through 15-16-115;
 16 15-16-404; chapter 17, part 9; and 15-24-202(1); as amended,
 17 except:

18 (1) taxation of motor vehicles under 15-24-301(5) to
 19 the extent that subsection varies from the general
 20 provisions cited above; and

21 (2) livestock taxation governed by 81-7-104 and Title
 22 81, chapter 7, part 2."

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 24 "61-3-701. Foreign vehicles used in gainful occupation
 25 to be registered -- reciprocity. (1) Before any foreign

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 3 or profit or before the owner and/or user thereof uses the
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 6 highway work, the owner of the vehicle shall make
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 20 proper license plates or other-identification-markers window
 21 decal as follows, which shall at all times be displayed upon
 22 the vehicle when operated or driven upon roads and highways
 23 of this state during the period of the life of the license;
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4 quarterly registration periods of the calendar year.

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24 and identification of vehicles operated in this state that
25 have paid a license in another state or foreign country, and

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3 Jeff Street

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19 declaration entered into under the provisions of the laws of
20 Montana.

21 (5) THE \$2 FOR DECALS COLLECTED PURSUANT TO SUBSECTION
22 (2)(B)(IV) SHALL BE DEPOSITED TO THE COUNTY GENERAL FUND."

23 Section 4. Section 61-3-703, MCA, is amended to read:
24 "61-3-703. Purpose. Sections 61-3-701 and 61-3-702
25 shall be solely for the purpose of taxation, registration,

1 and identification of vehicles operated in this state that
2 have paid a license in another state or foreign country, and
3 otherwise than as herein specifically set forth shall not be
4 construed as a repeal of any laws or parts of laws having to
5 do with the registration or licensing of automobiles within
6 the state."

-End-

March 13, 1981

SENATE STANDING COMMITTEE REPORT
(Taxation)

That House Bill No. 389 be amended as follows:

1. Page 5, line 21.

Following: line 20

Insert: "(5) The \$2 for decals collected pursuant to subsection 2(b)(iv)
shall be deposited to the county general fund."

1 HOUSE BILL NO. 389
2 INTRODUCED BY HART, LUND, C. SMITH, JACOBSEN, SHONTZ, TVEIT
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR ANNUAL OR
5 QUARTERLY REGISTRATION OF MOTOR VEHICLES OWNED BY
6 NONRESIDENTS TEMPORARILY EMPLOYED IN MONTANA; SUBJECTING
7 SUCH CERTAIN OF THESE VEHICLES TO TAXATION; AND ESTABLISHING
8 WINDOW DECALS AS THE FORM OF LICENSE EVIDENCING QUARTERLY
9 REGISTRATION; AMENDING SECTIONS 15-24-301, 15-24-302,
10 61-3-701, AND 61-3-703, MCA."

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

13 Section 1. Section 15-24-301, NCA, is amended to read:

14 "15-24-301. Personal property brought into the state

15 -- assessment -- exceptions -- custom combine equipment. (1)

16 Property in the following cases is subject to taxation and

17 assessment for all taxes levied that year in the county in

18 which it is located:

19 (a) any personal property (including livestock)
20 brought, driven, or coming into this state at any time
21 during the year that is used in the state for hire,
22 compensation or profit:

23 (b) property whose owner or user is engaged in gainful
24

25 (c) property which comes to rest and becomes a part of

1 the general property of the state.
2 (2) The taxes on this property are levied in the same
3 manner and to the same extent, except as otherwise provided,
4 as though the property had been in the county on the regular
5 assessment date, provided that the property has not been
6 regularly assessed for the year in some other county of the
7 state.

14 (4) ~~this section does not apply to any~~ Any motor
15 vehicle brought, driven, or coming into this state by any
16 nonresident person temporarily employed in Montana for a
17 period not exceeding 90 days if the motor vehicle is and
18 used exclusively for transportation of such person is
19 subject to taxation and assessment for taxes as follows:

20 (a) The motor vehicle is taxed by the county in which
21 it is located.

(b) One-fourth of the annual tax liability of the motor vehicle must be paid for each quarter or portion of a quarter of the year that the motor vehicle is located in Montana.

1 (c) The quarterly taxes are due the first day of the
 2 quarter.

3 (5) Agricultural harvesting machinery classified under
 4 class eight, licensed in other states, and operated on the
 5 lands of persons other than the owner of the machinery under
 6 contracts for hire shall be subject to a fee in lieu of
 7 taxation of \$35 per machine for a 60-day period. The
 8 machines shall be subject to taxation under class eight only
 9 if they are sold in Montana."

10 Section 2. Section 15-24-302, MCA, is amended to read:
 11 "15-24-302. Collection procedure. All property
 12 mentioned in 15-24-301 is assessed at the same value as
 13 property of like kind and character, and the assessment,
 14 levy, and collection of the tax are governed by the
 15 provisions of 15-8-408; 15-16-111 through 15-16-115;
 16 15-16-404; chapter 17, part 9; and 15-24-202(1); as amended,
 17 except:

18 (1) taxation of motor vehicles under 15-24-301(4) to
 19 the extent that subsection varies from the general
 20 provisions cited above; and

21 (2) livestock taxation governed by 81-7-104 and Title
 22 81, chapter 7, part 2."

23 Section 3. Section 61-3-703, MCA, is amended to read:
 24 "61-3-703. Foreign vehicles used in gainful occupation
 25 to be registered----reciprocity----(b) Before any foreign

1 licensed--motor--vehicle--may--be--operated in--any--quarter--of--a
 2 year on--the--highways--of--this--state--for--hire,--compensation,
 3 or--profit--or--before--the--owner--and/or--user--thereof--uses--the
 4 vehicle--if--such--owner--and/or--user--is--engaged--in--gainful
 5 occupation--or--business--enterprise--in--the--state,--including
 6 highway--works--the--owner--of--the--vehicle--shall--make
 7 application--to--a--county--treasurer--for annual--or--quarterly
 8 registration--upon--an--application--form--furnished--by--the
 9 division--Upon--satisfactory--evidence--of--ownership--submitted
 10 to--the--county--treasurer--and--the--payment--of--property--taxes--as
 11 required--by--15-8-201--through--15-8-203--or--15-24-301--the
 12 treasurer--shall--accept--the--application--for--registration--and
 13 shall--collect--the--regular--license--fee--required--for--the
 14 vehicle.

15 (2) the--treasurer--shall--thereupon--issue--to--the
 16 applicant--a--copy--of--the--application--entitled--"Owner's
 17 Certificate--of--Registration--and--Tax--Receipt"--and--forward--a
 18 duplicate--copy--of--the--certificate--to--the--division--The
 19 treasurer--shall--at--the--same--time--issue--to--the--applicant--the
 20 proper--license--plates--or--other--identification--markers window
 21 decor--as--follows--which--shall--at--all--times--be--displayed--upon
 22 the--vehicle--when--operated--or--driven--upon--roads--and--highways
 23 of--this--state--during--the--period--of--the--life--of--the--license--
 24 for--license--plates--shall--be--issued--only--to--an
 25 applicant--for--annual--registrations.

1 ~~for a window decal shall be issued to an applicant~~
 2 ~~for quarterly registrations.~~
 3 ~~Decals must be color-coded to distinguish the four~~
 4 ~~quarterly registration periods of the calendar year.~~
 5 ~~An applicant may purchase a decal for more than~~
 6 ~~one registration quarter at a time.~~
 7 ~~The regular license fee may be collected only when~~
 8 ~~the first decal is issued to an applicant in a calendar~~
 9 ~~year, but the treasurer shall collect \$2 for each subsequent~~
 10 ~~decal issued for a vehicle in the same calendar year.~~
 11 ~~A current window decal must be displayed on the~~
 12 ~~lower right-hand corner of the windshield.~~
 13 ~~The registration receipt shall not constitute~~
 14 ~~evidence of ownership but shall be used only for~~
 15 ~~registration purposes. No Montana certificate of ownership~~
 16 ~~shall be issued for this type of registration.~~
 17 ~~This section is not applicable to any vehicle~~
 18 ~~covered by a valid and existing reciprocal agreement or~~
 19 ~~declaration entered into under the provisions of the laws of~~
 20 ~~Montana.~~
 21 ~~THE \$2 FOR DECALS COLLECTED PURSUANT TO SUBSECTION~~
 22 ~~SHALL BE DEPOSITED TO THE COUNTY GENERAL FUND.~~
 23 NEW SECTION. SECTION 3. FOREIGN VEHICLES USED FOR
 24 TRANSPORTATION IN CONNECTION WITH EMPLOYMENT. (1) BEFORE A
 25 MOTOR VEHICLE TAXED PURSUANT TO 15-24-301(4) MAY BE OPERATED

1 IN MONTANA FOR A CALENDAR QUARTER, THE PERSON RESPONSIBLE
 2 FOR PAYMENT OF TAXES MUST APPLY FOR AND OBTAIN A WINDOW
 3 DECAL.
 4 (2) DECALS MUST BE COLOR-CODED TO DISTINGUISH THE FOUR
 5 QUARTERLY REGISTRATION PERIODS OF THE YEAR.
 6 (3) AN APPLICANT MAY PURCHASE A DECAL FOR MORE THAN
 7 ONE REGISTRATION QUARTER AT A TIME BY PAYING THE APPROPRIATE
 8 AMOUNT.
 9 (4) THERE IS A \$2 FEE FOR EACH DECAL, AND MONEY
 10 COLLECTED FROM THIS FEE SHALL BE DEPOSITED TO THE COUNTY
 11 GENERAL FUND. THE \$2 FEE IS IN ADDITION TO THE TAX.
 12 (5) A CURRENT WINDOW DECAL MUST BE DISPLAYED ON THE
 13 LOWER RIGHT-HAND CORNER OF THE WINDSHIELD.
 14 Section 4. Section 61-3-703, MCA, is amended to read:
 15 "61-3-703. Purpose. Sections 61-3-701 and 61-3-702
 16 shall be solely for the purpose of taxation, registration,
 17 and identification of vehicles operated in this state that
 18 have paid a license in another state or foreign country, and
 19 otherwise than as herein specifically set forth shall not be
 20 construed as a repeal of any laws or parts of laws having to
 21 do with the registration or licensing of automobiles within
 22 the state."
 23 SECTION 5. CODIFICATION INSTRUCTION. SECTION 3 IS
 24 INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF TITLE 61,
 25 CHAPTER 3, PART 7, AND THE PROVISIONS OF TITLE 61, CHAPTER

1 3. PART 7, APPLY TO SECTION 3.

2 SECTION 6. COORDINATION. IF S.B. 355, PROVIDING A
 3 LICENSE FEE SYSTEM FOR LIGHT VEHICLES, IS PASSED AND
 4 APPROVED THEN SECTION 1 OF THIS ACT IS VOID AND SECTION
 5 15-24-301, MCA, IS AMENDED TO READ:

6 "15-24-301. Personal property brought into the state
 7 -- assessment -- exceptions -- custom combine equipment. (1)
 8 Property in the following cases is subject to taxation and
 9 assessment for all taxes levied that year in the county in
 10 which it is located:

11 (a) any personal property (including livestock)
 12 brought, driven, or coming into this state at any time
 13 during the year that is used in the state for hire,
 14 compensation, or profit;

15 (b) property whose owner or user is engaged in gainful
 16 occupation or business enterprise in the state; or

17 (c) property which comes to rest and becomes a part of
 18 the general property of the state.

19 (2) The taxes on this property are levied in the same
 20 manner and to the same extent, except as otherwise provided,
 21 as though the property had been in the county on the regular
 22 assessment date, provided that the property has not been
 23 regularly assessed for the year in some other county of the
 24 state.

25 (3) Nothing in this section shall be construed to levy

1 a tax against a merchant or dealer within this state on
 2 goods, wares, or merchandise brought into the county to
 3 replenish the stock of the merchant or dealer in addition to
 4 the tax levied against the inventory of said merchant or
 5 dealer on the regular assessment date.

6 (4) Any motor vehicle not subject to the light vehicle
 7 license fee brought, driven, or coming into this state by
 8 any nonresident person temporarily employed in Montana and
 9 used exclusively for transportation of such person is
 10 subject to taxation and assessment for taxes as follows:

11 (a) The motor vehicle is taxed by the county in which
 12 it is located.

13 (b) One-fourth of the annual tax liability of the
 14 motor vehicle must be paid for each quarter or portion of a
 15 quarter of the year that the motor vehicle is located in
 16 Montana.

17 (c) The quarterly taxes are due the first day of the
 18 quarter.

19 (5) Agricultural harvesting machinery classified under
 20 class eight, licensed in other states, and operated on the
 21 lands of persons other than the owner of the machinery under
 22 contracts for hire shall be subject to a fee in lieu of
 23 taxation of \$35 per machine for a 60-day period. The
 24 machines shall be subject to taxation under class eight only
 25 if they are sold in Montana."

April 14, 1981

PROPOSED GOVERNOR'S AMENDMENTS TO HOUSE BILL NO. 389;
REFERENCE COPY AS FOLLOWS:

1. Title, Line 7
Following: Line 6
Strike: "SUCH"
Insert: "CERTAIN OF THESE"
2. Title, line 9
Following: "15-24-302,"
Strike: "61-3-701,"
3. Page 3, line 23 through page 5, line 22
Strike: Section 3 in its entirety
Insert: "NEW SECTION. Section 3.

Foreign vehicles used for transportation in connection with employment. (1) Before a motor vehicle taxed pursuant to 15-24-301(4) may be operated in Montana for a calendar quarter, the person responsible for payment of taxes must apply for and obtain a window decal.

(2) Decals must be color-coded to distinguish the four quarterly registration periods of the year.

(3) An applicant may purchase a decal for more than one registration quarter at a time by paying the appropriate amount.

(4) There is a \$2 fee for each decal, and money collected from this fee shall be deposited to the county general fund. The \$2 fee is in addition to the tax.

(5) A current window decal must be displayed on the lower right-hand corner of the windshield.
4. Page 6, Line 7
Following: Line 6
Insert: "Section 5. Codification instruction.
Section 3 is intended to be codified as an integral part of Title 61, Chapter 3, part 7 and the provisions of Title 61, Chapter 3, part 7 apply to Section 3."

Section 6. Coordination. If SB 355, providing a license fee system for light vehicles, is passed and approved then Section 1 of this act is void and Section 15-24-301, MCA, is amended to read:

"15-24-301. Personal property brought into the state -- assessment -- exceptions -- custom combine equipment. (1) Property in the following cases is subject to taxation and assessment for all taxes levied that year in the county in which it is located:

(a) any personal property (including livestock) brought, driven, or coming into this state at any time during the year that is used in the state for hire, compensation, or profit;

(b) property whose owner or user is engaged in gainful occupation or business enterprise in the state; or

(c) property which comes to rest and becomes a part of the general property of the state.

(2) The taxes on this property are levied in the same manner and to the same extent, except as otherwise provided, as though the property had been in the county on the regular assessment date, provided that the property has not been regularly assessed for the year in some other county of the state.

(3) Nothing in this section shall be construed to levy a tax against a merchant or dealer within this state on goods, wares, or merchandise brought into the county to replenish the stock of the merchant or dealer in addition to the tax levied against the inventory of said merchant or dealer on the regular assessment date.

(4) Any motor vehicle not subject to the light vehicle license fee brought, driven, or coming into this state by any nonresident person temporarily employed in Montana and used exclusively for transportation of such person is subject to taxation and assessment for taxes as follows:

(a) The motor vehicle is taxed by the county in which it is located.

(b) One-fourth of the annual tax liability of the motor vehicle must be paid for each quarter or portion of a quarter of the year that the motor vehicle is located in Montana.

(c) The quarterly taxes are due the first day of the quarter.

(5) Agricultural harvesting machinery classified under class eight, licensed in other states, and operated on the lands of persons other than the owner of the machinery under contracts for hire shall be subject to a fee in lieu of taxation of \$35 per machine for a 60-day period. The machines shall be subject to taxation under class eight only if they are sold in Montana."



TED SCHWINDEN
GOVERNOR

State of Montana
Office of the Governor
Helena 59620

April 14, 1981

The Honorable Jean A. Turnage
President of the Senate
State Capitol
Helena, Montana 59620

The Honorable Robert L. Marks
Speaker of the House
State Capitol
Helena, Montana 59620

Dear Senator Turnage and Representative Marks:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby return House Bill No. 389, "AN ACT PROVIDING FOR ANNUAL OR QUARTERLY REGISTRATION OF MOTOR VEHICLES OWNED BY NONRESIDENTS TEMPORARILY EMPLOYED IN MONTANA; SUBJECTING SUCH VEHICLES TO TAXATION; AND ESTABLISHING WINDOW DECALS AS THE FORM OF LICENSE EVIDENCING QUARTERLY REGISTRATION; AMENDING SECTIONS 15-24-301, 15-24-302, 61-3-701, AND 61-3-703, MCA," without my signature and recommend the attached amendments.

Because of the possibility of enactment of a motor vehicle fee system bill, it is necessary to provide for coordination with such a bill. This is accomplished by the addition of a coordination section.

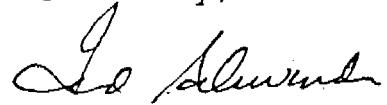
Additionally, the language establishing a quarterly decal system was inserted in Section 61-3-701, MCA, by this bill. This section deals with motor vehicles used for hire, compensation or profit rather than with motor vehicles used for transportation by nonresidents temporarily working in Montana. Consequently, it would be more appropriate to place

Senator Turnage and Representative Marks
April 14, 1981
Page Two

the new language in its own section, and this is accomplished by attached amendments.

I urge your concurrence with these amendments.

Sincerely,


TED SCHWINDEN
Governor