

House Bill 428

In The House

January 22, 1981	Introduced and referred to Committee on Taxation.
January 23, 1981	Fiscal note requested.
February 2, 1981	Fiscal note returned.
March 5, 1981	Fiscal note revised.
March 10, 1981	Fiscal note revised.
March 24, 1981	Committee recommend bill do pass as amended.
March 25, 1981	Bill printed and placed on members' desks.
March 26, 1981	Motion pass consideration to 68th legislative day.
March 27, 1981	Motion pass consideration to 69th legislative day.
March 28, 1981	Motion pass consideration to 70th legislative day.
March 30, 1981	Motion pass consideration to 71st legislative day.
March 31, 1981	Second reading do pass. On motion rules suspended and bill placed on third reading this day. Third reading passed.

In The Senate

April 1, 1981	Introduced and referred to Committee on Taxation.
April 23, 1981	Died in Committee.

1 HOUSE BILL NO. 428
2 INTRODUCED BY Wendell Gordon Falgout
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH A UNIFORM
5 VEHICLE TAX SYSTEM FOR AUTOMOBILES AND LIGHT TRUCKS;
6 PROVIDING FOR THE DISPOSITION OF THE TAX; PROVIDING FOR
7 REREGISTRATION BY MAIL; AND AMENDING SECTIONS 15-6-139,
8 15-6-140, 61-3-303, 61-3-304, 61-3-322, 61-3-503, 61-3-504,
9 AND 61-3-509, MCA."

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Section 15-6-139, MCA, is amended to read:

13 "15-6-139. Class nine property -- description --
14 taxable percentage. (1) Class nine property includes:

15 (a) ~~automobiles, buses, and trucks weighing 1 1/2 tons~~
16 ~~or less with a GVW-rated capacity of more than~~
17 ~~three-quarters of a ton and equal to or less than 1 1/2~~
18 ~~tons;~~

19 (b) stock, camping, and travel trailers;

20 (c) truck campers and toppers weighing more than 300
21 pounds, except those included in class five;

22 (d) motor homes except those included in class five;

23 (e) furniture, fixtures, and equipment, except that
24 specifically included in another class, used in commercial
25 establishments as defined in this section;

1 (f) x-ray and medical and dental equipment; and
2 (g) citizens' band radios and mobile telephones.
3 (2) "Commercial establishment" includes any hotel;
4 motel; office; petroleum marketing station; or service,
5 wholesale, retail, or food-handling business.

6 (3) Class nine property is taxed at 13% of its market
7 value."

8 Section 2. Section 15-6-140, MCA, is amended to read:

9 "15-6-140. Class ten property -- description --
10 taxable percentage. (1) Class ten property includes:

11 (a) radio and television broadcasting and transmitting
12 equipment;

13 (b) cable television systems;

14 (c) centrally assessed utility allocations after
15 deductions of locally assessed properties, except as
16 provided in:

17 (i) class five for cooperative rural electrical and
18 cooperative rural telephone associations; and

19 (ii) class seven for rural telephone and electrical
20 organizations;

21 (d) coal and ore haulers;

22 (e) trucks weighing ~~with a GVW-rated capacity of more~~
23 ~~than 1 1/2 tons, including those prorated under 15-24-102;~~

24 (f) trailers, except those included in classes five,
25 eight, or nine, including those prorated under 15-24-102;

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1 (g) theater projectors and sound equipment; and
 2 (h) all other property not included in the preceding
 3 nine classes.

4 (2) Class ten property is taxed at 16% of its market
 5 value."

6 Section 3. Section 61-3-303, MCA, is amended to read:

7 "61-3-303. Application for registration. (1) Every
 8 owner of a motor vehicle operated or driven upon the public
 9 highways of this state shall for each motor vehicle owned,
 10 except as herein otherwise expressly provided, file or cause
 11 to be filed in the office of the county treasurer where the
 12 motor vehicle is owned or taxable an application for
 13 registration or reregistration upon a blank form to be
 14 prepared and furnished by the division. The application
 15 shall contain:

16 (a) name and address of owner, giving county, school
 17 district, and town or city within whose corporate limits the
 18 motor vehicle is taxable;

19 (b) name and address of the holder of any security
 20 interest in the motor vehicle;

21 (c) description of motor vehicle, including make, year
 22 model, engine or serial number, manufacturer's model or
 23 letter, gross weight, type of body, and if truck, the rated
 24 capacity;

25 (d) in case of reregistration, the license number for

1 the preceding year; and

2 (e) such other information as the division may
 3 require.

4 (2) A person who files an application for registration
 5 or reregistration of a motor vehicle, except of a mobile
 6 home as defined in 15-1-101(1), shall upon the filing of the
 7 application pay to the county treasurer:

8 (a) the registration fee, as provided in 61-3-311 and
 9 61-3-321; and

10 (b) the personal property taxes assessed, the new
 11 motor vehicle sales tax against the vehicle for the current
 12 year of registration, or in the case of a motor home, travel
 13 trailer, or camper, the fee in lieu of property tax for the
 14 current year of registration, unless the same shall have
 15 been theretofore paid for the year, before the application
 16 for registration or reregistration may be accepted by the
 17 county treasurer.

18 (3) The county treasurer may make full and complete
 19 investigation of the tax status of the vehicle. Any
 20 applicant for registration or reregistration must submit
 21 proof from the tax records of the proper county at the
 22 request of the county treasurer.

23 ~~(4) Vehicles subject to the uniform state vehicle tax~~
 24 ~~provided for in [section 10] shall be registered under the~~
 25 ~~procedure set forth in subsections (1) through (3) for their~~

1 initial registration by an owner. Reregistration of such
 2 vehicle by the same owner shall be governed by the
 3 provisions of [section 9]."

4 Section 4. Section 61-3-304, MCA, is amended to read:
 5 "61-3-304. Previous registration receipt to accompany
 6 application for registration. (1) The treasurer of any
 7 county shall not accept any application for registration or
 8 reregistration of any motor vehicle unless such application
 9 be accompanied by the immediately previous registration
 10 receipt issued by the division or an affidavit upon a form
 11 prescribed by the division stating under oath that the
 12 vehicle had not been operated on the highways of the state
 13 during the immediately previous year, except in cases of
 14 automobiles not previously licensed in Montana. No
 15 application for registration or reregistration of any motor
 16 vehicle hereafter need be verified.

17 (2) The requirements of this section do not apply to
 18 the reregistration of vehicles under [section 9]."

19 Section 5. Section 61-3-322, MCA, is amended to read:
 20 "61-3-322. Certificates of registration -- issuance.
 21 Except as provided in [section 9]:

22 (1) Upon upon completion of the application for
 23 registration on forms furnished by the division, the county
 24 treasurer shall file one copy in his office and issue to the
 25 applicant two copies of the application marked "Owner's

1 Certificate of Registration and Tax Receipt", one of which
 2 shall be marked "file copy"i

3 (2) ~~The the~~ certificate of registration shall contain
 4 upon the face thereof the information described in
 5 61-3-202(2)wi

6 (3) ~~Every every~~ owner, upon receiving a registration
 7 receipt, shall write his signature thereon with pen and ink
 8 in the space provided. Every registration receipt or a
 9 notarized photostatic copy or a duplicate thereof furnished
 10 by the division shall at all times be carried in the vehicle
 11 to which it refers or shall be carried by the person driving
 12 or in control of such vehicle, who shall display it upon
 13 demand of a police officer or any officer or employee of the
 14 division or the highway departmenti

15 (4) ~~The the~~ county treasurer shall daily forward to
 16 the division one copy of all applications for registration
 17 received that dayi

18 (5) ~~It it~~ shall not be necessary for the county
 19 treasurer to segregate the amount of taxes for state,
 20 county, school district, and municipal purposes in the
 21 receipt."

22 Section 6. Section 61-3-503, MCA, is amended to read:

23 "61-3-503. Assessment. (1) ★ Except as provided in
 24 [section 9], a person who files an application for
 25 registration or reregistration of a motor vehicle, other

1 than a motor home, travel trailer, or a mobile home as
 2 defined in 15-1-101(1), shall before filing such application
 3 with the county treasurer submit the application to the
 4 county assessor. The county assessor shall enter on the
 5 application in a space to be provided for that purpose the
 6 market value and taxable value of the vehicle for the year
 7 for which the application for registration is made.

8 (2) Except as provided in subsection (3), motor
 9 vehicles, other than motor homes, travel trailers, or mobile
 10 homes as defined in 15-1-101(1), are assessed for taxes on
 11 January 1 in each year irrespective of the time fixed by law
 12 for the assessment of other classes of personal property and
 13 irrespective of whether the levy and tax may be a lien upon
 14 real property within the state. In no event may any motor
 15 vehicle be subject to assessment, levy, and taxation more
 16 than once in each year.

17 (3) Vehicles subject to the provisions of 61-3-313
 18 through 61-3-316 shall be assessed as of the first day of
 19 the registration period, and a lien for taxes and fees due
 20 thereon shall occur on the anniversary date of the
 21 registration and shall continue until such fees and taxes
 22 have been paid.*

23 Section 7. Section 61-3-504, MCA, is amended to read:
 24 *61-3-504. Computation of tax. The amount of taxes on
 25 a motor vehicle, other than a motor home, travel trailer,

1 ~~automobile, light truck,~~ or a mobile home as defined in
 2 15-1-101(1), is computed and determined by the county
 3 treasurer on the basis of the levy of the year preceding the
 4 current year of application for registration or
 5 reregistration. The determination is entered on the
 6 application form in a space provided therefor.*

7 Section 8. Section 61-3-509, MCA, is amended to read:
 8 *61-3-509. Disposition of taxes and fees in lieu of
 9 tax. ~~Except as provided in [section 11],~~ The ~~the~~ county
 10 treasurer shall credit all taxes on motor vehicles and fees
 11 in lieu of tax on motor homes and travel trailers collected
 12 to a motor vehicle suspense fund, and at some time between
 13 March 1 and March 10 of each year and every 60 days
 14 thereafter, the county treasurer shall distribute the money
 15 in the motor vehicle suspense fund in the relative
 16 proportions required by the levies for state, county, school
 17 district, and municipal purposes in the same manner as other
 18 personal property taxes are distributed.*

19 NEW SECTION. Section 9. Renewal of registration --
 20 automobiles and light trucks. The motor vehicle division of
 21 the department of justice shall prepare notices of
 22 reregistration for automobiles and light trucks and in a
 23 timely manner forward the notices to the department of
 24 revenue. The department of revenue shall calculate the
 25 registration fee and tax due for each automobile or light

1 truck and mail the renewal notice to the owner of the
 2 vehicle. The owner of a vehicle may pay the amount due
 3 directly by mail to the department of revenue or in person
 4 to the county treasurer of the county in which the vehicle
 5 is registered. If the tax is paid by mail, the department
 6 shall notify the motor vehicle division of the department of
 7 justice; the division shall then mail the registration and
 8 tax receipt to the vehicle owner. If the tax is paid to the
 9 county treasurer, the treasurer shall issue the registration
 10 and tax receipt at that time.

11 NEW SECTION. Section 10. Uniform state vehicle tax.
 12 (1) The owner of an automobile or light truck shall pay a
 13 uniform state vehicle tax of \$15 plus 2 1/2% of the average
 14 trade-in value of the vehicle as contained in the most
 15 recent volume of the Mountain States Edition of the National
 16 Automobile Dealers Association Official Used Car Guide.

17 (2) If a vehicle is of such an age that it is not
 18 contained in the most recent volume of the used car guide
 19 referred to in subsection (1), the tax is \$20.

20 NEW SECTION. Section 11. Disposition of uniform state
 21 vehicle tax. The department of revenue and county treasurers
 22 shall distribute the tax collected under [section 10] in the
 23 following manner:

24 (1) 17.5% of the tax shall be distributed to the state
 25 school equalization aid account;

1 (2) 2.5% of the tax shall be distributed to the
 2 earmarked revenue fund for the support, maintenance, and
 3 improvement of the Montana university system and other
 4 public educational institutions subject to the board of
 5 regents' supervision;

6 (3) 80% of the tax shall be distributed to the local
 7 government units where the vehicle is registered to be
 8 allocated in proportion to all of the mill levy funds of
 9 that taxing jurisdiction, excluding the 25-mill mandatory
 10 levy for elementary schools, the 15-mill mandatory levy for
 11 high schools, and the 6-mill levy for the university system.

12 NEW SECTION. Section 12. Light truck. "Light truck"
 13 means a truck whose GVW-rated capacity is three-quarters of
 14 a ton or less.

15 Section 13. Codification instruction. (1) Section 9 is
 16 intended to be codified as an integral part of Title 61,
 17 chapter 3, part 3, and the provisions of Title 61, chapter
 18 3, part 3, apply to section 9.

19 (2) Sections 10 and 11 are intended to be codified as
 20 integral parts of Title 61, chapter 3, part 5, and the
 21 provisions of Title 61, chapter 3, part 5, apply to sections
 22 10 and 11.

23 (3) Section 12 is intended to be codified as an
 24 integral part of Title 61, chapter 1, part 1, and section 12
 25 applies to Title 61, and Title 61 applies to section 12.

LC 2035/01

1 Section 14. **Applicability.** This act is applicable to
2 automobiles and light trucks registered during and after
3 1982.

-End-

STATE OF MONTANA

REQUEST NO. 208-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 27, 19 81, there is hereby submitted a Fiscal Note for House Bill 428 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

House Bill 428 is an act to establish a uniform vehicle tax system for automobiles and light trucks; providing for the disposition of the tax; providing for reregistration by mail; and amending sections 15-6-139, 15-6-140, 61-3-303, 61-3-304, 61-3-503, 61-3-504, and 61-3-509, MCA.

Assumptions

1. Assume the renewal card presently used by the Registrar's Bureau will be sent to the Department of Revenue for mailing.
2. Assume 150,000 or 30 percent affected registrations would be returned to the Department of Revenue to be processed by the Registrar's Bureau.

Cost of Administering the Registration System

	<u>FY 1981</u>	<u>FY 1982</u>
Personal Services:		
3 FTE		
<u>Salaries</u>		
Grade 6/Step 2	\$ 8,760	\$ 8,760
Grade 6/Step 2	8,760	8,760
Grade 8/Step 2	<u>10,269</u>	<u>10,269</u>
Total Salaries	\$27,789	\$27,789
Employee Benefits, 18.6%	<u>5,168</u>	<u>5,168</u>
Total Personal Services	\$32,957	\$32,957
Operating Expenses:		
Additional Registration receipts		
100,000 x 32/m	\$ 3,200	\$ 3,200
Envelopes, 150,000 at \$20/m	3,000	3,000
Additional phone costs	2,400	2,400
Additional CRT rental at \$132/month	<u>1,584</u>	<u>1,584</u>
Total Operating Expenses	\$10,184	\$10,184
Equipment:		
Secretarial desk and chair	\$ 325	
Typewriter	<u>800</u>	
Total Equipment	\$ 1,125	
TOTAL PROGRAM COSTS	\$44,266	
TOTAL BIENNIUM COSTS	\$87,407	

David M. Lewis

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-31-81

Revenue Impact

Data for the estimation of impact was obtained from the Motor Vehicle Division's 1980 plate year tape. Because of the time constraint involved in preparing this note, it was not possible to write a computer program which would perform an actual computation of tax under the formula of this proposal. Fortunately, the data file had previously been sorted into value categories so it is possible to perform a manual computation in order to estimate the statewide impact. This calculation was made under the following assumptions:

1. The 97.5% of the data which is correct constitutes a representative sample.
2. The motor vehicle values in the data file are uniformly distributed in each \$1,000 increment so that computation at the midpoint of each interval will give a representative tax for motor vehicles which have values in the interval.
3. Average trade-in value is 20% lower than the retail value now in use. (The difference between average trade-in and retail vaies greatly with age and model. The choice of 20% is probably low.)

Computation: The following formula was used:

$T = N \times (.8 \times \$A \times .025 = \$15)$ where \$A is the average value in each \$1,000 interval (i.e.: average value in the value 0-\$999 is \$500, the average value in the interval (1,000-\$1,999 is \$1,500), etc.), N is the number vehicles in the interval. Performing the calculation and summing the values of T yields a total of \$24,735,190.

Computation for the Motor Vehicles Division tape file indicates a total of \$29,817,729 was attributed to local taxes on automobiles. Thus, the proposal raises 82.96% of the amount the current tax raises. Assume that:

1. The average mill levy applied to motor vehicles statewide is 230 mills.
2. 40 mills are levied for school foundation.
3. The university levy is 6 mills.
4. Motor vehicles constitute about 7% of the tax base.
5. The taxable value of ths state will be: \$2.083 B for 1981 and \$2.263 B for 1982.

Disbritution

<u>FY 1982</u>	<u>Current</u>	<u>Proposed</u>	<u>Increase (Decrease)</u>
Local Government	\$26.829 M	\$22.257 M	(\$4.572 M)
Schools	5.832 M	4.868 M	(.964 M)
University	.875 M	.696 M	(.179 M)
 <u>FY 1983</u>			
Local Government	\$29.147 M	\$24.180 M	(\$4.967 M)
Schools	6.336 M	5.290 M	(1.046 M)
University	.951 M	.756 M	(.195 M)

Effect on Local Government

Automobiles and light trucks are removed from the tax base by this proposal. The loss in taxable value would be about 7% statewide although it may range up to more than 20% in certain jurisdictions. Since salaries of certain local officials and local bonding limits are set in terms of taxable value, this loss could be significant.

No county-by-county breakdown is attempted because of the nature of the assumptions regarding the computation done in this case.

Technical Note

Section 9 sets forth a procedure for reregistration. It may be preferable not to place the procedure in the statute but rather to place a statement of intent with the bill instructing the Department of Revenue and the Motor Vehicle Division to cooperate in developing the most economical and efficient mail system for reregistration.

Approved by Committee
on Taxation

HOUSE BILL NO. 428

INTRODUCED BY NORDTVEDT, GOODOVER, FABREGA

A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH A UNIFORM VEHICLE TAX SYSTEM FOR AUTOMOBILES AND LIGHT TRUCKS; PROVIDING FOR THE DISPOSITION OF THE TAX; PROVIDING FOR REREGISTRATION BY MAIL; ADJUSTING THE PERCENTAGE LIMITS ON CERTAIN FINANCIAL ACTIVITIES BY LOCAL GOVERNMENTS BECAUSE OF THE CHANGE IN TAX BASE; AND AMENDING SECTIONS 7-1-2111, 7-3-1321, 7-6-2211, 7-6-4121, 7-6-4254, 7-7-107, 7-7-108, 7-7-2101, 7-7-2203, 7-7-4201, 7-7-4202, 7-13-4103, 7-14-236, 7-14-2524, 7-14-2525, 7-14-4402, 7-16-2327, 7-16-4104, 7-31-106, 7-31-107, 7-34-2131, 15-6-139, 15-6-140, 15-8-201, 15-8-202, 19-11-503, 19-11-504, 20-9-406, 20-9-502, 61-3-303, 61-3-304, 61-3-322, 61-3-503, 61-3-504, AND 61-3-509, AND 85-7-2001, MCA."

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

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(c) truck campers and toppers weighing more than 300 pounds, except those included in class five;

(d) motor homes except those included in class five;

(e) furniture, fixtures, and equipment, except that specifically included in another class, used in commercial establishments as defined in this section;

(f) x-ray and medical and dental equipment; and

(g) citizens' band radios and mobile telephones.

(2) "Commercial establishment" includes any hotel; motel; office; petroleum marketing station; or service, wholesale, retail, or food-handling business.

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 22 shall contain:

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1 (b) name and address of the holder of any security
 2 interest in the motor vehicle;

3 (c) description of motor vehicle, including make, year
 4 model, engine or serial number, manufacturer's model or
 5 letter, gross weight, type of body, and if truck, the rated
 6 capacity;

7 (d) in case of reregistration, the license number for
 8 the preceding year; and

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 10 require.

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 12 or reregistration of a motor vehicle, except of a mobile
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 20 trailer, or camper, the fee in lieu of property tax for the
 21 current year of registration, unless the same shall have
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24 district, and municipal purposes in the same manner as other
25 personal property taxes are distributed."

1 NEW SECTION. Section 9. Renewal of registration --
 2 automobiles and light trucks. The motor vehicle division of
 3 the department of justice shall prepare notices of
 4 reregistration for automobiles and light trucks, and in a
 5 timely manner forward the notices to the department of
 6 revenue. ~~The department of revenue shall~~ calculate the
 7 registration fee and tax due for each automobile or light
 8 truck and mail the renewal notice to the owner of the
 9 vehicle. The owner of a vehicle may pay the amount due
 10 directly by mail to the department of revenue or in person
 11 to the county treasurer of the county in which the vehicle
 12 is registered. If the tax is paid by mail, the department
 13 COUNTY TREASURER shall ~~notify the motor vehicle division of~~
 14 ~~the department of justice; the division shall then~~ mail the
 15 registration and tax receipt to the vehicle owner. ~~if the~~
 16 ~~tax is paid to the county treasurer, the treasurer shall~~
 17 ~~issue the registration and tax receipt at that time.~~

18 NEW SECTION. Section 10. Uniform state vehicle tax.
 19 (1) The owner of an automobile or light truck shall pay a
 20 uniform state vehicle tax of \$15 plus ~~2 1/2%~~ 3 1/2% of the
 21 average trade-in value of the vehicle as contained in the
 22 most recent, COMPREHENSIVE, SEMIANNUAL volume of the
 23 Mountain States Edition of the National Automobile Dealers
 24 Association Official Used Car Guide.

25 (2) If a vehicle is of such an age that it is not

1 contained in the most recent, COMPREHENSIVE, SEMIANNUAL
 2 volume of the used car guide referred to in subsection (1),
 3 the tax is \$20.

4 NEW SECTION. Section 11. Disposition of uniform state
 5 vehicle tax. The ~~department of revenue and county treasurers~~
 6 TREASURER shall distribute the tax collected under [section
 7 10] ~~in the following manner:~~

8 ~~(1) 17.5% of the tax shall be distributed to the state~~
 9 ~~school equalization aid account;~~

10 ~~(2) 2.5% of the tax shall be distributed to the~~
 11 ~~earmarked revenue fund for the support, maintenance, and~~
 12 ~~improvement of the Montana university system and other~~
 13 ~~public educational institutions subject to the board of~~
 14 ~~regents' supervision;~~

15 ~~(3) 80% of the tax shall be distributed to the local~~
 16 ~~government units where the vehicle is registered to be~~
 17 ~~allocated in proportion to all of the mill levy funds of~~
 18 ~~that taxing jurisdiction THE COUNTY, excluding the 25-mill~~
 19 ~~mandatory levy for elementary schools, the 15-mill mandatory~~
 20 ~~levy for high schools, and the 6-mill levy for the~~
 21 ~~university system.~~

22 NEW SECTION. Section 12. Light truck. "Light truck"
 23 means a truck whose GVW-rated capacity is three-quarters of
 24 a ton or less.

25 SECTION 13. SECTION 15-8-201, MCA, IS AMENDED TO READ:

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

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

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

18 **(b) automobiles and trucks having a rated capacity of**
19 **three-quarters of a ton or less;**

20 ~~(b)(c)~~ motor homes and travel trailers subject to a
21 fee in lieu of property tax;

22 ~~(b)(d)~~ livestock;

23 ~~(b)(e)~~ property defined in 61-1-104(2) as "special
24 mobile equipment" that is subject to assessment for personal
25 property taxes on the date that application is made for a

1 special mobile equipment plate; and

2 ~~(b)(f)~~ mobile homes held by a distributor or dealer of
3 mobile homes as a part of his stock-in-trade.

4 (3) Credits must be assessed as provided in
5 15-1-101(1)(c)."

6 SECTION 14. SECTION 15-8-202, MCA, IS AMENDED TO READ:

7 "15-8-202. Motor vehicle assessment. (1) (a) The
8 department or its agent must, in each year, ascertain and
9 assess all motor vehicles other than automobiles, trucks
10 having a rated capacity of three-quarters of a ton or less,
11 motor homes, travel trailers, or mobile homes in each county
12 subject to taxation as of January 1 or as of the anniversary
13 registration date of those vehicles subject to 61-3-313
14 through 61-3-316 and 61-3-501. The motor vehicles shall be
15 assessed in each year to the persons by whom owned or
16 claimed or in whose possession or control they were at
17 midnight of January 1 or the anniversary registration date
18 thereof, whichever is applicable.

19 (b) No tax may be assessed against motor vehicles
20 subject to taxation that constitute inventory of motor
21 vehicle dealers as of January 1. These vehicles and all
22 other motor vehicles subject to taxation brought into the
23 state subsequent to January 1 as motor vehicle dealers'
24 inventories shall be assessed to their respective purchasers
25 as of the dates the vehicles are registered by the

1 purchasers.

2 (c) "Purchasers" includes dealers who apply for
3 registration or reregistration of motor vehicles, except as
4 otherwise provided by 61-3-502.

5 (d) Goods, wares, and merchandise of motor vehicle
6 dealers, other than new motor vehicles and new mobile homes,
7 shall be assessed at market value as of January 1.

8 (2) In all cases where taxes or a fee in lieu of tax
9 were required to be paid, the applicant for registration or
10 reregistration of a motor vehicle, other than a mobile home,
11 is not relieved of the duty of paying taxes or the fee in
12 lieu of tax if the taxes or fees have not been paid by a
13 prior applicant or owner."

14 SECTION 15. SECTION 7-1-2111, MCA, IS AMENDED TO READ:

15 "7-1-2111. Classification of counties. (1) For the
16 purpose of regulating the compensation and salaries of all
17 county officers, not otherwise provided for, and for fixing
18 the penalties of officers' bonds, the several counties of
19 this state shall be classified according to that percentage
20 of the true and full valuation of the property therein upon
21 which the tax levy is made, as follows:

22 (1)(a) first class--all counties having such a taxable
23 valuation of \$50 million or over;

24 (2)(b) second class--all counties having such a
25 taxable valuation of more than \$30 million and less than \$50

1 million;

2 (3)(c) third class--all counties having such a taxable
3 valuation of more than \$20 million and less than \$30
4 million;

5 (4)(d) fourth class--all counties having such a
6 taxable valuation of more than \$15 million and less than \$20
7 million;

8 (5)(e) fifth class--all counties having such a taxable
9 valuation of more than \$10 million and less than \$15
10 million;

11 (6)(f) sixth class--all counties having such a taxable
12 valuation of more than \$5 million and less than \$10 million;

13 (7)(g) seventh class--all counties having such a
14 taxable valuation of less than \$5 million.

15 (2) As used in this section, taxable valuation means
16 the taxable value of taxable property in the county as of
17 the time of determination plus that portion of the taxable
18 value of the county on December 31, 1981, attributable to
19 automobiles and trucks having a rated capacity of
20 three-quarters of a ton or less."

21 SECTION 16. SECTION 7-3-1321, MCA, IS AMENDED TO READ:

22 "7-3-1321. Authorization to incur indebtedness --
23 limitation. (1) The consolidated municipality may borrow
24 money or issue bonds for any municipal purpose to the extent
25 and in the manner provided by the constitution and laws of

1 Montana for the borrowing of money or issuing of bonds by
2 counties and cities and towns.

3 (2) The municipality shall ~~may~~ not become indebted in
4 any manner or for any purpose to an amount, including
5 existing indebtedness, in the aggregate exceeding 5% ~~28%~~ of
6 the taxable value of the taxable property therein, as
7 ascertained by the last assessment for state and county
8 taxes prior to incurring such indebtedness. All warrants,
9 bonds, or obligations in excess of such amount given by or
10 on behalf of the municipality shall be void."

11 SECTION 17. SECTION 7-6-2211, MCA, IS AMENDED TO READ:

12 "7-6-2211. Authorization to conduct county business on
13 a cash basis. (1) In case the total indebtedness of a
14 county, lawful when incurred, exceeds the limit of ~~16%~~ 22.5%
15 established in 7-7-2101 by reason of great diminution of
16 taxable value, the county may conduct its business affairs
17 on a cash basis and pay the reasonable and necessary current
18 expenses of the county out of the cash in the county
19 treasury derived from its current revenue and under such
20 restrictions and regulations as may be imposed by the board
21 of county commissioners of the county by a resolution duly
22 adopted and included in the minutes of the board.

23 (2) Nothing in this section restricts the right of the
24 board to make the necessary tax levies for interest and
25 sinking fund purposes, and nothing in this section affects

1 the right of any creditor of the county to pursue any remedy
2 now given him by law to obtain payment of his claim."

3 SECTION 18. SECTION 7-6-4121, MCA, IS AMENDED TO READ:

4 "7-6-4121. Authorization to conduct municipal business
5 on a cash basis. (1) In case the total indebtedness of a
6 city or town has reached ~~11%~~ 17% of the total taxable value
7 of the property of the city or town subject to taxation, as
8 ascertained by the last assessment for state and county
9 taxes, the city or town may conduct its affairs and business
10 on a cash basis as provided by subsection (2).

11 (2) (a) Whenever a city or town is conducting its
12 business affairs on a cash basis, the reasonable and
13 necessary current expenses of the city or town may be paid
14 out of the cash in the city or town treasury and derived
15 from its current revenues, under such restrictions and
16 regulations as the city or town council may by ordinance
17 prescribe.

18 (b) In the event that payment is made in advance, the
19 city or town may require a cash deposit as collateral
20 security and indemnity, equal in amount to such payment, and
21 may hold the same as a special deposit with the city
22 treasurer or town clerk, in package form, as a pledge for
23 the fulfillment and performance of the contract or
24 obligation for which the advance is made.

25 (c) Before the payment of the current expenses

1 mentioned above, the city or town council shall first set
 2 apart sufficient money to pay the interest upon its legal,
 3 valid, and outstanding bonded indebtedness and any sinking
 4 funds therein provided for and shall be authorized to pay
 5 all valid claims against funds raised by tax especially
 6 authorized by law for the purpose of paying such claims."

7 SECTION 19. SECTION 7-6-4254, MCA, IS AMENDED TO READ:

8 "7-6-4254. Limitation on amount of emergency budgets
 9 and appropriations. (1) The total of all emergency budgets
 10 and appropriations made therein in any one year and to be
 11 paid from any city fund shall ~~may~~ not exceed 25% 38% of the
 12 total amount which could be produced for such city fund by a
 13 maximum levy authorized by law to be made for such fund, as
 14 shown by the last completed assessment roll of the county.

15 (2) The term "taxable property", as used herein, means
 16 the percentage of the value at which such property is
 17 assessed and which percentage is used for the purposes of
 18 computing taxes and does not mean the assessed value of such
 19 property as the same appears on the assessment roll."

20 SECTION 20. SECTION 7-7-107, MCA, IS AMENDED TO READ:

21 "7-7-107. Limitation on amount of bonds for
 22 city-county consolidated units. (1) Except as provided in
 23 7-7-108, no city-county consolidated local government may
 24 issue bonds for any purpose which, with all outstanding
 25 indebtedness, may exceed 27% 39% of the taxable value of the

1 property therein subject to taxation as ascertained by the
 2 last assessment for state and county taxes.

3 (2) The issuing of bonds for the purpose of funding or
 4 refunding outstanding warrants or bonds is not the incurring
 5 of a new or additional indebtedness but is merely the
 6 changing of the evidence of outstanding indebtedness."

7 SECTION 21. SECTION 7-7-108, MCA, IS AMENDED TO READ:

8 "7-7-108. Authorization for additional indebtedness
 9 for water or sewer systems. (1) For the purpose of
 10 constructing a sewer system or procuring a water supply or
 11 constructing or acquiring a water system for a city-county
 12 consolidated government which shall own and control such
 13 water supply and water system and devote the revenues
 14 therefrom to the payment of the debt, a city-county
 15 consolidated government may incur an additional indebtedness
 16 by borrowing money or issuing bonds.

17 (2) The additional indebtedness which may be incurred
 18 by borrowing money or issuing bonds for the construction of
 19 a sewer system or for the procurement of a water supply or
 20 for both such purposes may not in the aggregate exceed 10%
 21 over and above the 27% 39% referred to in 7-7-107 of the
 22 taxable value of the property therein subject to taxation as
 23 ascertained by the last assessment for state and county
 24 taxes."

25 SECTION 22. SECTION 7-7-2101, MCA, IS AMENDED TO READ:

1 "7-7-2101. Limitation on amount of county
2 indebtedness. (1) No county may become indebted in any
3 manner or for any purpose to an amount, including existing
4 indebtedness, in the aggregate exceeding ~~10%~~ 23% of the
5 taxable value of the property therein subject to taxation as
6 ascertained by the last assessment for state and county
7 taxes previous to the incurring of such indebtedness.

8 (2) No county may incur indebtedness or liability for
9 any single purpose to an amount exceeding \$40,000 without
10 the approval of a majority of the electors thereof voting at
11 an election to be provided by law, except as provided in
12 7-21-3413 and 7-21-3414."

13 SECTION 23. SECTION 7-7-2203, MCA, IS AMENDED TO READ:

14 "7-7-2203. Limitation on amount of bonded
15 indebtedness. (1) Except as provided in subsections (2) and
16 (3), no county may issue general obligation bonds for any
17 purpose which, with all outstanding bonds and warrants
18 except county high school bonds and emergency bonds, will
19 exceed ~~9%~~ 11.25% of the taxable value of the property
20 therein, to be ascertained by the last assessment for state
21 and county taxes prior to the proposed issuance of bonds.

22 (2) A county may issue bonds which, with all
23 outstanding bonds and warrants, will exceed ~~9%~~ 11.25% but
24 will not exceed ~~29%~~ 37% of the taxable value of such
25 property, when necessary to do so, for the purpose of

1 acquiring land for a site for county high school buildings
2 and for erecting or acquiring buildings thereon and
3 furnishing and equipping the same for county high school
4 purposes.

5 (3) The foregoing limitation shall not apply to
6 refunding bonds issued for the purpose of paying or retiring
7 county bonds lawfully issued prior to January 1, 1932."

8 SECTION 24. SECTION 7-7-4201, MCA, IS AMENDED TO READ:

9 "7-7-4201. Limitation on amount of bonded
10 indebtedness. (1) Except as otherwise provided, no city or
11 town may issue bonds or incur other indebtedness for any
12 purpose in an amount which with all outstanding and unpaid
13 indebtedness will exceed ~~10%~~ 28% of the taxable value of the
14 property therein subject to taxation, to be ascertained by
15 the last assessment for state and county taxes.

16 (2) The issuing of bonds for the purpose of funding or
17 refunding outstanding warrants or bonds is not the incurring
18 of a new or additional indebtedness but is merely the
19 changing of the evidence of outstanding indebtedness."

20 SECTION 25. SECTION 7-7-4202, MCA, IS AMENDED TO READ:

21 "7-7-4202. Special provisions relating to water and
22 sewer systems. (1) Notwithstanding the provisions of
23 7-7-4201, for the purpose of constructing a sewer system,
24 procuring a water supply, or constructing or acquiring a
25 water system for a city or town which owns and controls the

1 water supply and water system and devotes the revenues
 2 therefrom to the payment of the debt, a city or town may
 3 incur an additional indebtedness by borrowing money or
 4 issuing bonds.

5 (2) The additional total indebtedness that may be
 6 incurred by borrowing money or issuing bonds for the
 7 construction of a sewer system, for the procurement of a
 8 water supply, or for both such purposes, including all
 9 indebtedness theretofore contracted which is unpaid or
 10 outstanding, may not in the aggregate exceed ~~36%~~ 55% over
 11 and above the ~~10%~~ 20%, referred to in 7-7-4201, of the
 12 taxable value of the property therein subject to taxation as
 13 ascertained by the last assessment for state and county
 14 taxes."

15 SECTION 26. SECTION 7-13-4103, MCA, IS AMENDED TO

16 READ:

17 "7-13-4103. Limitation on indebtedness for acquisition
 18 of natural gas system. The total amount of indebtedness
 19 authorized to be contracted in any form, including the
 20 then-existing indebtedness, must not at any time exceed ~~11%~~
 21 17% of the total taxable value of the property of the city
 22 or town subject to taxation as ascertained by the last
 23 assessment for state and county taxes."

24 SECTION 27. SECTION 7-14-236, MCA, IS AMENDED TO READ:

25 "7-14-236. Limitation on bonded indebtedness. The

1 amount of bonds issued to provide funds for the district and
 2 outstanding at any time shall not exceed ~~5%~~ 20% of the
 3 taxable value of taxable property therein as ascertained by
 4 the last assessment for state and county taxes previous to
 5 the issuance of such bonds."

6 SECTION 28. SECTION 7-14-2524, MCA, IS AMENDED TO

7 READ:

8 "7-14-2524. Limitation on amount of bonds issued --
 9 excess void. (1) Except as otherwise provided hereafter and
 10 in 7-7-2203 and 7-7-2204, no county shall issue bonds which,
 11 with all outstanding bonds and warrants except county high
 12 school bonds and emergency bonds, will exceed ~~9%~~ 11.25% of
 13 the taxable value of the property therein. The taxable
 14 property shall be ascertained by the last assessment for
 15 state and county taxes prior to the issuance of such bonds.

16 (2) A county may issue bonds which, with all
 17 outstanding bonds and warrants except county high school
 18 bonds, will exceed ~~9%~~ 11.25% but will not exceed ~~10%~~ 22.5%
 19 of the taxable value of such property when necessary for the
 20 purpose of replacing, rebuilding, or repairing county
 21 buildings, bridges, or highways which have been destroyed or
 22 damaged by an act of God, disaster, catastrophe, or
 23 accident.

24 (3) The value of the bonds issued and all other
 25 outstanding indebtedness of the county, except county high

1 school bonds, shall not exceed ~~18%~~ 22.5% of the taxable
 2 value of the property within the county as ascertained by
 3 the last preceding general assessment."

4 SECTION 29. SECTION 7-14-2525, MCA, IS AMENDED TO
 5 READ:

6 "7-14-2525. Refunding agreements and refunding bonds
 7 authorized. (1) Whenever the total indebtedness of a county
 8 exceeds ~~18%~~ 22.5% of the taxable value of the property
 9 therein and the board determines that the county is unable
 10 to pay such indebtedness in full, the board may:

11 (a) negotiate with the bondholders for an agreement
 12 whereby the bondholders agree to accept less than the full
 13 amount of the bonds and the accrued unpaid interest thereon
 14 in satisfaction thereof;

15 (b) enter into such agreement;

16 (c) issue refunding bonds for the amount agreed upon.

17 (2) These bonds may be issued in more than one series,
 18 and each series may be either amortization or serial bonds.

19 (3) The plan agreed upon between the board and the
 20 bondholders shall be embodied in full in the resolution
 21 providing for the issue of the bonds."

22 SECTION 30. SECTION 7-14-4402, MCA, IS AMENDED TO
 23 READ:

24 "7-14-4402. Limit on indebtedness to provide bus
 25 service. The total amount of indebtedness authorized under

1 7-14-4401(1) to be contracted in any form, including the
 2 then-existing indebtedness, may not at any time exceed ~~18%~~
 3 28% of the total taxable value of the property of the city
 4 or town subject to taxation as ascertained by the last
 5 assessment for state and county taxes. No money may be
 6 borrowed or bonds issued for the purposes specified in
 7 7-14-4401(1) until the proposition has been submitted to the
 8 vote of the taxpayers of the city or town and the majority
 9 vote cast in its favor."

10 SECTION 31. SECTION 7-16-2327, MCA, IS AMENDED TO
 11 READ:

12 "7-16-2327. Indebtedness for park purposes. (1)
 13 Subject to the provisions of subsection (2), a county park
 14 board, in addition to powers and duties now given under law,
 15 shall have the power and duty to contract an indebtedness in
 16 behalf of a county, upon the credit thereof, for the
 17 purposes of 7-16-2321(1) and (2).

18 (2) (a) The total amount of indebtedness authorized to
 19 be contracted in any form, including the then-existing
 20 indebtedness, must not at any time exceed ~~3%~~ 13% of the
 21 taxable value of the taxable property of in the county
 22 ascertained by the last assessment for state and county
 23 taxes previous to the incurring of such indebtedness.

24 (b) No money ~~must~~ may be borrowed on bonds issued for
 25 the purchase of lands and improving same for any such

1 purpose until the proposition has been submitted to the vote
 2 of those qualified under the provisions of the state
 3 constitution to vote at such election in the county affected
 4 thereby and a majority vote is cast in favor thereof."

5 SECTION 32. SECTION 7-16-4104, MCA, IS AMENDED TO
 6 READ:

7 "7-16-4104. Authorization for municipal indebtedness
 8 for various cultural, social, and recreational purposes. (1)
 9 A city or town council or commission may contract an
 10 indebtedness on behalf of the city or town, upon the credit
 11 thereof, by borrowing money or issuing bonds:

12 (a) for the purpose of purchasing and improving lands
 13 for public parks and grounds;

14 (b) for procuring by purchase, construction, or
 15 otherwise swimming pools, athletic fields, skating rinks,
 16 playgrounds, museums, a golf course, a site and building for
 17 a civic center, a youth center, or combination thereof; and

18 (c) for furnishing and equipping the same.

19 (2) The total amount of indebtedness authorized to be
 20 contracted in any form, including the then-existing
 21 indebtedness, may not at any time exceed ~~3%~~ 16.5% of the
 22 taxable value of the taxable property of the city or town as
 23 ascertained by the last assessment for state and county
 24 taxes previous to the incurring of such indebtedness. No
 25 money may be borrowed on bonds issued for the purchase of

1 lands and improving the same for any such purpose until the
 2 proposition has been submitted to the vote of the qualified
 3 electors of the city or town and a majority vote is cast in
 4 favor thereof."

5 SECTION 33. SECTION 7-31-106, MCA, IS AMENDED TO READ:

6 "7-31-106. Authorization for county to issue bonds --
 7 election required. (1) If the petition is presented to the
 8 board of county commissioners, it shall be the duty of the
 9 board, for the purpose of raising money to meet the payments
 10 under the terms and conditions of said contract and other
 11 necessary and proper expenses in and about the same and for
 12 the approval or disapproval thereof:

13 (a) to ascertain, within 30 days after submission of
 14 the petition, the existing indebtedness of the county in the
 15 aggregate; and

16 (b) to submit, within 60 days after ascertaining the
 17 same, to the electors of such county the proposition to
 18 approve or disapprove the contract and the issuance of bonds
 19 necessary to carry out the same.

20 (2) The amount of the bonds authorized by this section
 21 ~~shall~~ may not exceed ~~5%~~ 22.5% of the taxable value of the
 22 taxable property therein, inclusive of the existing
 23 indebtedness thereof, to be ascertained by the last
 24 assessment for state and county taxes previous to the
 25 issuance of said bonds and incurring of said indebtedness."

1 SECTION 34. SECTION 7-31-107, MCA, IS AMENDED TO READ:

2 "7-31-107. Authorization for municipality to issue
3 bonds -- election required. (1) If said petition is
4 presented to the council of any incorporated city or town,
5 the council, for the purpose of raising money to meet the
6 payments under the terms and conditions of said contract and
7 other necessary and proper expenses in and about the same
8 and for the approval or disapproval thereof:

9 (a) shall ascertain, within 30 days after submission
10 of the petition, the aggregate indebtedness of such city or
11 town; and

12 (b) shall submit, within 60 days after ascertaining
13 the same, to the electors of such city or town the
14 proposition to approve or disapprove said contract and the
15 issuance of bonds necessary to carry out the same.

16 (2) The amount of the bonds authorized by this section
17 shall ~~may~~ not exceed 3% ~~16.5%~~ of the taxable value of the
18 taxable property therein, inclusive of the existing
19 indebtedness thereof, to be ascertained in the manner
20 provided in this part."

21 SECTION 35. SECTION 7-34-2131, MCA, IS AMENDED TO
22 READ:

23 "7-34-2131. Hospital district bonds authorized. (1) A
24 hospital district may borrow money by the issuance of its
25 bonds to provide funds for payment of part or all of the

1 cost of acquisition, furnishing, equipment, improvement,
2 extension, and betterment of hospital facilities and to
3 provide an adequate working capital for a new hospital.

4 (2) The amount of bonds issued for such purpose and
5 outstanding at any time shall ~~may~~ not exceed 5% ~~22.5%~~ of the
6 taxable value of the property therein as ascertained by the
7 last assessment for state and county taxes previous to the
8 issuance of such bonds.

9 (3) Such bonds shall be authorized, sold, and issued
10 and provisions made for their payment in the manner and
11 subject to the conditions and limitations prescribed for
12 bonds of second- or third-class school districts by Title
13 20, chapter 9, part 4.

14 (4) Nothing herein shall be construed to preclude the
15 provisions of Title 50, chapter 6, part 1, allowing the
16 state to apply for and accept federal funds."

17 SECTION 36. SECTION 19-11-503, MCA, IS AMENDED TO
18 READ:

19 "19-11-503. Special tax levy for fund required. (1)
20 The purpose of this section is to provide a means by which
21 each disability and pension fund may be maintained at a
22 level equal to 2% ~~3%~~ of the taxable valuation of all taxable
23 property within the limits of the city or town.

24 (2) Whenever the fund contains less than 2% ~~3%~~ of the
25 taxable valuation of all taxable property within the limits

1 of the city or town, the governing body of the city or town
 2 shall, at the time of the levy of the annual tax, levy a
 3 special tax as provided in 19-11-504. The special tax shall
 4 be collected as other taxes are collected and, when so
 5 collected, shall be paid into the disability and pension
 6 fund."

7 SECTION 37. SECTION 19-11-504, MCA, IS AMENDED TO
 8 READ:

9 "19-11-504. Amount of special tax levy. (1) Whenever
 10 the total amount of the fund is less than 2% 3% of the
 11 taxable valuation of all taxable property within the limits
 12 of the city or town, the special tax levy shall be:

13 (a) not less than 1 mill or more than 4 mills on each
 14 dollar of taxable valuation of all taxable property within
 15 the limits of the city or town; and

16 (b) an amount sufficient to provide a growth per year
 17 in the fund, considering all sources of income to the fund
 18 and the payment of obligations out of the fund, equal to the
 19 sum produced by 1 mill levied on the taxable valuation of
 20 all the taxable property in the city or town.

21 (2) The special tax levy shall be a fractional part of
 22 1 mill whenever:

23 (a) the total amount of the fund is less than 2% 3%
 24 but more than ~~1%~~ 1.5% of the taxable valuation of all
 25 taxable property within the city or town; and

1 (b) the special tax levy of a fractional part of 1
 2 mill will produce sufficient revenue to cause the fund,
 3 considering all sources of income to the fund and all
 4 payments to be made out of the fund, to exceed 2% 3% of the
 5 taxable valuation of all taxable property within the city or
 6 town.

7 (3) In cities of the third class, when the fund
 8 contains an amount which is less than 2% 3% of the taxable
 9 valuation of all taxable property in the city or town, the
 10 city council shall levy an annual special tax of not less
 11 than 1 mill and not more than 4 mills on each dollar of
 12 taxable valuation of all taxable property within the city or
 13 town."

14 SECTION 38. SECTION 20-9-406, MCA, IS AMENDED TO READ:

15 "20-9-406. Limitations on amount of bond issue. (1)
 16 The maximum amount for which each school district may become
 17 indebted by the issuance of bonds, including all
 18 indebtedness represented by outstanding bonds of previous
 19 issues and registered warrants, is 29% 45% of the taxable
 20 value of the property subject to taxation as ascertained by
 21 the last completed assessment for state, county, and school
 22 taxes previous to the incurring of such indebtedness. The
 23 29% 45% maximum, however, may not pertain to indebtedness
 24 imposed by special improvement district obligations or
 25 assessments against the school district. All bonds issued

1 in excess of such amount shall be null and void, except as
2 provided in this section.

3 (2) When the total indebtedness of a school district
4 has reached the 29% ~~45%~~ limitation prescribed in this
5 section, the school district may pay all reasonable and
6 necessary expenses of the school district on a cash basis in
7 accordance with the financial administration provisions of
8 this chapter.

9 (3) Whenever bonds are issued for the purpose of
10 refunding bonds, any moneys to the credit of the debt
11 service fund for the payment of the bonds to be refunded are
12 applied towards the payment of such bonds and the refunding
13 bond issue is decreased accordingly."

14 SECTION 39. SECTION 20-9-502, MCA, IS AMENDED TO READ:

15 "20-9-502. Purpose and authorization of a building
16 reserve fund by an election. (1) The trustees of any
17 district, with the approval of the qualified electors of the
18 district, may establish a building reserve for the purpose
19 of raising money for the future construction, equipping, or
20 enlarging of school buildings or for the purpose of
21 purchasing land needed for school purposes in the district.
22 In order to submit to the qualified electors of the district
23 a building reserve proposition for the establishment of or
24 addition to a building reserve, the trustees shall pass a
25 resolution that specifies:

1 (a) the purpose or purposes for which the new or
2 addition to the building reserve will be used;

3 (b) the duration of time over which the new or
4 addition to the building reserve will be raised in annual,
5 equal installments;

6 (c) the total amount of money that will be raised
7 during the duration of time specified in subsection (1)(b);
8 and

9 (d) any other requirements under 20-20-201 for the
10 calling of an election.

11 (2) The total amount of building reserve when added to
12 the outstanding indebtedness of the district shall not be
13 more than 5% ~~45%~~ of the taxable value of the taxable
14 property of the district. Such limitation shall be
15 determined in the manner provided in 20-9-406. A building
16 reserve tax authorization shall not be for more than 20
17 years.

18 (3) The election shall be conducted in accordance with
19 the school election laws of this title, and the electors
20 qualified to vote in the election shall be qualified under
21 the provisions of 20-20-301. The ballot for a building
22 reserve proposition shall be substantially in the following
23 form:

24 OFFICIAL BALLOT

25 SCHOOL DISTRICT BUILDING RESERVE ELECTION

1 INSTRUCTIONS TO VOTERS: Make an X or similar mark in
 2 the vacant square before the words "BUILDING RESERVE--YES"
 3 if you wish to vote for the establishment of a building
 4 reserve (addition to the building reserve); if you are
 5 opposed to the establishment of a building reserve (addition
 6 to the building reserve) make an X or similar mark in the
 7 square before the words "BUILDING RESERVE--NO".

8 Shall the trustees be authorized to impose an
 9 additional levy each year for years to establish a
 10 building reserve (add to the building reserve) of this
 11 school district to raise a total amount of dollars
 12 (\$....), for the purpose(s) (here state the purpose or
 13 purposes for which the building reserve will be used)?

14 BUILDING RESERVE--YES.

15 BUILDING RESERVE--NO.

16 (4) The building reserve proposition shall be approved
 17 if a majority of those electors voting at the election
 18 approve the establishment of or addition to such building
 19 reserve. The annual budgeting and taxation authority of the
 20 trustees for a building reserve shall be computed by
 21 dividing the total authorized amount by the specified number
 22 of years. The authority of the trustees to budget and
 23 impose the taxation for the annual amount to be raised for
 24 the building reserve shall lapse when, at a later time, a
 25 bond issue is approved by the qualified electors of the

1 district for the same purpose or purposes for which the
 2 building reserve fund of the district was established.
 3 Whenever a subsequent bond issue is made for the same
 4 purpose or purposes of a building reserve, the money in the
 5 building reserve shall be used for such purpose or purposes
 6 before any money realized by the bond issue is used."

7 SECTION 40. SECTION 85-7-2001, MCA, IS AMENDED TO

8 READ:

9 "85-7-2001. Limitations on debt-incurring power. (1)
 10 The board of commissioners or other officers of the district
 11 may not incur any debt or liability, either by issuing bonds
 12 or otherwise, except as provided in this chapter. No
 13 irrigation district may become indebted, in any manner or
 14 for any purpose in any one year, in an amount exceeding 15%
 15 18.75% of the assessed valuation of the district, except as
 16 provided in subsection (2).

17 (2) (a) For the purpose of organization; for any of
 18 the immediate purposes of this chapter; to make or purchase
 19 surveys, plans, and specifications; for stream gauging and
 20 gathering data; or to make any repairs occasioned by any
 21 calamity or other unforeseen contingency, the board of
 22 commissioners may, in any one year, incur the indebtedness
 23 of as many dollars as there are acres in the district and
 24 may cause warrants of the district to issue therefor.

25 (b) For the purpose of organization, for any of the

1 immediate purposes of this chapter, or to meet the expenses
 2 occasioned by any calamity or other unforeseen contingency,
 3 the board of commissioners may, in any one year, incur (in
 4 addition to the ~~15%~~ 18.75% limitation of subsection (1)) an
 5 additional indebtedness not exceeding ~~10%~~ 12.5% of the
 6 assessed valuation of the district and may cause warrants of
 7 the district to issue therefor.

8 (c) The limitation of subsection (1) does not apply to
 9 warrants issued for unpaid interest on the valid bonds of
 10 any irrigation district.

11 (d) The limitation of subsection (1) does not apply to
 12 any bonds issued under this chapter pursuant to a provision
 13 which expressly supersedes the limitation.

14 (3) Any debt or liability incurred in excess of the
 15 limitations provided by the irrigation district laws is
 16 void."

17 SECTION 41. VALIDATION. NOTWITHSTANDING ANY PROVISIONS
 18 OF THIS ACT, ANY OUTSTANDING INDEBTEDNESS OR BOND ISSUE ON
 19 JANUARY 1, 1982, OF ANY GOVERNMENTAL SUBDIVISION IS NOT
 20 INVALIDATED BECAUSE OF ANY CHANGES IN THE TAXABLE VALUATION
 21 OF THE SUBDIVISION DUE TO REMOVAL OF AUTOMOBILES AND TRUCKS
 22 HAVING A RATED CAPACITY OF THREE-QUARTERS OF A TON OR LESS
 23 FROM THE TAX BASE.

24 Section 42. Codification instruction. (1) Section 9 is
 25 intended to be codified as an integral part of Title 61,

1 chapter 3, part 3, and the provisions of Title 61, chapter
 2 3, part 3, apply to section 9.

3 (2) Sections 10 and 11 are intended to be codified as
 4 integral parts of Title 61, chapter 3, part 5, and the
 5 provisions of Title 61, chapter 3, part 5, apply to sections
 6 10 and 11.

7 (3) Section 12 is intended to be codified as an
 8 integral part of Title 61, chapter 1, part 1, and section 12
 9 applies to Title 61, and Title 61 applies to section 12.

10 Section 43. Applicability. This act is applicable to
 11 automobiles and light trucks registered during and after
 12 1982.

-End-

1 HOUSE BILL NO. 428

2 INTRODUCED BY NORDTVEDT, GOODOVER, FABREGA

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH A UNIFORM
5 VEHICLE TAX SYSTEM FOR AUTOMOBILES AND LIGHT TRUCKS;
6 PROVIDING FOR THE DISPOSITION OF THE TAX; PROVIDING FOR
7 REREGISTRATION BY MAIL; ADJUSTING THE PERCENTAGE LIMITS ON
8 CERTAIN FINANCIAL ACTIVITIES BY LOCAL GOVERNMENTS BECAUSE OF
9 THE CHANGE IN TAX BASE; AND AMENDING SECTIONS 7-1-2111,
10 7-3-1321, 7-6-2211, 7-6-4121, 7-6-4254, 7-7-107, 7-7-108,
11 7-7-2101, 7-7-2203, 7-7-4201, 7-7-4202, 7-13-4103, 7-14-236,
12 7-14-2524, 7-14-2525, 7-14-4402, 7-16-2327, 7-16-4104,
13 7-31-106, 7-31-107, 7-34-2131, 15-6-139, 15-6-140, 15-8-201,
14 15-8-202, 19-11-503, 19-11-504, 20-9-406, 20-9-502,
15 61-3-303, 61-3-304, 61-3-322, 61-3-503, 61-3-504, AND
16 61-3-509, AND 85-7-2001, MCA."

17
18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

19 Section 1. Section 15-6-139, MCA, is amended to read:

20 "15-6-139. Class nine property -- description --
21 taxable percentage. (1) Class nine property includes:22 (a) ~~automobiles, buses, and trucks weighing 1 1/2 tons~~
23 ~~or less with a GVW-rated capacity of more than~~
24 ~~three-quarters of a ton and equal to or less than 1 1/2~~
25 tons, AND BUSES;

1 (b) stock, camping, and travel trailers;

2 (c) truck campers and toppers weighing more than 300
3 pounds, except those included in class five;

4 (d) motor homes except those included in class five;

5 (e) furniture, fixtures, and equipment, except that
6 specifically included in another class, used in commercial
7 establishments as defined in this section;

8 (f) x-ray and medical and dental equipment; and

9 (g) citizens' band radios and mobile telephones.

10 (2) "Commercial establishment" includes any hotel;
11 motel; office; petroleum marketing station; or service,
12 wholesale, retail, or food-handling business.13 (3) Class nine property is taxed at 13% of its market
14 value."

15 Section 2. Section 15-6-140, MCA, is amended to read:

16 "15-6-140. Class ten property -- description --
17 taxable percentage. (1) Class ten property includes:18 (a) radio and television broadcasting and transmitting
19 equipment;

20 (b) cable television systems;

21 (c) centrally assessed utility allocations after
22 deductions of locally assessed properties, except as
23 provided in:24 (i) class five for cooperative rural electrical and
25 cooperative rural telephone associations; and

1 (ii) class seven for rural telephone and electrical
 2 organizations;
 3 (d) coal and ore haulers;
 4 (e) trucks weighing with a GVW-rated capacity of more
 5 than 1 1/2 tons, including those prorated under 15-24-102;
 6 (f) trailers, except those included in classes five,
 7 eight, or nine, including those prorated under 15-24-102;
 8 (g) theater projectors and sound equipment; and
 9 (h) all other property not included in the preceding
 10 nine classes.

11 (2) Class ten property is taxed at 16% of its market
 12 value."

13 Section 3. Section 61-3-303, MCA, is amended to read:

14 "61-3-303. Application for registration. (1) Every
 15 owner of a motor vehicle operated or driven upon the public
 16 highways of this state shall for each motor vehicle owned,
 17 except as herein otherwise expressly provided, file or cause
 18 to be filed in the office of the county treasurer where the
 19 motor vehicle is owned or taxable an application for
 20 registration or reregistration upon a blank form to be
 21 prepared and furnished by the division. The application
 22 shall contain:

23 (a) name and address of owner, giving county, school
 24 district, and town or city within whose corporate limits the
 25 motor vehicle is taxable;

1 (b) name and address of the holder of any security
 2 interest in the motor vehicle;

3 (c) description of motor vehicle, including make, year
 4 model, engine or serial number, manufacturer's model or
 5 letter, gross weight, type of body, and if truck, the rated
 6 capacity;

7 (d) in case of reregistration, the license number for
 8 the preceding year; and

9 (e) such other information as the division may
 10 require.

11 (2) A person who files an application for registration
 12 or reregistration of a motor vehicle, except of a mobile
 13 home as defined in 15-1-101(1), shall upon the filing of the
 14 application pay to the county treasurer:

15 (a) the registration fee, as provided in 61-3-311 and
 16 61-3-321; and

17 (b) the personal property taxes assessed, the new
 18 motor vehicle sales tax against the vehicle for the current
 19 year of registration, or in the case of a motor home, travel
 20 trailer, or camper, the fee in lieu of property tax for the
 21 current year of registration, unless the same shall have
 22 been theretofore paid for the year, before the application
 23 for registration or reregistration may be accepted by the
 24 county treasurer.

25 (3) The county treasurer may make full and complete

1 investigation of the tax status of the vehicle. Any
 2 applicant for registration or reregistration must submit
 3 proof from the tax records of the proper county at the
 4 request of the county treasurer.

5 (4) Vehicles subject to the uniform state vehicle tax
 6 provided for in [section 10] shall be registered under the
 7 procedure set forth in subsections (1) through (3) for their
 8 initial registration by an owner. Reregistration of such
 9 vehicle by the same owner shall be governed by the
 10 provisions of [section 9]."

11 Section 4. Section 61-3-304, MCA, is amended to read:

12 "61-3-304. Previous registration receipt to accompany
 13 application for registration. (1) The treasurer of any
 14 county shall not accept any application for registration or
 15 reregistration of any motor vehicle unless such application
 16 be accompanied by the immediately previous registration
 17 receipt issued by the division or an affidavit upon a form
 18 prescribed by the division stating under oath that the
 19 vehicle had not been operated on the highways of the state
 20 during the immediately previous year, except in cases of
 21 automobiles not previously licensed in Montana. No
 22 application for registration or reregistration of any motor
 23 vehicle hereafter need be verified.

24 (2) The requirements of this section do not apply to
 25 the reregistration of vehicles under [section 9]."

1 Section 5. Section 61-3-322, MCA, is amended to read:
 2 "61-3-322. Certificates of registration -- issuance.
 3 Except as provided in [section 9]:

4 (1) ~~Upon~~ upon completion of the application for
 5 registration on forms furnished by the division, the county
 6 treasurer shall file one copy in his office and issue to the
 7 applicant two copies of the application marked "Owner's
 8 Certificate of Registration and Tax Receipt", one of which
 9 shall be marked "file copy"=i

10 (2) ~~The~~ the certificate of registration shall contain
 11 upon the face thereof the information described in
 12 61-3-202(2)=i

13 (3) ~~Every~~ every owner, upon receiving a registration
 14 receipt, shall write his signature thereon with pen and ink
 15 in the space provided. Every registration receipt or a
 16 notarized photostatic copy or a duplicate thereof furnished
 17 by the division shall at all times be carried in the vehicle
 18 to which it refers or shall be carried by the person driving
 19 or in control of such vehicle, who shall display it upon
 20 demand of a police officer or any officer or employee of the
 21 division or the highway department=i

22 (4) ~~The~~ the county treasurer shall daily forward to
 23 the division one copy of all applications for registration
 24 received that day=i

25 (5) ~~It~~ it shall not be necessary for the county

1 treasurer to segregate the amount of taxes for state,
2 county, school district, and municipal purposes in the
3 receipt."

4 Section 6. Section 61-3-503, MCA, is amended to read:

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

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

24 (3) Vehicles subject to the provisions of 61-3-313
25 through 61-3-316 shall be assessed as of the first day of

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

5 Section 7. Section 61-3-504, MCA, is amended to read:

6 "61-3-504. Computation of tax. The amount of taxes on
7 a motor vehicle, other than a motor home, travel trailer,
8 automobile, light truck, or a mobile home as defined in
9 15-1-101(1), is computed and determined by the county
10 treasurer on the basis of the levy of the year preceding the
11 current year of application for registration or
12 reregistration. The determination is entered on the
13 application form in a space provided therefor."

14 Section 8. Section 61-3-509, MCA, is amended to read:

15 "61-3-509. Disposition of taxes and fees in lieu of
16 tax. Except as provided in [section 11], ~~the~~ the county
17 treasurer shall credit all taxes on motor vehicles and fees
18 in lieu of tax on motor homes and travel trailers collected
19 to a motor vehicle suspense fund, and at some time between
20 March 1 and March 10 of each year and every 60 days
21 thereafter, the county treasurer shall distribute the money
22 in the motor vehicle suspense fund in the relative
23 proportions required by the levies for state, county, school
24 district, and municipal purposes in the same manner as other
25 personal property taxes are distributed."

1 NEW SECTION. Section 9. Renewal of registration --
 2 automobiles and light trucks. The motor vehicle division of
 3 the department of justice shall prepare notices of
 4 reregistration for automobiles and light trucks, and in a
 5 timely manner forward the notices to the department of
 6 revenue. ~~The department of revenue shall~~ calculate the
 7 registration fee and tax due for each automobile or light
 8 truck and mail the renewal notice to the owner of the
 9 vehicle. The owner of a vehicle may pay the amount due
 10 directly by mail to the department of revenue or in person
 11 to the county treasurer of the county in which the vehicle
 12 is registered. If the tax is paid by mail, the department
 13 COUNTY TREASURER shall ~~notify the motor vehicle division of~~
 14 ~~the department of justice; the division shall then~~ mail the
 15 registration and tax receipt to the vehicle owner. ~~if the~~
 16 ~~tax is paid to the county treasurer, the treasurer shall~~
 17 ~~issue the registration and tax receipt at that time.~~

18 NEW SECTION. Section 10. Uniform state vehicle tax.
 19 (1) The owner of an automobile or light truck shall pay a
 20 uniform state vehicle tax of \$15 plus 2 1/2% 3 1/2% of the
 21 average trade-in value of the vehicle as contained in the
 22 most recent, COMPREHENSIVE, SEMIANNUAL volume of the
 23 Mountain States Edition of the National Automobile Dealers
 24 Association Official Used Car Guide.

25 (2) If a vehicle is of such an age that it is not

1 contained in the most recent, COMPREHENSIVE, SEMIANNUAL
 2 volume of the used car guide referred to in subsection (1),
 3 the tax is \$20.

4 NEW SECTION. Section 11. Disposition of uniform state
 5 vehicle tax. The department of revenue and county treasurers
 6 TREASURER shall distribute the tax collected under [section
 7 10] ~~in the following manner:~~

8 (1) ~~17.5% of the tax shall be distributed to the state~~
 9 ~~school equalization aid account;~~

10 (2) ~~2.5% of the tax shall be distributed to the~~
 11 ~~earmarked revenue fund for the support, maintenance, and~~
 12 ~~improvement of the Montana university system and other~~
 13 ~~public educational institutions subject to the board of~~
 14 ~~regents' supervision;~~

15 (3) ~~80% of the tax shall be distributed to the local~~
 16 ~~government units where the vehicle is registered to be~~
 17 ~~allocated in proportion to all of the mill levy funds of~~
 18 ~~that taxing jurisdiction THE COUNTY, excluding the 25-mill~~
 19 ~~mandatory levy for elementary schools, the 15-mill mandatory~~
 20 ~~levy for high schools, and the 6-mill levy for the~~
 21 ~~university system.~~

22 NEW SECTION. Section 12. Light truck. "Light truck"
 23 means a truck whose GVW-rated capacity is three-quarters of
 24 a ton or less.

25 SECTION 13. SECTION 15-8-201, MCA, IS AMENDED TO READ:

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

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

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

18 **(b) automobiles and trucks having a rated capacity of**
 19 **three-quarters of a ton or less;**

20 ~~(b)(c)~~ motor homes and travel trailers subject to a
 21 fee in lieu of property tax;

22 ~~(b)(d)~~ livestock;

23 ~~(b)(e)~~ property defined in 61-1-104(2) as "special
 24 mobile equipment" that is subject to assessment for personal
 25 property taxes on the date that application is made for a

1 special mobile equipment plate; and
 2 ~~(e)(f)~~ mobile homes held by a distributor or dealer of
 3 mobile homes as a part of his stock-in-trade.

4 (3) Credits must be assessed as provided in
 5 15-1-101(1)(c)."

6 SECTION 14. SECTION 15-8-202, MCA, IS AMENDED TO READ:

7 "15-8-202. Motor vehicle assessment. (1) (a) The
 8 department or its agent must, in each year, ascertain and
 9 assess all motor vehicles other than automobiles, trucks
 10 having a rated capacity of three-quarters of a ton or less,
 11 motor homes, travel trailers, or mobile homes in each county
 12 subject to taxation as of January 1 or as of the anniversary
 13 registration date of those vehicles subject to 61-3-313
 14 through 61-3-316 and 61-3-501. The motor vehicles shall be
 15 assessed in each year to the persons by whom owned or
 16 claimed or in whose possession or control they were at
 17 midnight of January 1 or the anniversary registration date
 18 thereof, whichever is applicable.

19 (b) No tax may be assessed against motor vehicles
 20 subject to taxation that constitute inventory of motor
 21 vehicle dealers as of January 1. These vehicles and all
 22 other motor vehicles subject to taxation brought into the
 23 state subsequent to January 1 as motor vehicle dealers'
 24 inventories shall be assessed to their respective purchasers
 25 as of the dates the vehicles are registered by the

1 purchasers.

2 (c) "Purchasers" includes dealers who apply for
3 registration or reregistration of motor vehicles, except as
4 otherwise provided by 61-3-502.

5 (d) Goods, wares, and merchandise of motor vehicle
6 dealers, other than new motor vehicles and new mobile homes,
7 shall be assessed at market value as of January 1.

8 (2) In all cases where taxes or a fee in lieu of tax
9 were required to be paid, the applicant for registration or
10 reregistration of a motor vehicle, other than a mobile home,
11 is not relieved of the duty of paying taxes or the fee in
12 lieu of tax if the taxes or fees have not been paid by a
13 prior applicant or owner."

14 SECTION 15. SECTION 7-1-2111, MCA, IS AMENDED TO READ:

15 "7-1-2111. Classification of counties. (1) For the
16 purpose of regulating the compensation and salaries of all
17 county officers, not otherwise provided for, and for fixing
18 the penalties of officers' bonds, the several counties of
19 this state shall be classified according to that percentage
20 of the true and full valuation of the property therein upon
21 which the tax levy is made, as follows:

22 (1)(a) first class--all counties having such a taxable
23 valuation of \$50 million or over;

24 (2)(b) second class--all counties having such a
25 taxable valuation of more than \$30 million and less than \$50

1 million;

2 (3)(c) third class--all counties having such a taxable
3 valuation of more than \$20 million and less than \$30
4 million;

5 (4)(d) fourth class--all counties having such a
6 taxable valuation of more than \$15 million and less than \$20
7 million;

8 (5)(e) fifth class--all counties having such a taxable
9 valuation of more than \$10 million and less than \$15
10 million;

11 (6)(f) sixth class--all counties having such a taxable
12 valuation of more than \$5 million and less than \$10 million;

13 (7)(g) seventh class--all counties having such a
14 taxable valuation of less than \$5 million.

15 (2) As used in this section, taxable valuation means
16 the taxable value of taxable property in the county as of
17 the time of determination plus that portion of the taxable
18 value of the county on December 31, 1981, attributable to
19 automobiles and trucks having a rated capacity of
20 three-quarters of a ton or less."

21 SECTION 16. SECTION 7-3-1321, MCA, IS AMENDED TO READ:

22 "7-3-1321. Authorization to incur indebtedness --
23 limitation. (1) The consolidated municipality may borrow
24 money or issue bonds for any municipal purpose to the extent
25 and in the manner provided by the constitution and laws of

1 Montana for the borrowing of money or issuing of bonds by
2 counties and cities and towns.

3 (2) The municipality ~~shall~~ may not become indebted in
4 any manner or for any purpose to an amount, including
5 existing indebtedness, in the aggregate exceeding 5% ~~28%~~ of
6 the taxable value of the taxable property therein, as
7 ascertained by the last assessment for state and county
8 taxes prior to incurring such indebtedness. All warrants,
9 bonds, or obligations in excess of such amount given by or
10 on behalf of the municipality shall be void."

11 SECTION 17. SECTION 7-6-2211, MCA, IS AMENDED TO READ:

12 "7-6-2211. Authorization to conduct county business on
13 a cash basis. (1) In case the total indebtedness of a
14 county, lawful when incurred, exceeds the limit of 1% ~~22.5%~~
15 established in 7-7-2101 by reason of great diminution of
16 taxable value, the county may conduct its business affairs
17 on a cash basis and pay the reasonable and necessary current
18 expenses of the county out of the cash in the county
19 treasury derived from its current revenue and under such
20 restrictions and regulations as may be imposed by the board
21 of county commissioners of the county by a resolution duly
22 adopted and included in the minutes of the board.

23 (2) Nothing in this section restricts the right of the
24 board to make the necessary tax levies for interest and
25 sinking fund purposes, and nothing in this section affects

1 the right of any creditor of the county to pursue any remedy
2 now given him by law to obtain payment of his claim."

3 SECTION 18. SECTION 7-6-4121, MCA, IS AMENDED TO READ:

4 "7-6-4121. Authorization to conduct municipal business
5 on a cash basis. (1) In case the total indebtedness of a
6 city or town has reached ~~11%~~ 17% of the total taxable value
7 of the property of the city or town subject to taxation, as
8 ascertained by the last assessment for state and county
9 taxes, the city or town may conduct its affairs and business
10 on a cash basis as provided by subsection (2).

11 (2) (a) Whenever a city or town is conducting its
12 business affairs on a cash basis, the reasonable and
13 necessary current expenses of the city or town may be paid
14 out of the cash in the city or town treasury and derived
15 from its current revenues, under such restrictions and
16 regulations as the city or town council may by ordinance
17 prescribe.

18 (b) In the event that payment is made in advance, the
19 city or town may require a cash deposit as collateral
20 security and indemnity, equal in amount to such payment, and
21 may hold the same as a special deposit with the city
22 treasurer or town clerk, in package form, as a pledge for
23 the fulfillment and performance of the contract or
24 obligation for which the advance is made.

25 (c) Before the payment of the current expenses

1 mentioned above, the city or town council shall first set
 2 apart sufficient money to pay the interest upon its legal,
 3 valid, and outstanding bonded indebtedness and any sinking
 4 funds therein provided for and shall be authorized to pay
 5 all valid claims against funds raised by tax especially
 6 authorized by law for the purpose of paying such claims."

7 SECTION 19. SECTION 7-6-4254, MCA, IS AMENDED TO READ:

8 "7-6-4254. Limitation on amount of emergency budgets
 9 and appropriations. (1) The total of all emergency budgets
 10 and appropriations made therein in any one year and to be
 11 paid from any city fund shall ~~may~~ not exceed 25% 38% of the
 12 total amount which could be produced for such city fund by a
 13 maximum levy authorized by law to be made for such fund, as
 14 shown by the last completed assessment roll of the county.

15 (2) The term "taxable property", as used herein, means
 16 the percentage of the value at which such property is
 17 assessed and which percentage is used for the purposes of
 18 computing taxes and does not mean the assessed value of such
 19 property as the same appears on the assessment roll."

20 SECTION 20. SECTION 7-7-107, MCA, IS AMENDED TO READ:

21 "7-7-107. Limitation on amount of bonds for
 22 city-county consolidated units. (1) Except as provided in
 23 7-7-108, no city-county consolidated local government may
 24 issue bonds for any purpose which, with all outstanding
 25 indebtedness, may exceed 27% 39% of the taxable value of the

1 property therein subject to taxation as ascertained by the
 2 last assessment for state and county taxes.

3 (2) The issuing of bonds for the purpose of funding or
 4 refunding outstanding warrants or bonds is not the incurring
 5 of a new or additional indebtedness but is merely the
 6 changing of the evidence of outstanding indebtedness."

7 SECTION 21. SECTION 7-7-108, MCA, IS AMENDED TO READ:

8 "7-7-108. Authorization for additional indebtedness
 9 for water or sewer systems. (1) For the purpose of
 10 constructing a sewer system or procuring a water supply or
 11 constructing or acquiring a water system for a city-county
 12 consolidated government which shall own and control such
 13 water supply and water system and devote the revenues
 14 therefrom to the payment of the debt, a city-county
 15 consolidated government may incur an additional indebtedness
 16 by borrowing money or issuing bonds.

17 (2) The additional indebtedness which may be incurred
 18 by borrowing money or issuing bonds for the construction of
 19 a sewer system or for the procurement of a water supply or
 20 for both such purposes may not in the aggregate exceed 10%
 21 over and above the 27% 39% referred to in 7-7-107 of the
 22 taxable value of the property therein subject to taxation as
 23 ascertained by the last assessment for state and county
 24 taxes."

25 SECTION 22. SECTION 7-7-2101, MCA, IS AMENDED TO READ:

1 "7-7-2101. Limitation on amount of county
 2 indebtedness. (1) No county may become indebted in any
 3 manner or for any purpose to an amount, including existing
 4 indebtedness, in the aggregate exceeding ~~10%~~ 23% of the
 5 taxable value of the property therein subject to taxation as
 6 ascertained by the last assessment for state and county
 7 taxes previous to the incurring of such indebtedness.

8 (2) No county may incur indebtedness or liability for
 9 any single purpose to an amount exceeding \$40,000 without
 10 the approval of a majority of the electors thereof voting at
 11 an election to be provided by law, except as provided in
 12 7-21-3413 and 7-21-3414."

13 SECTION 23. SECTION 7-7-2203, MCA, IS AMENDED TO READ:

14 "7-7-2203. Limitation on amount of bonded
 15 indebtedness. (1) Except as provided in subsections (2) and
 16 (3), no county may issue general obligation bonds for any
 17 purpose which, with all outstanding bonds and warrants
 18 except county high school bonds and emergency bonds, will
 19 exceed ~~9%~~ 11.25% of the taxable value of the property
 20 therein, to be ascertained by the last assessment for state
 21 and county taxes prior to the proposed issuance of bonds.

22 (2) A county may issue bonds which, with all
 23 outstanding bonds and warrants, will exceed ~~9%~~ 11.25% but
 24 will not exceed ~~29%~~ 37% of the taxable value of such
 25 property, when necessary to do so, for the purpose of

1 acquiring land for a site for county high school buildings
 2 and for erecting or acquiring buildings thereon and
 3 furnishing and equipping the same for county high school
 4 purposes.

5 (3) The foregoing limitation shall not apply to
 6 refunding bonds issued for the purpose of paying or retiring
 7 county bonds lawfully issued prior to January 1, 1932."

8 SECTION 24. SECTION 7-7-4201, MCA, IS AMENDED TO READ:

9 "7-7-4201. Limitation on amount of bonded
 10 indebtedness. (1) Except as otherwise provided, no city or
 11 town may issue bonds or incur other indebtedness for any
 12 purpose in an amount which with all outstanding and unpaid
 13 indebtedness will exceed ~~10%~~ 28% of the taxable value of the
 14 property therein subject to taxation, to be ascertained by
 15 the last assessment for state and county taxes.

16 (2) The issuing of bonds for the purpose of funding or
 17 refunding outstanding warrants or bonds is not the incurring
 18 of a new or additional indebtedness but is merely the
 19 changing of the evidence of outstanding indebtedness."

20 SECTION 25. SECTION 7-7-4202, MCA, IS AMENDED TO READ:

21 "7-7-4202. Special provisions relating to water and
 22 sewer systems. (1) Notwithstanding the provisions of
 23 7-7-4201, for the purpose of constructing a sewer system,
 24 procuring a water supply, or constructing or acquiring a
 25 water system for a city or town which owns and controls the

1 water supply and water system and devotes the revenues
 2 therefrom to the payment of the debt, a city or town may
 3 incur an additional indebtedness by borrowing money or
 4 issuing bonds.

5 (2) The additional total indebtedness that may be
 6 incurred by borrowing money or issuing bonds for the
 7 construction of a sewer system, for the procurement of a
 8 water supply, or for both such purposes, including all
 9 indebtedness theretofore contracted which is unpaid or
 10 outstanding, may not in the aggregate exceed ~~36%~~ 55% over
 11 and above the ~~18%~~ 28%, referred to in 7-7-4201, of the
 12 taxable value of the property therein subject to taxation as
 13 ascertained by the last assessment for state and county
 14 taxes."

15 SECTION 26. SECTION 7-13-4103, MCA, IS AMENDED TO

16 READ:

17 "7-13-4103. Limitation on indebtedness for acquisition
 18 of natural gas system. The total amount of indebtedness
 19 authorized to be contracted in any form, including the
 20 then-existing indebtedness, must not at any time exceed ~~11%~~
 21 17% of the total taxable value of the property of the city
 22 or town subject to taxation as ascertained by the last
 23 assessment for state and county taxes."

24 SECTION 27. SECTION 7-14-236, MCA, IS AMENDED TO READ:

25 "7-14-236. Limitation on bonded indebtedness. The

1 amount of bonds issued to provide funds for the district and
 2 outstanding at any time shall not exceed ~~5%~~ 28% of the
 3 taxable value of taxable property therein as ascertained by
 4 the last assessment for state and county taxes previous to
 5 the issuance of such bonds."

6 SECTION 28. SECTION 7-14-2524, MCA, IS AMENDED TO

7 READ:

8 "7-14-2524. Limitation on amount of bonds issued --
 9 excess void. (1) Except as otherwise provided hereafter and
 10 in 7-7-2203 and 7-7-2204, no county shall issue bonds which,
 11 with all outstanding bonds and warrants except county high
 12 school bonds and emergency bonds, will exceed ~~9%~~ 11.25% of
 13 the taxable value of the property therein. The taxable
 14 property shall be ascertained by the last assessment for
 15 state and county taxes prior to the issuance of such bonds.

16 (2) A county may issue bonds which, with all
 17 outstanding bonds and warrants except county high school
 18 bonds, will exceed ~~9%~~ 11.25% but will not exceed ~~18%~~ 22.5%
 19 of the taxable value of such property when necessary for the
 20 purpose of replacing, rebuilding, or repairing county
 21 buildings, bridges, or highways which have been destroyed or
 22 damaged by an act of God, disaster, catastrophe, or
 23 accident.

24 (3) The value of the bonds issued and all other
 25 outstanding indebtedness of the county, except county high

1 school bonds, shall not exceed ~~10%~~ 22.5% of the taxable
 2 value of the property within the county as ascertained by
 3 the last preceding general assessment."

4 SECTION 29. SECTION 7-14-2525, MCA, IS AMENDED TO

5 READ:

6 "7-14-2525. Refunding agreements and refunding bonds
 7 authorized. (1) Whenever the total indebtedness of a county
 8 exceeds ~~10%~~ 22.5% of the taxable value of the property
 9 therein and the board determines that the county is unable
 10 to pay such indebtedness in full, the board may:

11 (a) negotiate with the bondholders for an agreement
 12 whereby the bondholders agree to accept less than the full
 13 amount of the bonds and the accrued unpaid interest thereon
 14 in satisfaction thereof;

15 (b) enter into such agreement;

16 (c) issue refunding bonds for the amount agreed upon.

17 (2) These bonds may be issued in more than one series,
 18 and each series may be either amortization or serial bonds.

19 (3) The plan agreed upon between the board and the
 20 bondholders shall be embodied in full in the resolution
 21 providing for the issue of the bonds."

22 SECTION 30. SECTION 7-14-4402, MCA, IS AMENDED TO

23 READ:

24 "7-14-4402. Limit on indebtedness to provide bus
 25 service. The total amount of indebtedness authorized under

1 7-14-4401(1) to be contracted in any form, including the
 2 then-existing indebtedness, may not at any time exceed ~~10%~~
 3 28% of the total taxable value of the property of the city
 4 or town subject to taxation as ascertained by the last
 5 assessment for state and county taxes. No money may be
 6 borrowed or bonds issued for the purposes specified in
 7 7-14-4401(1) until the proposition has been submitted to the
 8 vote of the taxpayers of the city or town and the majority
 9 vote cast in its favor."

10 SECTION 31. SECTION 7-16-2327, MCA, IS AMENDED TO

11 READ:

12 "7-16-2327. Indebtedness for park purposes. (1)
 13 Subject to the provisions of subsection (2), a county park
 14 board, in addition to powers and duties now given under law
 15 shall have the power and duty to contract an indebtedness in
 16 behalf of a county, upon the credit thereof, for the
 17 purposes of 7-16-2321(1) and (2).

18 (2) (a) The total amount of indebtedness authorized to
 19 be contracted in any form, including the then-existing
 20 indebtedness, must not at any time exceed ~~3%~~ 13% of the
 21 taxable value of the taxable property of in the county
 22 ascertained by the last assessment for state and county
 23 taxes previous to the incurring of such indebtedness.

24 (b) No money ~~must~~ may be borrowed on bonds issued for
 25 the purchase of lands and improving same for any such

1 purpose until the proposition has been submitted to the vote
2 of those qualified under the provisions of the state
3 constitution to vote at such election in the county affected
4 thereby and a majority vote is cast in favor thereof."

5 SECTION 32. SECTION 7-16-4104, MCA, IS AMENDED TO
6 READ:

7 "7-16-4104. Authorization for municipal indebtedness
8 for various cultural, social, and recreational purposes. (1)
9 A city or town council or commission may contract an
10 indebtedness on behalf of the city or town, upon the credit
11 thereof, by borrowing money or issuing bonds:

12 (a) for the purpose of purchasing and improving lands
13 for public parks and grounds;

14 (b) for procuring by purchase, construction, or
15 otherwise swimming pools, athletic fields, skating rinks,
16 playgrounds, museums, a golf course, a site and building for
17 a civic center, a youth center, or combination thereof; and

18 (c) for furnishing and equipping the same.

19 (2) The total amount of indebtedness authorized to be
20 contracted in any form, including the then-existing
21 indebtedness, may not at any time exceed ~~3%~~ 16.5% of the
22 taxable value of the taxable property of the city or town as
23 ascertained by the last assessment for state and county
24 taxes previous to the incurring of such indebtedness. No
25 money may be borrowed on bonds issued for the purchase of

1 lands and improving the same for any such purpose until the
2 proposition has been submitted to the vote of the qualified
3 electors of the city or town and a majority vote is cast in
4 favor thereof."

5 SECTION 33. SECTION 7-31-106, MCA, IS AMENDED TO READ:

6 "7-31-106. Authorization for county to issue bonds --
7 election required. (1) If the petition is presented to the
8 board of county commissioners, it shall be the duty of the
9 board, for the purpose of raising money to meet the payments
10 under the terms and conditions of said contract and other
11 necessary and proper expenses in and about the same and for
12 the approval or disapproval thereof:

13 (a) to ascertain, within 30 days after submission of
14 the petition, the existing indebtedness of the county in the
15 aggregate; and

16 (b) to submit, within 60 days after ascertaining the
17 same, to the electors of such county the proposition to
18 approve or disapprove the contract and the issuance of bonds
19 necessary to carry out the same.

20 (2) The amount of the bonds authorized by this section
21 ~~shall~~ may not exceed 5% 22.5% of the taxable value of the
22 taxable property therein, inclusive of the existing
23 indebtedness thereof, to be ascertained by the last
24 assessment for state and county taxes previous to the
25 issuance of said bonds and incurring of said indebtedness."

SECTION 34. SECTION 7-31-107, MCA, IS AMENDED TO READ:

"7-31-107. Authorization for municipality to issue bonds -- election required. (1) If said petition is presented to the council of any incorporated city or town, the council, for the purpose of raising money to meet the payments under the terms and conditions of said contract and other necessary and proper expenses in and about the same and for the approval or disapproval thereof:

(a) shall ascertain, within 30 days after submission of the petition, the aggregate indebtedness of such city or town; and

(b) shall submit, within 60 days after ascertaining the same, to the electors of such city or town the proposition to approve or disapprove said contract and the issuance of bonds necessary to carry out the same.

(2) The amount of the bonds authorized by this section shall ~~not~~ may not exceed ~~3%~~ 16.5% of the taxable value of the taxable property therein, inclusive of the existing indebtedness thereof, to be ascertained in the manner provided in this part."

SECTION 35. SECTION 7-34-2131, MCA, IS AMENDED TO READ:

"7-34-2131. Hospital district bonds authorized. (1) A hospital district may borrow money by the issuance of its bonds to provide funds for payment of part or all of the

cost of acquisition, furnishing, equipment, improvement, extension, and betterment of hospital facilities and to provide an adequate working capital for a new hospital.

(2) The amount of bonds issued for such purpose and outstanding at any time shall ~~not~~ may not exceed ~~5%~~ 22.5% of the taxable value of the property therein as ascertained by the last assessment for state and county taxes previous to the issuance of such bonds.

(3) Such bonds shall be authorized, sold, and issued and provisions made for their payment in the manner and subject to the conditions and limitations prescribed for bonds of second- or third-class school districts by Title 20, chapter 9, part 4.

(4) Nothing herein shall be construed to preclude the provisions of Title 50, chapter 6, part 1, allowing the state to apply for and accept federal funds."

SECTION 36. SECTION 19-11-503, MCA, IS AMENDED TO READ:

"19-11-503. Special tax levy for fund required. (1) The purpose of this section is to provide a means by which each disability and pension fund may be maintained at a level equal to ~~2%~~ 3% of the taxable valuation of all taxable property within the limits of the city or town.

(2) Whenever the fund contains less than ~~2%~~ 3% of the taxable valuation of all taxable property within the limits

1 of the city or town, the governing body of the city or town
 2 shall, at the time of the levy of the annual tax, levy a
 3 special tax as provided in 19-11-504. The special tax shall
 4 be collected as other taxes are collected and, when so
 5 collected, shall be paid into the disability and pension
 6 fund."

7 SECTION 37. SECTION 19-11-504, MCA, IS AMENDED TO

8 READ:

9 "19-11-504. Amount of special tax levy. (1) Whenever
 10 the total amount of the fund is less than 2% ~~3%~~ of the
 11 taxable valuation of all taxable property within the limits
 12 of the city or town, the special tax levy shall be:

13 (a) not less than 1 mill or more than 4 mills on each
 14 dollar of taxable valuation of all taxable property within
 15 the limits of the city or town; and

16 (b) an amount sufficient to provide a growth per year
 17 in the fund, considering all sources of income to the fund
 18 and the payment of obligations out of the fund, equal to the
 19 sum produced by 1 mill levied on the taxable valuation of
 20 all the taxable property in the city or town.

21 (2) The special tax levy shall be a fractional part of
 22 1 mill whenever:

23 (a) the total amount of the fund is less than 2% ~~3%~~
 24 but more than ~~1%~~ 1.5% of the taxable valuation of all
 25 taxable property within the city or town; and

1 (b) the special tax levy of a fractional part of 1
 2 mill will produce sufficient revenue to cause the fund,
 3 considering all sources of income to the fund and all
 4 payments to be made out of the fund, to exceed 2% ~~3%~~ of the
 5 taxable valuation of all taxable property within the city or
 6 town.

7 (3) In cities of the third class, when the fund
 8 contains an amount which is less than 2% ~~3%~~ of the taxable
 9 valuation of all taxable property in the city or town, the
 10 city council shall levy an annual special tax of not less
 11 than 1 mill and not more than 4 mills on each dollar of
 12 taxable valuation of all taxable property within the city or
 13 town."

14 SECTION 38. SECTION 20-9-406, MCA, IS AMENDED TO READ:

15 "20-9-406. Limitations on amount of bond issue. (1)
 16 The maximum amount for which each school district may become
 17 indebted by the issuance of bonds, including all
 18 indebtedness represented by outstanding bonds of previous
 19 issues and registered warrants, is 29% ~~45%~~ of the taxable
 20 value of the property subject to taxation as ascertained by
 21 the last completed assessment for state, county, and school
 22 taxes previous to the incurring of such indebtedness. The
 23 29% ~~45%~~ maximum, however, may not pertain to indebtedness
 24 imposed by special improvement district obligations or
 25 assessments against the school district. All bonds issued

1 in excess of such amount shall be null and void, except as
2 provided in this section.

3 (2) When the total indebtedness of a school district
4 has reached the 29% ~~45%~~ limitation prescribed in this
5 section, the school district may pay all reasonable and
6 necessary expenses of the school district on a cash basis in
7 accordance with the financial administration provisions of
8 this chapter.

9 (3) Whenever bonds are issued for the purpose of
10 refunding bonds, any moneys to the credit of the debt
11 service fund for the payment of the bonds to be refunded are
12 applied towards the payment of such bonds and the refunding
13 bond issue is decreased accordingly."

14 SECTION 39. SECTION 20-9-502, MCA, IS AMENDED TO READ:

15 "20-9-502. Purpose and authorization of a building
16 reserve fund by an election. (1) The trustees of any
17 district, with the approval of the qualified electors of the
18 district, may establish a building reserve for the purpose
19 of raising money for the future construction, equipping, or
20 enlarging of school buildings or for the purpose of
21 purchasing land needed for school purposes in the district.
22 In order to submit to the qualified electors of the district
23 a building reserve proposition for the establishment of or
24 addition to a building reserve, the trustees shall pass a
25 resolution that specifies:

1 (a) the purpose or purposes for which the new or
2 addition to the building reserve will be used;

3 (b) the duration of time over which the new or
4 addition to the building reserve will be raised in annual,
5 equal installments;

6 (c) the total amount of money that will be raised
7 during the duration of time specified in subsection (1)(b);
8 and

9 (d) any other requirements under 20-20-201 for the
10 calling of an election.

11 (2) The total amount of building reserve when added to
12 the outstanding indebtedness of the district shall not be
13 more than 5% ~~45%~~ of the taxable value of the taxable
14 property of the district. Such limitation shall be
15 determined in the manner provided in 20-9-406. A building
16 reserve tax authorization shall not be for more than 20
17 years.

18 (3) The election shall be conducted in accordance with
19 the school election laws of this title, and the electors
20 qualified to vote in the election shall be qualified under
21 the provisions of 20-20-301. The ballot for a building
22 reserve proposition shall be substantially in the following
23 form:

24 OFFICIAL BALLOT
25 SCHOOL DISTRICT BUILDING RESERVE ELECTION

1 INSTRUCTIONS TO VOTERS: Make an X or similar mark in
 2 the vacant square before the words "BUILDING RESERVE--YES"
 3 if you wish to vote for the establishment of a building
 4 reserve (addition to the building reserve); if you are
 5 opposed to the establishment of a building reserve (addition
 6 to the building reserve) make an X or similar mark in the
 7 square before the words "BUILDING RESERVE--NO".

8 Shall the trustees be authorized to impose an
 9 additional levy each year for years to establish a
 10 building reserve (add to the building reserve) of this
 11 school district to raise a total amount of dollars
 12 (\$....), for the purpose(s) (here state the purpose or
 13 purposes for which the building reserve will be used)?

14 BUILDING RESERVE--YES.

15 BUILDING RESERVE--NO.

16 (4) The building reserve proposition shall be approved
 17 if a majority of those electors voting at the election
 18 approve the establishment of or addition to such building
 19 reserve. The annual budgeting and taxation authority of the
 20 trustees for a building reserve shall be computed by
 21 dividing the total authorized amount by the specified number
 22 of years. The authority of the trustees to budget and
 23 impose the taxation for the annual amount to be raised for
 24 the building reserve shall lapse when, at a later time, a
 25 bond issue is approved by the qualified electors of the

1 district for the same purpose or purposes for which the
 2 building reserve fund of the district was established.
 3 Whenever a subsequent bond issue is made for the same
 4 purpose or purposes of a building reserve, the money in the
 5 building reserve shall be used for such purpose or purposes
 6 before any money realized by the bond issue is used."

7 SECTION 40. SECTION 85-7-2001, MCA, IS AMENDED TO

8 READ:

9 "85-7-2001. Limitations on debt-incurring power. (1)
 10 The board of commissioners or other officers of the district
 11 may not incur any debt or liability, either by issuing bonds
 12 or otherwise, except as provided in this chapter. No
 13 irrigation district may become indebted, in any manner or
 14 for any purpose in any one year, in an amount exceeding ~~15%~~
 15 18.75% of the assessed valuation of the district, except as
 16 provided in subsection (2).

17 (2) (a) For the purpose of organization; for any of
 18 the immediate purposes of this chapter; to make or purchase
 19 surveys, plans, and specifications; for stream gauging and
 20 gathering data; or to make any repairs occasioned by any
 21 calamity or other unforeseen contingency, the board of
 22 commissioners may, in any one year, incur the indebtedness
 23 of as many dollars as there are acres in the district and
 24 may cause warrants of the district to issue therefor.

25 (b) For the purpose of organization, for any of the

1 immediate purposes of this chapter, or to meet the expenses
 2 occasioned by any calamity or other unforeseen contingency,
 3 the board of commissioners may, in any one year, incur (in
 4 addition to the 15% 18.75% limitation of subsection (1)) an
 5 additional indebtedness not exceeding 10% 12.5% of the
 6 assessed valuation of the district and may cause warrants of
 7 the district to issue therefor.

8 (c) The limitation of subsection (1) does not apply to
 9 warrants issued for unpaid interest on the valid bonds of
 10 any irrigation district.

11 (d) The limitation of subsection (1) does not apply to
 12 any bonds issued under this chapter pursuant to a provision
 13 which expressly supersedes the limitation.

14 (3) Any debt or liability incurred in excess of the
 15 limitations provided by the irrigation district laws is
 16 void."

17 SECTION 41. VALIDATION. NOTWITHSTANDING ANY PROVISIONS
 18 OF THIS ACT, ANY OUTSTANDING INDEBTEDNESS OR BOND ISSUE ON
 19 JANUARY 1, 1982, OF ANY GOVERNMENTAL SUBDIVISION IS NOT
 20 INVALIDATED BECAUSE OF ANY CHANGES IN THE TAXABLE VALUATION
 21 OF THE SUBDIVISION DUE TO REMOVAL OF AUTOMOBILES AND TRUCKS
 22 HAVING A RATED CAPACITY OF THREE-QUARTERS OF A TON OR LESS
 23 FROM THE TAX BASE.

24 Section 42. Codification instruction. (1) Section 9 is
 25 intended to be codified as an integral part of Title 61,

1 chapter 3, part 3, and the provisions of Title 61, chapter
 2 3, part 3, apply to section 9.

3 (2) Sections 10 and 11 are intended to be codified as
 4 integral parts of Title 61, chapter 3, part 5, and the
 5 provisions of Title 61, chapter 3, part 5, apply to sections
 6 10 and 11.

7 (3) Section 12 is intended to be codified as an
 8 integral part of Title 61, chapter 1, part 1, and section 12
 9 applies to Title 61, and Title 61 applies to section 12.

10 Section 43. Applicability. This act is applicable to
 11 automobiles and light trucks registered during and after
 12 1982.

-End-