

House Bill 483

In The House

January 26, 1981	Introduced and referred to Committee on Taxation.
January 29, 1981	Fiscal note requested.
February 3, 1981	Fiscal note returned.
April 23, 1981	Died in Committee.

1 Flauger BILL NO. 483
 2 INTRODUCED BY Waldron

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH A FEE IN
 5 LIEU OF TAX FOR AUTOMOBILES AND LIGHT TRUCKS; PROVIDING FOR
 6 CHANGING THE FEE ANNUALLY TO REFLECT CHANGES IN THE CONSUMER
 7 PRICE INDEX; ESTABLISHING A FLOOR AMOUNT IN BONDING
 8 LIMITATIONS TO REFLECT TAXABLE VALUE LOST TO FEES; PROVIDING
 9 AN APPLICABILITY DATE; AND AMENDING SECTIONS 7-1-2111,
 10 7-3-1321, 7-4-2503, 7-6-2211, 7-6-4121, 7-6-4254, 7-7-107,
 11 7-7-108, 7-7-2101, 7-7-2202, 7-7-2203, 7-7-4201, 7-7-4202,
 12 7-13-4103, 7-14-236, 7-14-2524, 7-14-4402, 7-16-2327,
 13 7-16-4104, 7-31-106, 7-31-107, 7-34-2131, 10-2-301,
 14 15-6-139, 15-6-140, 15-6-201, 15-8-201, 15-8-202, 15-24-101
 15 THROUGH 15-24-105, 15-24-301, 15-30-121, 15-31-114,
 16 15-50-207, 19-11-503, 19-11-504, 19-11-512, 20-9-406,
 17 20-9-502, 61-3-303, 61-3-317, 61-3-322, 61-3-332, 61-3-335,
 18 61-3-342, 61-3-501, 61-3-503, 61-3-504, 61-3-507, 61-3-509,
 19 61-3-521, 61-3-701, 61-10-233, AND 85-7-2001, MCA."

20
 21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

22 Section 1. Section 7-1-2111, MCA, is amended to read:
 23 "7-1-2111. Classification of counties. For the purpose
 24 of regulating the compensation and salaries of all county
 25 officers, not otherwise provided for, and for fixing the

1 penalties of officers' bonds, the several counties of this
 2 state shall be classified according to that percentage of
 3 the true and full valuation of the property therein upon
 4 which the tax levy is made plus the taxable value as of
 5 December 31, 1980, of property within the county on which a
 6 fee in lieu of tax is charged, as follows:

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

9 (2) second class--all counties having such a taxable
 10 valuation of more than \$30 million and less than \$50
 11 million;

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

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

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

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

23 (7) seventh class--all counties having such a taxable
 24 valuation of less than \$5 million."

25 Section 2. Section 7-3-1321, MCA, is amended to read:

1 *7-3-1321. Authorization to incur indebtedness --
 2 limitation. (1) The consolidated municipality may borrow
 3 money or issue bonds for any municipal purpose to the extent
 4 and in the manner provided by the constitution and laws of
 5 Montana for the borrowing of money or issuing of bonds by
 6 counties and cities and towns.

7 (2) The municipality shall not become indebted in any
 8 manner or for any purpose to an amount, including existing
 9 indebtedness, in the aggregate exceeding 5% of the sum of
 10 the value of the taxable property therein, as ascertained by
 11 the last assessment for state and county taxes prior to
 12 incurring such indebtedness, plus the taxable value as of
 13 December 31, 1980, of property within the municipality on
 14 which a fee in lieu of tax is charged. All warrants, bonds,
 15 or obligations in excess of such amount given by or on
 16 behalf of the municipality shall be void."

17 Section 3. Section 7-4-2503, MCA, is amended to read:

18 *7-4-2503. Salary schedule for certain county
 19 officers. (1) The salary paid to the county treasurer,
 20 county clerk and recorder, clerk of the district court,
 21 county attorney, county assessor, county superintendent of
 22 schools, and county sheriff; the county surveyor in counties
 23 where county surveyors receive salaries as provided in
 24 7-4-2812; and the county auditor in all counties wherein
 25 such office is authorized is computed by adding the sum of

1 the salary shown in column A, based on population as of
 2 January 1, 1979, to the salary shown in column B, based on
 3 taxable valuation as of January 1, 1979, plus the taxable
 4 value as of December 31, 1980, of property within the county
 5 on which a fee in lieu of tax is charged, as follows:

6 (a) Population of County	Column A
7 Below 3,000.....	\$4,494
8 3,000 to 3,999.....	\$4,729
9 4,000 to 4,999.....	\$4,833
10 5,000 to 5,999.....	\$4,938
11 6,000 to 6,999.....	\$5,058
12 7,000 to 7,999.....	\$5,394
13 8,000 to 8,999.....	\$5,487
14 9,000 to 9,999.....	\$5,617
15 10,000 to 12,499.....	\$5,708
16 12,500 to 14,999.....	\$5,826
17 15,000 to 17,499.....	\$5,943
18 17,500 to 19,999.....	\$6,048
19 20,000 to 24,999.....	\$6,155
20 25,000 to 29,999.....	\$6,270
21 30,000 to 39,999.....	\$6,387
22 40,000 to 49,999.....	\$6,544
23 50,000 to 59,999.....	\$6,779
24 60,000 to 69,999.....	\$7,014
25 70,000 to 79,999.....	\$7,275

1	80,000 to 89,999.....	\$7,432
2	90,000 to 99,999.....	\$7,676
3	100,000 and over.....	\$7,902
4	(b) Taxable Valuation of County	
5	<u>Plus Value of Property</u>	
6	<u>Within the County</u>	
7	<u>Subject to Fee in Lieu of Tax</u>	Column a
8	Below \$2,000,000.....	\$4,598
9	2,000,000 to 2,999,999.....	\$4,729
10	3,000,000 to 3,999,999.....	\$4,833
11	4,000,000 to 4,999,999.....	\$4,938
12	5,000,000 to 5,999,999.....	\$5,069
13	6,000,000 to 6,999,999.....	\$5,394
14	7,000,000 to 7,999,999.....	\$5,487
15	8,000,000 to 9,999,999.....	\$5,617
16	10,000,000 to 11,999,999.....	\$5,708
17	12,000,000 to 13,999,999.....	\$5,826
18	14,000,000 to 15,999,999.....	\$5,942
19	16,000,000 to 17,999,999.....	\$6,047
20	18,000,000 to 19,999,999.....	\$6,165
21	20,000,000 to 22,499,999.....	\$6,270
22	22,500,000 to 24,999,999.....	\$6,387
23	25,000,000 to 29,999,999.....	\$6,544
24	30,000,000 to 34,999,999.....	\$6,779
25	35,000,000 to 39,999,999.....	\$7,014

1	40,000,000 to 44,999,999.....	\$7,275
2	45,000,000 to 49,999,999.....	\$7,432
3	50,000,000 to 54,999,999.....	\$7,667
4	55,000,000 to 59,999,999.....	\$7,902
5	60,000,000 to 64,999,999.....	\$8,138
6	65,000,000 to 69,999,999.....	\$8,372
7	70,000,000 to 74,999,999.....	\$8,607
8	75,000,000 to 79,999,999.....	\$8,843
9	80,000,000 to 84,999,999.....	\$9,078
10	85,000,000 to 89,999,999.....	\$9,313
11	90,000,000 to 94,999,999.....	\$9,548
12	95,000,000 to 99,999,999.....	\$9,783
13	100,000,000 to 109,999,999.....	\$10,019
14	110,000,000 to 119,999,999.....	\$10,195
15	120,000,000 to 129,999,999.....	\$10,398
16	130,000,000 to 139,999,999.....	\$10,606
17	140,000,000 to 149,999,999.....	\$10,817
18	150,000,000 to 159,999,999.....	\$11,035
19	160,000,000 and over.....	\$11,265

20 (2) (a) The county superintendent of schools shall
 21 receive, in addition to the salary based upon the totals of
 22 columns A and B above, the sum of \$400 per year.

23 (b) The county sheriff shall receive, in addition to
 24 the salary based upon the totals of columns A and B above,
 25 the sum of \$2,000 per year.

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1 (c) Except in counties of population greater than
2 30,000, the county attorney shall receive, in addition to
3 the salary based upon the totals of column A and B above,
4 the sum of \$1,200. In each county with a population in
5 excess of 30,000, the salary of the county attorney shall be
6 \$30,000 per year.

7 (d) In those counties where the office of the county
8 attorney has been established as a full-time position
9 pursuant to 7-4-2706, the salary of the county attorney
10 shall be set by resolution of the county commission but it
11 shall not exceed the salary of the county attorney in a
12 county with a population in excess of 30,000."

13 Section 4. Section 7-6-2211, MCA, is amended to read:

14 "7-6-2211. Authorization to conduct county business on
15 a cash basis. (1) In case the total indebtedness of a
16 county, lawful when incurred, exceeds the limit of 18%
17 established in 7-7-2101 by reason of great diminution of the
18 sum of the taxable value plus the taxable value as of
19 December 31, 1980, of property within the county on which a
20 fee in lieu of tax is charged, the county may conduct its
21 business affairs on a cash basis and pay the reasonable and
22 necessary current expenses of the county out of the cash in
23 the county treasury derived from its current revenue and
24 under such restrictions and regulations as may be imposed by
25 the board of county commissioners of the county by a

1 resolution duly adopted and included in the minutes of the
2 board.

3 (2) Nothing in this section restricts the right of the
4 board to make the necessary tax levies for interest and
5 sinking fund purposes, and nothing in this section affects
6 the right of any creditor of the county to pursue any remedy
7 now given him by law to obtain payment of his claim."

8 Section 5. Section 7-6-4121, MCA, is amended to read:

9 "7-6-4121. Authorization to conduct municipal business
10 on a cash basis. (1) In case the total indebtedness of a
11 city or town has reached 11% of the sum of the total taxable
12 value of the property of the city or town subject to
13 taxation, as ascertained by the last assessment for state
14 and county taxes, plus the taxable value as of December 31,
15 1980, of property within the city or town on which a fee in
16 lieu of tax is charged, the city or town may conduct its
17 affairs and business on a cash basis as provided by
18 subsection (2).

19 (2) (a) Whenever a city or town is conducting its
20 business affairs on a cash basis, the reasonable and
21 necessary current expenses of the city or town may be paid
22 out of the cash in the city or town treasury and derived
23 from its current revenues, under such restrictions and
24 regulations as the city or town council may by ordinance
25 prescribe.

1 (b) In the event that payment is made in advance, the
 2 city or town may require a cash deposit as collateral
 3 security and indemnity, equal in amount to such payment, and
 4 may hold the same as a special deposit with the city
 5 treasurer or town clerk, in package form, as a pledge for
 6 the fulfillment and performance of the contract or
 7 obligation for which the advance is made.

8 (c) Before the payment of the current expenses
 9 mentioned above, the city or town council shall first set
 10 apart sufficient money to pay the interest upon its legal,
 11 valid, and outstanding bonded indebtedness and any sinking
 12 funds therein provided for and shall be authorized to pay
 13 all valid claims against funds raised by tax especially
 14 authorized by law for the purpose of paying such claims."

15 Section 6. Section 7-6-4254, MCA, is amended to read:
 16 "7-6-4254. Limitation on amount of emergency budgets
 17 and appropriations. (1) The total of all emergency budgets
 18 and appropriations made therein in any one year and to be
 19 paid from any city fund shall not exceed 25% of the sum of
 20 the total amount which could be produced for such city fund
 21 by a maximum levy authorized by law to be made for such
 22 fund, as shown by the last completed assessment roll of the
 23 county, plus the taxable value as of December 31, 1980, of
 24 property within the city on which a fee in lieu of tax is
 25 charged.

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

6 Section 7. Section 7-7-107, MCA, is amended to read:
 7 "7-7-107. Limitation on amount of bonds for
 8 city-county consolidated units. (1) Except as provided in
 9 7-7-108, no city-county consolidated local government may
 10 issue bonds for any purpose which, with all outstanding
 11 indebtedness, may exceed 27% of the sum of the taxable value
 12 of the property therein subject to taxation, as ascertained
 13 by the last assessment for state and county taxes, plus the
 14 taxable value as of December 31, 1980, of property within
 15 the city-county consolidated government on which a fee in
 16 lieu of tax is charged.

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

21 Section 8. Section 7-7-108, MCA, is amended to read:
 22 "7-7-108. Authorization for additional indebtedness
 23 for water or sewer systems. (1) For the purpose of
 24 constructing a sewer system or procuring a water supply or
 25 constructing or acquiring a water system for a city-county

1 consolidated government which shall own and control such
 2 water supply and water system and devote the revenues
 3 therefrom to the payment of the debt, a city-county
 4 consolidated government may incur an additional indebtedness
 5 by borrowing money or issuing bonds.

6 (2) The additional indebtedness which may be incurred
 7 by borrowing money or issuing bonds for the construction of
 8 a sewer system or for the procurement of a water supply or
 9 for both such purposes may not in the aggregate exceed 10%
 10 over and above the 27% referred to in 7-7-107 of the sum of
 11 the taxable value of the property therein subject to
 12 taxation, as ascertained by the last assessment for state
 13 and county taxes, plus the taxable value as of December 31,
 14 1980, of property within the city-county consolidated
 15 government on which a fee in lieu of tax is charged."

16 Section 9. Section 7-7-2101, MCA, is amended to read:
 17 "7-7-2101. Limitation on amount of county
 18 indebtedness. (1) No county may become indebted in any
 19 manner or for any purpose to an amount, including existing
 20 indebtedness, in the aggregate exceeding 18% of the sum of
 21 the taxable value of the property therein subject to
 22 taxation, as ascertained by the last assessment for state
 23 and county taxes previous to the incurring of such
 24 indebtedness, plus the taxable value as of December 31,
 25 1980, of property within the county on which a fee in lieu

1 of tax is charged.

2 (2) No county may incur indebtedness or liability for
 3 any single purpose to an amount exceeding \$40,000 without
 4 the approval of a majority of the electors thereof voting at
 5 an election to be provided by law, except as provided in
 6 7-21-3413 and 7-21-3414."

7 Section 10. Section 7-7-2202, MCA, is amended to read:

8 "7-7-2202. Authority to issue general obligation bonds
 9 to satisfy judgments. (1) The board of county commissioners
 10 of every county of the state is hereby vested with the power
 11 and authority to issue, negotiate, and sell coupon bonds on
 12 the credit of the county, as more specifically provided in
 13 this part, for the purpose of funding, paying in full, or
 14 compromising, settling, and satisfying any judgment which
 15 may have been rendered against the county in a court or
 16 competent jurisdiction when:

17 (a) there are not sufficient funds available to pay
 18 such judgment; and

19 (b) sufficient money cannot be raised to satisfy such
 20 judgment by an annual tax levy of 10 mills levied on the sum
 21 of all the taxable property within the county through a
 22 period of 3 years plus the taxable value as of December 31,
 23 1980, of property within the county on which a fee in lieu
 24 of tax is charged.

25 (2) The resolution providing for the issue of such

1 bonds must recite the facts concerning the judgment to be
2 funded and the terms of any compromise agreement which may
3 have been entered into between the board and the judgment
4 creditor."

5 Section 11. Section 7-7-2203, MCA, is amended to read:

6 "7-7-2203. Limitation on amount of bonded
7 indebtedness. (1) Except as provided in subsections (2) and
8 (3), no county may issue general obligation bonds for any
9 purpose which, with all outstanding bonds and warrants
10 except county high school bonds and emergency bonds, will
11 exceed 9% of the taxable value of the property therein, to
12 be ascertained by the last assessment for state and county
13 taxes prior to the proposed issuance of bonds.

14 (2) A county may issue bonds which, with all
15 outstanding bonds and warrants, will exceed 9% but will not
16 exceed 29% of the sum of the taxable value of such property
17 plus the taxable value as of December 31, 1980, of property
18 within the county on which a fee in lieu of tax is charged,
19 when necessary to do so, for the purpose of acquiring land
20 for a site for county high school buildings and for erecting
21 or acquiring buildings thereon and furnishing and equipping
22 the same for county high school purposes.

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

1 Section 12. Section 7-7-4201, MCA, is amended to read:

2 "7-7-4201. Limitation on amount of bonded
3 indebtedness. (1) Except as otherwise provided, no city or
4 town may issue bonds or incur other indebtedness for any
5 purpose in an amount which with all outstanding and unpaid
6 indebtedness will exceed 18% of the sum of the taxable value
7 of the property therein subject to taxation, to be
8 ascertained by the last assessment for state and county
9 taxes, plus the taxable value as of December 31, 1980, of
10 property within the city or town on which a fee in lieu of
11 tax is charged.

12 (2) The issuing of bonds for the purpose of funding or
13 refunding outstanding warrants or bonds is not the incurring
14 of a new or additional indebtedness but is merely the
15 changing of the evidence of outstanding indebtedness."

16 Section 13. Section 7-7-4202, MCA, is amended to read:

17 "7-7-4202. Special provisions relating to water and
18 sewer systems. (1) Notwithstanding the provisions of
19 7-7-4201, for the purpose of constructing a sewer system,
20 procuring a water supply, or constructing or acquiring a
21 water system for a city or town which owns and controls the
22 water supply and water system and devotes the revenues
23 therefrom to the payment of the debt, a city or town may
24 incur an additional indebtedness by borrowing money or
25 issuing bonds.

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1 (2) The additional total indebtedness that may be
2 incurred by borrowing money or issuing bonds for the
3 construction of a sewer system, for the procurement of a
4 water supply, or for both such purposes, including all
5 indebtedness theretofore contracted which is unpaid or
6 outstanding, may not in the aggregate exceed 36% over and
7 above the 18%, referred to in 7-7-4201, of the sum of the
8 taxable value of the property therein subject to taxation,
9 as ascertained by the last assessment for state and county
10 taxes, plus the taxable value as of December 31, 1980, of
11 property within the city or town on which a fee in lieu of
12 tax is charged."

13 Section 14. Section 7-13-4103, MCA, is amended to
14 read:

15 "7-13-4103. Limitation on indebtedness for acquisition
16 of natural gas system. The total amount of indebtedness
17 authorized to be contracted in any form, including the
18 then-existing indebtedness, must not at any time exceed 11%
19 of the sum of the total taxable value of the property of the
20 city or town subject to taxation, as ascertained by the last
21 assessment for state and county taxes, plus the taxable
22 value as of December 31, 1980, of property within the city
23 or town on which a fee in lieu of tax is charged."

24 Section 15. 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% of the sum of
3 the taxable property therein, as ascertained by the last
4 assessment for state and county taxes previous to the
5 issuance of such bonds, plus the taxable value as of
6 December 31, 1980, of property within the district on which
7 a fee in lieu of tax is charged."

8 Section 16. Section 7-14-2524, MCA, is amended to
9 read:

10 "7-14-2524. Limitation on amount of bonds issued --
11 excess void. (1) Except as otherwise provided hereafter and
12 in 7-7-2203 and 7-7-2204, no county shall issue bonds which,
13 with all outstanding bonds and warrants except county high
14 school bonds and emergency bonds, will exceed 9% of the sum
15 of the taxable value of the property therein plus the
16 taxable value as of December 31, 1980, of property within
17 the county on which a fee in lieu of tax is charged. The
18 taxable property shall be ascertained by the last assessment
19 for state and county taxes prior to the issuance of such
20 bonds.

21 (2) A county may issue bonds which, with all
22 outstanding bonds and warrants except county high school
23 bonds, will exceed 9% but will not exceed 18% of the sum of
24 the taxable value of such property plus the taxable value as
25 of December 31, 1980, of property within the county on which

1 ~~a fee in lieu of tax is charged,~~ when necessary for the
2 purpose of replacing, rebuilding, or repairing county
3 buildings, bridges, or highways which have been destroyed or
4 damaged by an act of God, disaster, catastrophe, or
5 accident.

6 (3) The value of the bonds issued and all other
7 outstanding indebtedness of the county, except county high
8 school bonds, shall not exceed 18% of ~~the sum of~~ the taxable
9 value of the property within the county, as ascertained by
10 the last preceding general assessment, ~~plus the taxable~~
11 ~~value as of December 31, 1980, of property within the county~~
12 ~~on which a fee in lieu of tax is charged."~~

13 Section 17. Section 7-14-4402, MCA, is amended to
14 read:

15 "7-14-4402. Limit on indebtedness to provide bus
16 service. The total amount of indebtedness authorized under
17 7-14-4401(1) to be contracted in any form, including the
18 then-existing indebtedness, may not at any time exceed 18%
19 of ~~the sum of~~ the total taxable value of the property of the
20 city or town subject to taxation, as ascertained by the last
21 assessment for state and county taxes, ~~plus the taxable~~
22 ~~value as of December 31, 1980, of property within the city~~
23 ~~or town on which a fee in lieu of tax is charged.~~ No money
24 may be borrowed or bonds issued for the purposes specified
25 in 7-14-4401(1) until the proposition has been submitted to

1 vote of the taxpayers of the city or town and the majority
2 vote cast in its favor."

3 Section 18. Section 7-16-2327, MCA, is amended to
4 read:

5 "7-16-2327. Indebtedness for park purposes. (1)
6 Subject to the provisions of subsection (2), a county park
7 board, in addition to powers and duties now given under law,
8 shall have the power and duty to contract an indebtedness in
9 behalf of a county, upon the credit thereof, for the
10 purposes of 7-16-2321(1) and (2).

11 (2) (a) The total amount of indebtedness authorized to
12 be contracted in any form, including the then-existing
13 indebtedness, must not at any time exceed 3% of ~~the sum of~~
14 the value of the taxable property of the county ascertained
15 by the last assessment for state and county taxes previous
16 to the incurring of such indebtedness ~~plus the taxable value~~
17 ~~as of December 31, 1980, of property within the county on~~
18 ~~which a fee in lieu of tax is charged.~~

19 (b) No money must be borrowed on bonds issued for the
20 purchase of lands and improving same for any such purpose
21 until the proposition has been submitted to the vote of
22 those qualified under the provisions of the state
23 constitution to vote at such election in the county affected
24 thereby and a majority vote is cast in favor thereof."

25 Section 19. Section 7-16-4104, MCA, is amended to

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1 read:

2 "7-16-4104. Authorization for municipal indebtedness
3 for various cultural, social, and recreational purposes. (1)
4 A city or town council or commission may contract an
5 indebtedness on behalf of the city or town, upon the credit
6 thereof, by borrowing money or issuing bonds:
7 (a) for the purpose of purchasing and improving lands
8 for public parks and grounds;
9 (b) for procuring by purchase, construction, or
10 otherwise swimming pools, athletic fields, skating rinks,
11 playgrounds, museums, a golf course, a site and building for
12 a civic center, a youth center, or combination thereof; and
13 (c) for furnishing and equipping the same.
14 (2) The total amount of indebtedness authorized to be
15 contracted in any form, including the then-existing
16 indebtedness, may not at any time exceed 3% of the sum of
17 the value of the taxable property of the city or town, as
18 ascertained by the last assessment for state and county
19 taxes previous to the incurring of such indebtedness, plus
20 the taxable value as of December 31, 1980, of property
21 within the city or town on which a fee in lieu of tax is
22 charged. No money may be borrowed on bonds issued for the
23 purchase of lands and improving the same for any such
24 purpose until the proposition has been submitted to the vote
25 of the qualified electors of the city or town and a

1 majority vote is cast in favor thereof."

2 Section 20. Section 7-31-106, MCA, is amended to read:

3 "7-31-106. Authorization for county to issue bonds --
4 election required. (1) If the petition is presented to the
5 board of county commissioners, it shall be the duty of the
6 board, for the purpose of raising money to meet the payments
7 under the terms and conditions of said contract and other
8 necessary and proper expenses in and about the same and for
9 the approval or disapproval thereof:

10 (a) to ascertain, within 30 days after submission of
11 the petition, the existing indebtedness of the county in the
12 aggregate; and

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

17 (2) The amount of the bonds authorized by this section
18 shall not exceed 5% of the sum of the value of the taxable
19 property therein, inclusive of the existing indebtedness
20 thereof, to be ascertained by the last assessment for state
21 and county taxes previous to the issuance of said bonds and
22 incurring of said indebtedness, plus the taxable value as of
23 December 31, 1980, of property within the county on which a
24 fee in lieu of tax is charged."

25 Section 21. Section 7-31-107, MCA, is amended to read:

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

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

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

15 (2) The amount of the bonds authorized by this section
16 shall not exceed 3% of the sum of the value of the taxable
17 property therein, inclusive of the existing indebtedness
18 thereof, to be ascertained in the manner provided in this
19 part, plus the taxable value as of December 31, 1980, of
20 property within the city or town on which a fee in lieu of
21 tax is charged."

22 Section 22. Section 7-34-2131, MCA, is amended to
23 read:

24 "7-34-2131. Hospital district bonds authorized. (1) A
25 hospital district may borrow money by the issuance of its

1 bonds to provide funds for payment of part or all of the
2 cost of acquisition, furnishing, equipment, improvement,
3 extension, and betterment of hospital facilities and to
4 provide an adequate working capital for a new hospital.

5 (2) The amount of bonds issued for such purpose and
6 outstanding at any time shall not exceed 5% of the sum of
7 the taxable property therein, as ascertained by the last
8 assessment for state and county taxes previous to the
9 issuance of such bonds, plus the taxable value as of
10 December 31, 1980, of property in the hospital district on
11 which a fee in lieu of tax is charged.

12 (3) Such bonds shall be authorized, sold, and issued
13 and provisions made for their payment in the manner and
14 subject to the conditions and limitations prescribed for
15 bonds of second- or third-class school districts by Title
16 20, chapter 9, part 4.

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

20 Section 23. Section 19-11-503, MCA, is amended to
21 read:

22 "19-11-503. Special tax levy for fund required. (1)
23 The purpose of this section is to provide a means by which
24 each disability and pension fund may be maintained at a
25 level equal to 2% of the sum of the taxable valuation of all

1 taxable property within the limits of the city or town plus
 2 the taxable value as of December 31, 1980, of property
 3 within the city or town on which a fee in lieu of tax is
 4 charged.

5 (2) Whenever the fund contains less than 2% of the sum
 6 of the taxable valuation of all taxable property within the
 7 limits of the city or town plus the taxable value as of
 8 December 31, 1980, of property within the city or town on
 9 which a fee in lieu of tax is charged, the governing body of
 10 the city or town shall, at the time of the levy of the
 11 annual tax, levy a special tax as provided in 19-11-504. The
 12 special tax shall be collected as other taxes are collected
 13 and, when so collected, shall be paid into the disability
 14 and pension fund."

15 Section 24. Section 19-11-504, MCA, is amended to
 16 read:

17 "19-11-504. Amount of special tax levy. (1) Whenever
 18 the total amount of the fund is less than 2% of the sum of
 19 the taxable valuation of all taxable property within the
 20 limits of the city or town plus the taxable value as of
 21 December 31, 1980, of property within the city or town on
 22 which a fee in lieu of tax is charged, the special tax levy
 23 shall be:

24 (a) not less than 1 mill or more than 4 mills on each
 25 dollar of the sum of the taxable valuation of all taxable

1 property within the limits of the city or town plus the
 2 taxable value as of December 31, 1980, of property within
 3 the city or town on which a fee in lieu of tax is charged;
 4 and

5 (b) an amount sufficient to provide a growth per year
 6 in the fund, considering all sources of income to the fund
 7 and the payment of obligations out of the fund, equal to the
 8 sum produced by 1 mill levied on the sum of the taxable
 9 valuation of all the taxable property in the city or town
 10 plus the taxable value as of December 31, 1980, of property
 11 within the city or town on which a fee in lieu of tax is
 12 charged.

13 (2) The special tax levy shall be a fractional part of
 14 1 mill whenever:

15 (a) the total amount of the fund is less than 2% but
 16 more than 1% of the sum of the taxable valuation of all
 17 taxable property within the city or town plus the taxable
 18 value as of December 31, 1980, of property within the city
 19 or town on which a fee in lieu of tax is charged; and

20 (b) the special tax levy of a fractional part of 1
 21 mill will produce sufficient revenue to cause the fund,
 22 considering all sources of income to the fund and all
 23 payments to be made out of the fund, to exceed 2% of the sum
 24 of the taxable valuation of all taxable property within the
 25 city or town plus the taxable value as of December 31, 1980,

1 of property within the city or town on which a fee in lieu
2 of tax is charged.

3 (3) In cities of the third class, when the fund
4 contains an amount which is less than 2% of the sum of the
5 taxable valuation of all taxable property in the city or
6 town plus the taxable value as of December 31, 1980, of
7 property within the city or town on which a fee in lieu of
8 tax is charged, the city council shall levy an annual
9 special tax of not less than 1 mill and not more than 4
10 mills on each dollar of the sum of the taxable valuation of
11 all taxable property within the city or town plus the
12 taxable value as of December 31, 1980, of property within
13 the city or town on which a fee in lieu of tax is charged."

14 Section 25. Section 19-11-512, MCA, is amended to
15 read:

16 "19-11-512. State auditor to pay association out of
17 insurance premium taxes. (1) At the end of the fiscal year,
18 the state auditor shall issue and deliver the payment
19 described in this subsection to the board of investments to
20 be credited to the account of each fire department relief
21 association of any city or town of the first or second class
22 which has a fire department relief association entitled by
23 law to receive payments. The state auditor shall, at the
24 same time, report to the treasurer of the association the
25 amount of the payment. The payment shall be for the use and

1 benefit of the association. It shall be paid out of the
2 premium taxes on insurance risks enumerated in subsection
3 (6) collected by the state auditor and shall be equal to 10%
4 of the total annual compensation paid by the city or town to
5 its paid or part-paid firefighters for services in the
6 previous calendar year. The city clerk of the city or town
7 shall certify in writing to the state auditor, on or before
8 April 1 of each year, the amount paid by the city or town as
9 compensation for services to paid or part-paid firefighters.

10 (2) When there is a disaster resulting in death or
11 injury sufficient to draw the pensions of 10% of the active
12 force and the fund, after receiving all moneys provided for
13 in 19-11-501, 19-11-503, 19-11-504, and subsection (1) of
14 this section, does not show at least the 1-mill growth
15 referred to in 19-11-504, the treasurer of the association
16 shall request and the state auditor shall issue and deliver
17 an additional payment under the same conditions described in
18 subsection (1). The payment shall be in an amount sufficient
19 to cause at least the above-mentioned 1-mill growth in the
20 fund.

21 (3) If a city is not entitled to receive a sum equal
22 to 1 1/2 mills of the sum of its total taxable value plus
23 the taxable value as of December 31, 1980, of property
24 within the city or town on which a fee in lieu of tax is
25 charged under subsections (1) and (2), the payment shall be

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1 made in the amount provided in subsections (4) and (5) for
2 cities of the third class and in the manner described in
3 subsection (1).

4 (4) At the end of the fiscal year, the state auditor
5 shall issue and deliver the warrant described in this
6 subsection to the treasurer of every city or town, except
7 cities and towns of the first or second class, which has a
8 fire department relief association entitled by law to
9 receive payments. The warrant shall be for the use and
10 benefit of the association. It shall be for an amount equal
11 to 1 1/2 mills of the sum of the total taxable value of the
12 city or town plus the taxable value as of December 31, 1980,
13 of property within the city or town on which a fee in lieu
14 of tax is charged and shall be paid out of the premium taxes
15 on insurance risks enumerated in subsection (6) collected by
16 the state auditor.

17 (5) If the payment provided for in subsection (4) is
18 less than \$100, an additional payment shall be made from the
19 same tax moneys so that the total amount received is \$100.

20 (6) The risks referred to in subsections (1) and (4)
21 are:

22 (a) insurance of houses, buildings, and all other
23 kinds of property against loss or damage by fire or other
24 casualty;

25 (b) all kinds of insurance on goods, merchandise, or

1 other property in the course of transportation, whether by
2 land, water, or air;

3 (c) insurance against loss or damage to motor vehicles
4 resulting from accident, collision, or marine and inland
5 navigation and transportation perils;

6 (d) insurance of growing crops against loss or damage
7 resulting from hail or the elements;

8 (e) insurance against loss or damage by water to any
9 goods or premises arising from the breakage or leakage of
10 sprinklers, pumps, or other apparatus;

11 (f) insurance against loss or legal liability for loss
12 because of damage to property caused by the use of teams or
13 vehicles, whether by accident or collision or by explosion
14 of any engine, tank, boiler, pipe, or tire of any vehicle;
15 and

16 (g) insurance against theft of the whole or any part
17 of any vehicle."

18 Section 26. Section 20-9-406, MCA, is amended to read:

19 "20-9-406. Limitations on amount of bond issue. (1)

20 The maximum amount for which each school district may become
21 indebted by the issuance of bonds, including all
22 indebtedness represented by outstanding bonds of previous
23 issues and registered warrants, is 29% of the sum of the
24 taxable value of the property subject to taxation, as
25 ascertained by the last completed assessment for state,

1 county, and school taxes previous to the incurring of such
 2 indebtedness, plus the taxable value as of December 31,
 3 1980, of property within the district on which a fee in lieu
 4 of tax is charged. The 29% maximum, however, may not
 5 pertain to indebtedness imposed by special improvement
 6 district obligations or assessments against the school
 7 district. All bonds issued in excess of such amount shall be
 8 null and void, except as provided in this section.

9 (2) When the total indebtedness of a school district
 10 has reached the 29% limitation prescribed in this section,
 11 the school district may pay all reasonable and necessary
 12 expenses of the school district on a cash basis in
 13 accordance with the financial administration provisions of
 14 this chapter.

15 (3) Whenever bonds are issued for the purpose of
 16 refunding bonds, any moneys to the credit of the debt
 17 service fund for the payment of the bonds to be refunded are
 18 applied towards the payment of such bonds and the refunding
 19 bond issue is decreased accordingly."

20 Section 27. Section 20-9-502, MCA, is amended to read:

21 "20-9-502. Purpose and authorization of a building
 22 reserve fund by an election. (1) The trustees of any
 23 district, with the approval of the qualified electors of the
 24 district, may establish a building reserve for the purpose
 25 of raising money for the future construction, equipping, or

1 enlarging of school buildings or for the purpose of
 2 purchasing land needed for school purposes in the district.
 3 In order to submit to the qualified electors of the district
 4 a building reserve proposition for the establishment of or
 5 addition to a building reserve, the trustees shall pass a
 6 resolution that specifies:

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

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

12 (c) the total amount of money that will be raised
 13 during the duration of time specified in subsection (1)(b);
 14 and

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

17 (2) The total amount of building reserve when added to
 18 the outstanding indebtedness of the district shall not be
 19 more than 5% of the sum of the value of the taxable property
 20 of the district plus the taxable value as of December 31,
 21 1980, of property within the district on which a fee in lieu
 22 of tax is charged. Such limitation shall be determined in
 23 the manner provided in 20-9-406. A building reserve tax
 24 authorization shall not be for more than 20 years.

25 (3) The election shall be conducted in accordance with

1 the school election laws of this title, and the electors
2 qualified to vote in the election shall be qualified under
3 the provisions of 20-20-301. The ballot for a building
4 reserve proposition shall be substantially in the following
5 form:

6 OFFICIAL BALLOT

7 SCHOOL DISTRICT BUILDING RESERVE ELECTION

8 INSTRUCTIONS TO VOTERS: Make an X or similar mark in
9 the vacant square before the words "BUILDING RESERVE--YES"
10 if you wish to vote for the establishment of a building
11 reserve (addition to the building reserve); if you are
12 opposed to the establishment of a building reserve (addition
13 to the building reserve) make an X or similar mark in the
14 square before the words "BUILDING RESERVE--NO".

15 Shall the trustees be authorized to impose an
16 additional levy each year for years to establish a
17 building reserve (add to the building reserve) of this
18 school district to raise a total amount of dollars
19 (\$....), for the purpose(s) (here state the purpose or
20 purposes for which the building reserve will be used)?

21 BUILDING RESERVE--YES.

22 BUILDING RESERVE--NO.

23 (4) The building reserve proposition shall be approved
24 if a majority of those electors voting at the election
25 approve the establishment of or addition to such building

1 reserve. The annual budgeting and taxation authority of the
2 trustees for a building reserve shall be computed by
3 dividing the total authorized amount by the specified number
4 of years. The authority of the trustees to budget and
5 impose the taxation for the annual amount to be raised for
6 the building reserve shall lapse when, at a later time, a
7 bond issue is approved by the qualified electors of the
8 district for the same purpose or purposes for which the
9 building reserve fund of the district was established.
10 Whenever a subsequent bond issue is made for the same
11 purpose or purposes of a building reserve, the money in the
12 building reserve shall be used for such purpose or purposes
13 before any money realized by the bond issue is used."

14 Section 28. Section 85-7-2001, MCA, is amended to
15 read:

16 "85-7-2001. Limitations on debt-incurring power. (1)
17 The board of commissioners or other officers of the district
18 may not incur any debt or liability, either by issuing bonds
19 or otherwise, except as provided in this chapter. No
20 irrigation district may become indebted, in any manner or
21 for any purpose in any one year, in an amount exceeding 15%
22 of ~~the sum of~~ the assessed valuation of the district ~~plus~~
23 ~~the taxable value as of December 31, 1980, of property~~
24 ~~within the district on which a fee in lieu of tax is~~
25 ~~charged,~~ except as provided in subsection (2).

1 (2) (a) For the purpose of organization; for any of
 2 the immediate purposes of this chapter; to make or purchase
 3 surveys, plans, and specifications; for stream gauging and
 4 gathering data; or to make any repairs occasioned by any
 5 calamity or other unforeseen contingency, the board of
 6 commissioners may, in any one year, incur the indebtedness
 7 of as many dollars as there are acres in the district and
 8 may cause warrants of the district to issue therefor.

9 (b) For the purpose of organization, for any of the
 10 immediate purposes of this chapter, or to meet the expenses
 11 occasioned by any calamity or other unforeseen contingency,
 12 the board of commissioners may, in any one year, incur (in
 13 addition to the 15% limitation of subsection (1)) an
 14 additional indebtedness not exceeding 10% of the sum of the
 15 assessed valuation of the district plus the taxable value as
 16 of December 31, 1980, of property within the district on
 17 which a fee in lieu of tax is charged and may cause warrants
 18 of the district to issue therefor.

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

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

25 (3) Any debt or liability incurred in excess of the

1 limitations provided by the irrigation district laws is
 2 void."

3 Section 29. Section 10-2-301, MCA, is amended to read:

4 "10-2-301. Free license plates to disabled veterans.
 5 Any person who is a veteran of the armed service of the
 6 United States and 100% disabled because of an injury which
 7 has been determined by the veterans administration to be
 8 service connected and who is a citizen and resident of the
 9 state of Montana and who is the owner of a passenger
 10 automobile or of a truck up to and including three-quarter
 11 ton GVW-rated capacity shall be provided with free license
 12 plates ~~upon payment of personal property tax equal to 1% of~~
 13 ~~the taxable value~~ for such automobile or truck and upon
 14 proof of 100% service-connected disability."

15 Section 30. Section 15-6-139, MCA, is amended to read:

16 "15-6-139. Class nine property -- description --
 17 taxable percentage. (1) Class nine property includes:

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

21 (b) ~~stock, camping, and travel trailers;~~

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

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

25 (e) ~~(c)~~ furniture, fixtures, and equipment, except that

1 specifically included in another class, used in commercial
2 establishments as defined in this section;

3 ~~(f)~~(d) x-ray and medical and dental equipment; and
4 ~~(g)~~(e) citizens' band radios and mobile telephones.

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

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

10 Section 31. Section 15-6-140, MCA, is amended to read:

11 "15-6-140. Class ten property -- description --
12 taxable percentage. (1) Class ten property includes:

13 (a) radio and television broadcasting and transmitting
14 equipment;

15 (b) cable television systems;

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

19 (i) class five for cooperative rural electrical and
20 cooperative rural telephone associations; and

21 (ii) class seven for rural telephone and electrical
22 organizations;

23 (d) coal and ore haulers;

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

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

3 (g) theater projectors and sound equipment; and

4 (h) all other property not included in the preceding
5 nine classes.

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

8 Section 32. Section 15-6-201, MCA, is amended to read:

9 "15-6-201. Exempt categories. (1) The following
10 categories of property are exempt from taxation:

11 (a) the property of:

12 (i) the United States, the state, counties, cities,
13 towns, school districts;

14 (ii) irrigation districts organized under the laws of
15 Montana and not operating for profit;

16 (iii) municipal corporations; and

17 (iv) public libraries;

18 (b) buildings, with land they occupy and furnishings
19 therein, owned by a church and used for actual religious
20 worship or for residences of the clergy, together with
21 adjacent land reasonably necessary for convenient use of
22 such buildings;

23 (c) property used exclusively for agricultural and
24 horticultural societies, for educational purposes, and for
25 hospitals;

1 (d) property that meets the following conditions:
 2 (i) is owned and held by any association or
 3 corporation organized under Title 35, chapter 2, 3, 20, or
 4 21;
 5 (ii) is devoted exclusively to use in connection with a
 6 cemetery or cemeteries for which a permanent care and
 7 improvement fund has been established as provided for in
 8 Title 35, chapter 20, part 3; and
 9 (iii) is not maintained and operated for private or
 10 corporate profit;
 11 (e) institutions of purely public charity;
 12 (f) evidence of debt secured by mortgages of record
 13 upon real or personal property in the state of Montana;
 14 (g) public art galleries and public observatories not
 15 used or held for private or corporate profit;
 16 (h) all household goods and furniture, including but
 17 not limited to clocks, musical instruments, sewing machines,
 18 and wearing apparel of members of the family, used by the
 19 owner for personal and domestic purposes or for furnishing
 20 or equipping the family residence;
 21 (i) a truck canopy cover or topper weighing less than
 22 300 pounds and having no accommodations attached. Such
 23 property is also exempt from the fee in lieu of tax.
 24 (j) a bicycle, as defined in 61-1-123, used by the
 25 owner for personal transportation purposes;

1 ~~(k) a vehicle listed in 61-3-521 on which a fee in~~
 2 ~~lieu of tax is charged.~~
 3 (2) (a) The term "institutions of purely public
 4 charity" includes organizations owning and operating
 5 facilities for the care of the retired or aged or
 6 chronically ill, which are not operated for gain or profit.
 7 (b) The terms "public art galleries" and "public
 8 observatories" include only those art galleries and
 9 observatories, whether of public or private ownership, that
 10 are open to the public without charge at all reasonable
 11 hours and are used for the purpose of education only.
 12 (3) The following portions of the appraised value of a
 13 capital investment made after January 1, 1979, in a
 14 recognized nonfossil form of energy generation, as defined
 15 in 15-32-102, are exempt from taxation for a period of 10
 16 years following installation of the property:
 17 (a) \$20,000 in the case of a single family residential
 18 dwelling;
 19 (b) \$100,000 in the case of a multifamily residential
 20 dwelling or a nonresidential structure."
 21 Section 33. Section 15-8-201, MCA, is amended to read:
 22 "15-8-201. General assessment day. (1) The department
 23 of revenue or its agent must, between January 1 and the
 24 second Monday of July in each year, ascertain the names of
 25 all taxable inhabitants and assess all property subject to

1 taxation in each county. The department or its agent must
 2 assess property to the person by whom it was owned or
 3 claimed or in whose possession or control it was at midnight
 4 of January 1 next preceding. It must also ascertain and
 5 assess all mobile homes arriving in the county after
 6 midnight of January 1 next preceding. No mistake in the name
 7 of the owner or supposed owner of real property, however,
 8 renders the assessment invalid.

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

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

14 (b) motor homes, ~~and travel trailers, and motor~~
 15 ~~vehicles listed in 61-3-521,~~ subject to a fee in lieu of
 16 property tax;

17 (c) livestock;

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

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

24 (3) Credits must be assessed as provided in
 25 15-1-101(1)(c)."

1 Section 34. Section 15-8-202, MCA, is amended to read:
 2 *15-8-202. Motor vehicle assessment. (1) (a) The
 3 department or its agent must, in each year, ascertain and
 4 assess all motor vehicles other than motor homes, travel
 5 trailers, ~~or mobile homes, automobiles, or light trucks~~ in
 6 each county subject to taxation as of January 1 or as of the
 7 anniversary registration date of those vehicles subject to
 8 61-3-313 through 61-3-316 and 61-3-501. The motor vehicles
 9 shall be assessed in each year to the persons by whom owned
 10 or claimed or in whose possession or control they were at
 11 midnight of January 1 or the anniversary registration date
 12 thereof, whichever is applicable.

13 (b) No tax may be assessed against motor vehicles that
 14 constitute inventory of motor vehicle dealers as of January
 15 1. These vehicles and all other motor vehicles brought into
 16 the state subsequent to January 1 as motor vehicle dealers'
 17 inventories shall be assessed to their respective purchasers
 18 as of the dates the vehicles are registered by the
 19 purchasers.

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

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

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

7 Section 35. Section 15-24-101, MCA, is amended to
8 read:

9 "15-24-101. Assessment of proportionally registered
10 interstate motor vehicle fleets -- tax payment required for
11 registration. (1) The department of revenue shall assess,
12 for the purpose of personal property taxes, unless subject
13 to a fee in lieu of tax, interstate motor vehicle fleets
14 proportionally registered under the provisions of 61-3-711
15 through 61-3-733, and said assessment shall be apportioned
16 on the ratio of total miles traveled to in-state miles
17 traveled formula as prescribed by 61-3-721. Interstate motor
18 vehicle fleets are hereby declared assessable for taxation
19 purposes, unless subject to a fee in lieu of tax, upon
20 application for proportional registration and shall be
21 assessed to the persons who own or claim or in whose
22 possession or control the fleet is at the time of the
23 application.

24 (2) Any fleet contained in an original application
25 which has a situs for purpose of property taxation or fees

1 in lieu of taxes in Montana by the terms of this part or any
2 other provision of the laws of Montana between January 1 and
3 April 1 shall be taxed or charged for a full year. Any fleet
4 contained in an original application which acquires a situs
5 for the purpose of property taxation or fees in lieu of
6 taxes in Montana under the provisions of this part or any
7 other law of the state of Montana after April 1 shall have
8 taxes apportioned as provided in 15-24-303.

9 (3) Any fleet contained in a renewal application shall
10 be assessed and taxed or be charged fees in lieu of taxes
11 for a full year.

12 (4) Vehicles contained in a fleet for which current
13 fees in lieu of taxes or taxes have been assessed and paid
14 shall not be assessed under this section upon presentation
15 to the department of proof of payment of tax or fee in lieu
16 of tax for the current registration year. The payment of
17 personal property taxes or fees in lieu of taxes is a
18 condition precedent to proportional registration or
19 reregistration of an interstate motor vehicle fleet."

20 Section 36. Section 15-24-102, MCA, is amended to
21 read:

22 "15-24-102. Valuation of interstate fleets --
23 determination of aggregate tax due. The department of
24 revenue shall assess any interstate motor vehicle fleet not
25 subject to a fee in lieu of tax, making application for

1 proportional registration, as follows:

2 (1) The purchase price depreciated by a schedule as
3 prescribed by the department shall determine the depreciated
4 value.

5 (2) The depreciated value multiplied by the percent of
6 miles traveled in Montana as prescribed by 61-3-721 shall be
7 the assessed value.

8 (3) The sum of the assessed value of all vehicles
9 included in the fleet multiplied by 16% shall be the taxable
10 value for the entire fleet.

11 (4) To determine the amount of tax due, the taxable
12 value of the entire fleet shall be multiplied by the
13 statewide average county mill levy plus state levies as
14 hereinafter provided.

15 ~~(5) On vehicles subject to a fee in lieu of tax, the~~
16 ~~sum of the applicable fees shall be charged.~~"

17 Section 37. Section 15-24-103, MCA, is amended to
18 read:

19 "15-24-103. Determination of average levy in state --
20 application to interstate fleets -- cost stated in
21 application for registration. (1) The department of revenue
22 shall determine the aggregate tax in the entire state for
23 state, county, and local purposes levied on the general
24 property of the state in the previous year, excluding
25 special levies on property for local improvements and

1 special state levies on livestock for bounties, inspection,
2 and protection purposes.

3 (2) From the total taxable valuation of the general
4 property of the state including net proceeds and the
5 aggregate tax as determined, the department shall compute
6 the average levy by dividing the aggregate tax by the total
7 state taxable valuation. The rate so determined shall
8 constitute the rate of taxation on the taxable value of all
9 interstate trucks not subject to a fee in lieu of tax.

10 (3) The original cost of each vehicle shall be
11 included on the application for proportional registration
12 under the provisions of 61-3-711 through 61-3-733. The
13 department shall determine the original cost when the owner
14 does not have this information on new or used vehicles or in
15 the case of rebuilt vehicles."

16 Section 38. Section 15-24-104, MCA, is amended to
17 read:

18 "15-24-104. Situs in state of proportionally
19 registered fleets. (1) For the purposes of this part, any
20 vehicle previously registered or which has had application
21 for registration made under the provisions of 61-3-711
22 through 61-3-733 is hereby declared to have a situs in the
23 state for the purposes of taxation or charging fees in lieu
24 of tax.

25 (2) The department or its designated agent shall

1 collect the personal property taxes or fees in lieu of taxes
2 prescribed herein."

3 Section 39. Section 15-24-105, MCA, is amended to
4 read:

5 "15-24-105. Deposit and distribution of taxes and fees
6 on proportionally registered fleets. The personal property
7 taxes or fees in lieu of taxes described herein and
8 collected shall be deposited with the state treasurer for
9 distribution to the general fund of each county according to
10 the ratio of the taxable valuation of each county to the
11 total state taxable valuation."

12 Section 40. Section 15-24-301, MCA, is amended to
13 read:

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

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

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

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

1 the general property of the state.

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

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

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

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

1 Section 41. Section 15-30-121, MCA, is amended to
2 read:

3 "15-30-121. Deductions allowed in computing net
4 income. In computing net income, there are allowed as
5 deductions:

6 (1) the items referred to in sections 161 and 211 of
7 the Internal Revenue Code of 1954, or as sections 161 and
8 211 shall be labeled or amended, subject to the following
9 exceptions which are not deductible:

10 (a) items provided for in 15-30-123;

11 (b) state income tax paid;

12 (2) federal income tax paid within the taxable year;

13 (3) child and dependent care expenses determined in
14 accordance with the provisions of section 214 of the
15 Internal Revenue Code of 1954 that were in effect for the
16 taxable year that began January 1, 1974. However, the
17 limitation set forth in section 214(e)(4) of the Internal
18 Revenue Code of 1954 as that section was in effect for the
19 taxable year that began January 1, 1974, applies only to
20 payments made to a child of the taxpayer who is under 19
21 years of age at the close of the taxable year and to
22 payments made to an individual with respect to whom a
23 deduction is allowable under 15-30-112(5) to the taxpayer or
24 the taxpayer's spouse.

25 (4) that portion of an energy-related investment

1 allowed as a deduction under 15-32-103;

2 (5) in the case of an individual, political
3 contributions determined in accordance with the provisions
4 of section 218(a) and (b) of the Internal Revenue Code that
5 were in effect for the taxable year ended December 31,
6 1978; and

7 ~~(6) fees in lieu of taxes on motor vehicles.~~

8 Section 42. Section 15-31-114, MCA, is amended to
9 read:

10 "15-31-114. Deductions allowed in computing income. In
11 computing the net income, the following deductions shall be
12 allowed from the gross income received by such corporation
13 within the year from all sources:

14 (1) All the ordinary and necessary expenses paid or
15 incurred during the taxable year in the maintenance and
16 operation of its business and properties, including
17 reasonable allowance for salaries for personal services
18 actually rendered, subject to the limitation hereinafter
19 contained, rentals or other payments required to be made as
20 a condition to the continued use or possession of property
21 to which the corporation has not taken or is not taking
22 title or in which it has no equity. No deduction shall be
23 allowed for salaries paid upon which the recipient thereof
24 has not paid Montana state income tax; provided, however,
25 that where domestic corporations are taxed on income derived

1 connection with securing such income shall be deductible.

2 (2) (a) All losses actually sustained and charged off
3 within the year and not compensated by insurance or
4 otherwise, including a reasonable allowance for the wear and
5 tear and obsolescence of property used in the trade or
6 business, such allowance to be determined according to the
7 provisions of section 167 of the Internal Revenue Code in
8 effect with respect to the taxable year. All elections for
9 depreciation shall be the same as the elections made for
10 federal income tax purposes. No deduction shall be allowed
11 for any amount paid out for any buildings, permanent
12 improvements, or betterments made to increase the value of
13 any property or estate, and no deduction shall be made for
14 any amount of expense of restoring property or making good
15 the exhaustion thereof for which an allowance is or has been
16 made.

17 (b) (i) There shall be allowed as a deduction for the
18 taxable period a net operating loss deduction determined
19 according to the provisions of this subsection. The net
20 operating loss deduction is the aggregate of net operating
21 loss carryovers to such taxable period plus the net
22 operating loss carrybacks to such taxable period. The term
23 "net operating loss" means the excess of the deductions
24 allowed by this section, 15-31-114, over the gross income,
25 with the modifications specified in (ii) of this subsection.

1 If for any taxable period beginning after December 31, 1970,
2 a net operating loss is sustained, such loss shall be a net
3 operating loss carryback to each of the three taxable
4 periods preceding the taxable period of such loss and shall
5 be a net operating loss carryover to each of the five
6 taxable periods following the taxable period of such loss. A
7 net operating loss for any taxable period ending after
8 December 31, 1975, in addition to being a net operating loss
9 carryback to each of the three preceding taxable periods,
10 shall be a net operating loss carryover to each of the seven
11 taxable periods following the taxable period of such loss.
12 The portion of such loss which shall be carried to each of
13 the other taxable years shall be the excess, if any, of the
14 amount of such loss over the sum of the net income for each
15 of the prior taxable periods to which such loss was carried.
16 For purposes of the preceding sentence, the net income for
17 such prior taxable period shall be computed with the
18 modifications specified in (ii)(B) of this subsection and by
19 determining the amount of the net operating loss deduction
20 without regard to the net operating loss for the loss period
21 or any taxable period thereafter, and the net income so
22 computed shall not be considered to be less than zero.

23 (ii) The modifications referred to in (i) of this
24 subsection shall be as follows:

25 (A) No net operating loss deduction shall be allowed.

1 (B) The deduction for depletion shall not exceed the
2 amount which would be allowable if computed under the cost
3 method.

4 (C) Any net operating loss carried over to any taxable
5 years beginning after December 31, 1973, must be calculated
6 under the provisions of this section effective for the
7 taxable year for which the return claiming the net operating
8 loss carryover is filed.

9 (iii) A net operating loss deduction shall be allowed
10 only with regard to losses attributable to the business
11 carried on within the state of Montana.

12 (iv) In the case of a merger of corporations, the
13 surviving corporation shall not be allowed a net operating
14 loss deduction for net operating losses sustained by the
15 merged corporations prior to the date of merger. In the case
16 of a consolidation of corporations, the new corporate entity
17 shall not be allowed a deduction for net operating losses
18 sustained by the consolidated corporations prior to the date
19 of consolidation.

20 (v) Notwithstanding the provisions of 15-31-531,
21 interest shall not be paid with respect to a refund of tax
22 resulting from a net operating loss carryback or carryover.

23 (vi) The net operating loss deduction shall not be
24 allowed with respect to taxable periods which ended on or
25 before December 31, 1970, but shall be allowed only with

1 respect to taxable periods beginning on or after January 1,
2 1971.

3 (3) In the case of mines, other natural deposits, oil
4 and gas wells, and timber, a reasonable allowance for
5 depletion and for depreciation of improvements; such
6 reasonable allowance to be determined according to the
7 provisions of the Internal Revenue Code in effect for the
8 taxable year. All elections made under the Internal Revenue
9 Code with respect to capitalizing or expensing exploration
10 and development costs and intangible drilling expenses for
11 corporation license tax purposes shall be the same as the
12 elections made for federal income tax purposes.

13 (4) The amount of interest paid within the year on its
14 indebtedness incurred in the operation of the business from
15 which its income is derived; but no interest shall be
16 allowed as a deduction if paid on an indebtedness created
17 for the purchase, maintenance, or improvement of property or
18 for the conduct of business unless the income from such
19 property or business would be taxable under this part.

20 (5) (a) Taxes or fees in lieu of taxes paid within the
21 year except the following:

- 22 (i) Taxes imposed by this part.
23 (ii) Taxes assessed against local benefits of a kind
24 tending to increase the value of the property assessed.
25 (iii) Taxes on or according to or measured by net

1 income or profits imposed by authority of the government of
2 the United States.

3 (iv) Taxes imposed by any other state or country upon
4 or measured by net income or profits.

5 (b) Taxes deductible under this part shall be
6 construed to include taxes or fees in lieu of taxes imposed
7 by any county, school district, or municipality of this
8 state.

9 (6) That portion of an energy-related investment
10 allowed as a deduction under 15-32-103."

11 Section 43. Section 15-50-207, MCA, is amended to
12 read:

13 "15-50-207. Credit against other taxes -- credit for
14 personal property taxes. (1) The additional license fees
15 withheld or otherwise paid as provided herein may be used as
16 a credit on the contractor's corporation license tax
17 provided for in chapter 31 of this title or on the
18 contractor's income tax provided for in chapter 30,
19 depending upon the type of tax the contractor is required to
20 pay under the laws of the state.

21 (2) Personal property taxes or fees in lieu of taxes
22 paid in Montana on any personal property of the contractor
23 which is used in the business of the contractor and is
24 located within this state may be credited against the
25 license fees required under this chapter. However, in

1 computing the tax credit allowed by this section against the
2 contractor's corporation license tax or income tax, the
3 personal property tax credit against the license fees herein
4 required shall not be considered as license fees paid for
5 the purpose of such income tax or corporation license tax
6 credit."

7 Section 44. Section 61-3-303, MCA, is amended to read:

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

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

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

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

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

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

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

9 (a) the registration fee, as provided in 61-3-311 and
10 61-3-321; and

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

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

24 Section 45. Section 61-3-317, MCA, is amended to read:

25 "61-3-317. New registration required for transferred

1 vehicle -- grace period -- penalty -- display of proof of
2 purchase. Except as otherwise provided herein, the new owner
3 of a transferred motor vehicle shall have a grace period of
4 20 calendar days from the date of purchase to make
5 application and pay the taxes ~~as provided by part 5 of this~~
6 ~~chapter~~ or the fee in lieu of tax as provided by ~~61-3-521~~
7 part 5 of this chapter unless the tax or fee has been paid
8 for the year, as if the vehicle were being registered for
9 the first time in that registration year. If the motor
10 vehicle was not purchased from a duly licensed motor vehicle
11 dealer as provided in this chapter, it is not a violation of
12 this chapter or any other law for the purchaser to operate
13 the vehicle upon the streets and highways of this state
14 without a certificate of registration during the 20-day
15 period, provided that at all times during that period a bill
16 of sale or other proof of purchase reciting the date of
17 purchase is clearly displayed in the rear window of the
18 motor vehicle. Registration and license fees collected under
19 61-3-321 are not required to be paid when a license plate is
20 transferred under this section and 61-3-335. Failure to make
21 application within the time provided herein subjects the
22 purchaser to a penalty of \$10. The penalty shall be
23 collected by the county treasurer at the time of
24 registration and shall be in addition to the fees otherwise
25 provided by law."

1 Section 46. Section 61-3-322, MCA, is amended to read:

2 "61-3-322. Certificates of registration -- issuance.
3 (1) Upon completion of the application for registration on
4 forms furnished by the division, the county treasurer shall
5 file one copy in his office and issue to the applicant two
6 copies of the application marked "Owner's Certificate of
7 Registration and ~~Tax Payment~~ Receipt", one of which shall be
8 marked "file copy".

9 (2) The certificate of registration shall contain upon
10 the face thereof the information described in 61-3-202(2).

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

20 (4) The county treasurer shall daily forward to the
21 division one copy of all applications for registration
22 received that day.

23 (5) It shall not be necessary for the county treasurer
24 to segregate the amount of taxes or fees in lieu of taxes
25 for state, county, school district, and municipal purposes

1 in the receipt."

2 Section 47. Section 61-3-332, MCA, is amended to read:

3 "61-3-332. Number plates. (1) Every motor vehicle
4 which shall be driven upon the streets or highways of this
5 state shall display both front and rear a number plate,
6 bearing the distinctive number assigned such vehicle. Such
7 number plate shall be in eight series: one series for owners
8 of motorcars, one for owners of motor vehicles of the
9 motorcycle type, one for trailers, one for trucks, one for
10 dealers in vehicles of the motorcycle type which shall bear
11 the distinctive letters "MCD" or the letters "MC" and the
12 word "DEALER", one for franchised dealers in new motorcars
13 (including trucks and trailers) or new and used motorcars
14 (including trucks and trailers) which shall bear the
15 distinctive letter "D" or the word "DEALER", one for dealers
16 in used motorcars only (including used trucks and trailers)
17 which shall bear the distinctive letters "UD" or the letter
18 "U" and the word "DEALER", and one for dealers in trailers
19 and/or semitrailers (new or used) which shall bear the
20 distinctive letters "DTR" or the letters "TR" and the word
21 "DEALER". All such markings for the aforementioned kinds of
22 dealers' plates shall be placed on the number plates
23 assigned thereto in such position thereon as the division
24 may designate.

25 (2) All number plates for motor vehicles shall be

1 issued for a minimum period of 4 years, shall bear a
 2 distinctive marking, and shall be furnished by the state.
 3 In years when number plates are not issued, the division
 4 shall provide nonremovable stickers bearing appropriate
 5 registration numbers which shall be affixed to the license
 6 plates in use.

7 (3) In the case of motorcars and trucks, number plates
 8 shall be of metal 6 inches wide and 12 inches in length. For
 9 number plates issued after 1976, the outline of the state
 10 of Montana shall be used as a distinctive border on such
 11 license plates, and the word "Montana" with the year shall
 12 be placed across the bottom of the plate. Such registration
 13 plate shall be treated with a reflectorized background
 14 material according to specifications prescribed by the
 15 division.

16 (4) The distinctive registration numbers shall begin
 17 with a number one or with a letter-number combination such
 18 as "A 1" or "AA 1", or any other similar combination of
 19 letters and numbers and be numbered consecutively for each
 20 series of plates. The distinctive registration number or
 21 letter-number combination assigned to the vehicle shall
 22 appear on the plate preceded by the number of the county and
 23 appearing in horizontal order on the same horizontal
 24 baseline, and the county number shall be separated from the
 25 distinctive registration number by a separation mark unless

1 a letter-number combination is used. The dimensions of such
 2 numerals and letters shall be determined by the division,
 3 provided that all county and registration numbers shall be
 4 of equal height.

5 (5) For the use of tax-exempt motor vehicles exempt
 6 from taxes and fees in lieu of taxes, in addition to the
 7 markings herein provided, number plates shall have thereon
 8 the following distinctive markings:

9 (a) For vehicles owned by the state the division may
 10 designate the prefix number for the various state
 11 departments, and all numbered plates issued to state
 12 departments shall bear the words "State Owned" and no year
 13 number will be indicated thereon as these numbered plates
 14 will be of a permanent nature, and will be replaced by the
 15 division at such time when the physical condition of
 16 numbered plates requires same.

17 (b) For vehicles owned by the counties,
 18 municipalities, irrigation districts organized under the
 19 laws of Montana and not operating for profit, and school
 20 districts and used and operated by officials and employees
 21 thereof in line of duty as such, and for vehicles on loan
 22 from the United States government or the state of Montana,
 23 to, or owned by, the civil air patrol and used and operated
 24 by officials and employees thereof in the line of duty as
 25 such, there shall be placed on the number plates assigned

1 thereto, in such position thereon as the division may
 2 designate, the letter "X" or the word "EXEMPT". Distinctive
 3 registration numbers for plates assigned to motor vehicles
 4 of each of the counties in the state and those of the
 5 municipalities and school districts situated within each of
 6 said counties and those of the irrigation districts which
 7 obtain plates within each county shall begin with number one
 8 and be numbered consecutively.

9 (6) On all number plates assigned to motor vehicles of
 10 the truck and trailer type, other than tax-exempt trucks and
 11 trailers, there shall appear the letter "T" or the word
 12 "TRUCK" for plates assigned to trucks and the letters "TR"
 13 or the word "TRAILER" for plates assigned to trailers and
 14 housetrailer. The letters "MC" or the word "CYCLE" shall
 15 appear for plates assigned to vehicles of the motorcycle
 16 type.

17 (7) Number plates issued to a passenger car, truck,
 18 trailer, or vehicle of the motorcycle type may be
 19 transferred only to a replacement passenger car, truck,
 20 trailer, or motorcycle type vehicle. No registration or
 21 license fee may be assessed upon a transfer of a number
 22 plate under 61-3-317 and 61-3-335.

23 (8) For the purpose of this chapter, the several
 24 counties of the state shall be assigned numbers as follows:
 25 Silver Bow, 1; Cascade, 2; Yellowstone, 3; Missoula, 4;

1 Lewis and Clark, 5; Gallatin, 6; Flathead, 7; Fergus, 8;
 2 Powder River, 9; Carbon, 10; Phillips, 11; Hill, 12;
 3 Ravalli, 13; Custer, 14; Lake, 15; Dawson, 16; Roosevelt,
 4 17; Beaverhead, 18; Chouteau, 19; Valley, 20; Toole, 21; Big
 5 Horn, 22; Musselshell, 23; Blaine, 24; Madison, 25; Pondera,
 6 26; Richland, 27; Powell, 28; Rosebud, 29; Deer Lodge, 30;
 7 Teton, 31; Stillwater, 32; Treasure, 33; Sheridan, 34;
 8 Sanders, 35; Judith Basin, 36; Daniels, 37; Glacier, 38;
 9 Fallon, 39; Sweet Grass, 40; McCone, 41; Carter, 42;
 10 Broadwater, 43; Wheatland, 44; Prairie, 45; Granite, 46;
 11 Meagher, 47; Liberty, 48; Park, 49; Garfield, 50; Jefferson,
 12 51; Wibaux, 52; Golden Valley, 53; Mineral, 54; Petroleum,
 13 55; Lincoln, 56. Any new counties shall be assigned numbers
 14 by the division as they may be formed, beginning with the
 15 number 57."

16 Section 48. Section 61-3-335, MCA, is amended to read:
 17 "61-3-335. Transfer of license plates to another motor
 18 vehicle. (1) Should the transferor make application for the
 19 registration of another motor vehicle at any time during the
 20 remainder of the current registration year as shown on the
 21 original certificate of registration, he may file an
 22 application in the office of the county treasurer where the
 23 motor vehicle is taxable ~~or where the fee in lieu of tax is~~
 24 payable, upon a form to be prepared and furnished by the
 25 division, accompanied by the original certificate of

1 registration, for the transfer of the license plates. The
 2 application for transfer of the license plates from the
 3 motor vehicle for which originally issued to a motor vehicle
 4 acquired by the same person in whose name the original
 5 license plates were issued shall be made within 20 days from
 6 date of acquiring the vehicle. The use of the license plates
 7 shall not be legalized until proper transfer of license
 8 plates has been made.

9 (2) License plates may be transferred pursuant to this
 10 section without transferring ownership of the first vehicle.

11 (3) Upon transfer of the license plates, the
 12 registration of the motor vehicle from which the license
 13 plates were transferred expires. The certificate of
 14 registration for such vehicle must be surrendered to the
 15 county treasurer with the application for transfer."

16 Section 49. Section 61-3-342, MCA, is amended to read:

17 "61-3-342. Temporary windshield sticker. Any purchaser
 18 of a motor vehicle who is unable to obtain license plates
 19 from the county treasurer at the time he makes application
 20 for registration or reregistration of said vehicle because
 21 the certificate of ownership is lost, in the possession of
 22 third parties, or in the process of reissuance in this state
 23 or elsewhere may, upon making affidavit to that effect upon
 24 a form prescribed by the division and upon the payment of a
 25 fee of \$2 to be collected by the county treasurer and

1 fee of \$2 to be collected by the county treasurer and
 2 remitted to the division, obtain from the county treasurer
 3 of the county in which said vehicle is subject to tax or a
 4 fee in lieu of tax, a temporary windshield sticker of such
 5 size, color, and design as the division may prescribe, to be
 6 validated by the county treasurer for a period of 60 days
 7 from the date of issuance. Such purchaser, upon displaying
 8 such sticker on the lower right-hand corner of the
 9 windshield of such motor vehicle, shall be entitled to
 10 operate such vehicle during the period for which such
 11 windshield sticker has been validated without displaying the
 12 registration certificate or number plates or plate for the
 13 current year. Provided, however, the county treasurer shall
 14 not sell, and no person shall purchase, more than one 60-day
 15 temporary windshield sticker for any vehicle, the ownership
 16 of which has not changed since the issuance of the previous
 17 60-day windshield sticker."

18 Section 50. Section 61-3-501, MCA, is amended to read:

19 "61-3-501. When vehicle property tax is due. (1)
 20 Property taxes, new car taxes, and fees in lieu of tax on a
 21 ~~motor--home--or--travel--trailer~~ vehicles listed in 61-3-521
 22 must be paid on the date of registration or reregistration
 23 of the vehicle.

24 (2) If the anniversary date for reregistration of a
 25 vehicle passes while the vehicle is owned and held for sale

1 fee in lieu of property taxes abate on such vehicle properly
 2 reported with the department of revenue until the vehicle is
 3 sold and thereafter the purchaser shall pay the pro rate
 4 balance of the taxes or the fee in lieu of tax due and owing
 5 on the vehicle.

6 (3) In the event a vehicle's registration period is
 7 changed under 61-3-315, all taxes and other fees due thereon
 8 shall be prorated and paid from the last day of the old
 9 period until the first day of the new period in which the
 10 vehicle shall be registered. Thereafter taxes and other fees
 11 must be paid from the first day of the new period for a
 12 minimum period of 1 year. When the change is to a later
 13 registration period, taxes and fees shall be prorated and
 14 paid based on the same tax year as the original registration
 15 period. Thereafter, during the appropriate anniversary
 16 registration period, each vehicle shall again register or
 17 reregister and shall pay all taxes and fees due thereon for
 18 a 12-month period."

19 Section 51. Section 61-3-503, MCA, is amended to read:
 20 "61-3-503. Assessment. (1) A person who files an
 21 application for registration or reregistration of a motor
 22 vehicle, other than a ~~motor-home, travel-trailer~~ vehicle on
 23 which a fee in lieu of tax is charged, or a mobile home as
 24 defined in 15-1-101(1), shall before filing such application
 25 with the county treasurer submit the application to the

1 county assessor. The county assessor shall enter on the
 2 application in a space to be provided for that purpose the
 3 market value and taxable value of the vehicle for the year
 4 for which the application for registration is made.

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

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

21 Section 52. Section 61-3-504, MCA, is amended to read:
 22 "61-3-504. Computation of tax. The amount of taxes on
 23 a motor vehicle, other than a ~~motor-home, travel-trailer~~
 24 vehicle on which a fee in lieu of tax is charged, or a
 25 mobile home as defined in 15-1-101(1), is computed and

1 determined by the county treasurer on the basis of the levy
2 of the year preceding the current year of application for
3 registration or reregistration. The determination is entered
4 on the application form in a space provided therefor."

5 Section 53. Section 61-3-507, MCA, is amended to read:

6 "61-3-507. Exemption. Motor vehicles subject to
7 anniversary date registration as provided in 61-3-313
8 through 61-3-316 and vehicles subject to a fee in lieu of
9 tax are exempt from the provisions of 61-3-503(2) and
10 61-3-505."

11 Section 54. Section 61-3-509, MCA, is amended to read:

12 "61-3-509. Disposition of taxes and fees in lieu of
13 tax. The county treasurer shall credit all taxes on motor
14 vehicles and fees in lieu of tax on motor homes, and travel
15 trailers, automobiles, and light trucks collected to a motor
16 vehicle suspense fund, and at some time between March 1 and
17 March 10 of each year and every 60 days thereafter, the
18 county treasurer shall distribute the money in the motor
19 vehicle suspense fund in the relative proportions required
20 by the levies for state, county, school district, and
21 municipal purposes in the same manner as other personal
22 property taxes are distributed."

23 Section 55. Section 61-3-521, MCA, is amended to read:

24 "61-3-521. Fee in lieu of tax for certain vehicles.
25 (1) There is a fee in lieu of property tax imposed on motor

1 homes, travel trailers, and campers, light trucks, and
2 automobiles. The fee is in addition to annual registration
3 fees.

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

7 Section 56. Section 61-3-701, MCA, is amended to read:

8 "61-3-701. Foreign vehicles used in gainful occupation
9 to be registered -- reciprocity. (1) Before any foreign
10 licensed motor vehicle may be operated on the highways of
11 this state for hire, compensation, or profit or before the
12 owner and/or user thereof uses the vehicle if such owner
13 and/or user is engaged in gainful occupation or business
14 enterprise in the state, including highway work, the owner
15 of the vehicle shall make application to a county treasurer
16 for registration upon an application form furnished by the
17 division. Upon satisfactory evidence of ownership submitted
18 to the county treasurer and the payment of property taxes as
19 required by 15-8-201 ~~through 15-8-203, 15-8-202,~~ or
20 15-24-301 or fees in lieu of taxes, the treasurer shall
21 accept the application for registration and shall collect
22 the regular license fee required for the vehicle.

23 (2) The treasurer shall thereupon issue to the
24 applicant a copy of the application entitled "Owner's
25 Certificate of Registration and ~~Fee Payment~~ Receipt" and

1 forward a duplicate copy of the certificate to the division.
 2 The treasurer shall at the same time issue to the applicant
 3 the proper license plates or other identification markers,
 4 which shall at all times be displayed upon the vehicle when
 5 operated or driven upon roads and highways of this state
 6 during the period of the life of the license.

7 (3) The registration receipt shall not constitute
 8 evidence of ownership but shall be used only for
 9 registration purposes. No Montana certificate of ownership
 10 shall be issued for this type of registration.

11 (4) This section is not applicable to any vehicle
 12 covered by a valid and existing reciprocal agreement or
 13 declaration entered into under the provisions of the laws of
 14 Montana."

15 Section 57. Section 61-10-233, MCA, is amended to
 16 read:

17 "61-10-233. Excess weight -- penalties. (1) The
 18 operator is subject to the penalties stated in 61-10-232
 19 whenever the gross loaded weight of any trucks, truck
 20 tractor, trailer, or semitrailer operated upon any highway
 21 in this state exceeds the gross vehicle weight shown on:

22 (a) the owner's certificate of registration and tax
 23 payment receipt issued under 61-3-322; or

24 (b) the gross vehicle weight receipt issued under
 25 61-10-227.

1 (2) In addition, the operator shall immediately pay to
 2 the nearest county treasurer or to the department the
 3 difference between the fee already paid and that applicable
 4 to the gross weight of his vehicle before unloading the
 5 excess, provided that it does not exceed the legal axle
 6 weight."

7 NEW SECTION. Section 58. Light truck. "Light truck"
 8 means a truck whose GVW-rated capacity is three-quarters of
 9 a ton or less.

10 NEW SECTION. Section 59. Schedule of fees for
 11 automobiles and light trucks. (1) The owner of an automobile
 12 or light truck weighing 3,000 pounds or less, manufacturer's
 13 shipping weight, shall pay a fee, based on the age of the
 14 vehicle, according to the following schedule:

15	less than 2 years old	\$165
16	2 years old and less than 3 years old	145
17	3 years old and less than 4 years old	115
18	4 years old and less than 5 years old	85
19	5 years old and less than 6 years old	70
20	6 years old and less than 7 years old	50
21	7 years old and less than 8 years old	40
22	8 years old and less than 9 years old	30
23	9 years old and less than 10 years old	20
24	10 years old and less than 11 years old	15
25	11 years old and less than 12 years old	10

1 12 years old and older 5

2 (2) The owner of an automobile or light truck weighing
3 more than 3,000 pounds, manufacturer's shipping weight,
4 shall pay a fee, based on the age of the vehicle, according
5 to the following schedule:

6 less than 2 years old	\$205
7 2 years old and less than 3 years old	185
8 3 years old and less than 4 years old	150
9 4 years old and less than 5 years old	115
10 5 years old and less than 6 years old	90
11 6 years old and less than 7 years old	70
12 7 years old and less than 8 years old	50
13 8 years old and less than 9 years old	40
14 9 years old and less than 10 years old	30
15 10 years old and less than 11 years old	20
16 11 years old and less than 12 years old	15
17 12 years old and older	10

18 (3) The age of a vehicle is determined by subtracting
19 the manufacturer's designated model year from the current
20 calendar year.

21 (4) The department of revenue shall annually increase
22 or decrease the fees in subsections (1) and (2) according to
23 the change in the consumer price index for urban wage
24 earners and clerical workers, U.S. city average; all items,
25 1967=100; for each year. The fees shall be changed to the

1 nearest dollar amount reflecting the percentage change in
2 the consumer price index. The fees shall be raised for an
3 increase in the consumer price index and lowered for a
4 decrease in the consumer price index.

5 Section 60. Codification instruction. (1) Section 58
6 is intended to be codified as an integral part of Title 61,
7 chapter 1, part 1, and section 58 applies to Title 61 and
8 Title 61 applies to section 58.

9 (2) Section 59 is intended to be codified as an
10 integral part of Title 61, chapter 3, part 5, and the
11 provisions of Title 61 apply to section 59.

12 Section 61. Applicability. This act is applicable to
13 automobiles and light trucks registered during and after
14 1982.

-End-

STATE OF MONTANA

REQUEST NO. 244-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 30, 19 81, there is hereby submitted a Fiscal Note for HB 483 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION

This proposal would replace the present ad valorem tax on automobiles and light trucks with a fee system based on the age and weight of the vehicle. The fee structure would be indexed using the CPI for urban wage earners.

The data from the 1980 plate year Motor Vehicle Division computer tape is used in deriving these estimates. About 12.7% of the records in the data file are flawed in a way which renders them unusable for computation purposes. Consequently, the estimates are made based on the 87.3% of the file which is usable and the results are expanded to the entire file under the assumption that the 87.3% is a representative sample.

The computation indicates that the fee system would have raised \$31,542,083 compared with \$29,817,729 for the ad valorem tax - an increase of 5.78%. Assume that

- 1) the taxable value of the state will be \$2.083 B for 1981 and \$2.263 B for 1982;
- 2) Automobiles and light trucks constitute 7% of the tax base for both years;
- 3) the average mill levy applied to motor vehicles will be 230 mills each year and the university levy will be 6 mills; and
- 4) the inflation rate for 1982 will be 10%

82

	<u>Current</u>	<u>Proposed</u>	<u>Increase/(Decrease)</u>
Local Gov't	\$32.661 M	\$34.550 M	\$1.889 M
University			
Fund	\$ 0.875 M	\$ 0.925 M	\$.050 M

82

	<u>Current</u>	<u>Proposed</u>	<u>Increase/(Decrease)</u>
Local Gov't	\$35.483 M	\$41.389 M	\$5.906 M
University			
Fund	\$ 0.951 M	\$ 1.005 M	\$ 0.054 M

EFFECT ON LOCAL GOVERNMENT

A county-by-county analysis is attached.

LONG-RANGE EFFECTS

If inflation continues at rates near the 10% mark the revenue generated by this fee system would probably increase at a more rapid pace than revenue generated by the ad valorem tax.

David M. Lewis
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-3-81

(Continued on page two)

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TECHNICAL NOTE

The proposal uses the language "taxable value as of December 31, 1980, of property... on which a fee in lieu of taxes is charged". There are items of property (motor-homes, travel trailers, campers) upon which a fee is levied which were not assessed in 1980. Thus, it would be technically impossible to fulfill the requirement.

It would be advisable to fix the year long period upon which the change in the CPI will be based. (for instance: set the June 30, 1981 CPI as the base value and calculate the inflation factor by comparing the CPI of June 30, 198x with the base value. This change would require some additional language in Section 59.)

PREPARED BY THE DEPARTMENT OF REVENUE

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: _____

IMPACT OF FEE SYSTEM
APPLIED TO 1980 PLATE YEAR DATA

COUNTY	# OF VEHICLES	# COUNTY TAX	# UNIFORM FEE	INCREASE (DECREASE) IN REVENUE
Silver Bow	21,484	1,803,175	1,470,069	(333,106)
Cascade	49,101	3,698,285	3,280,918	(417,370)
Yellowstone	64,361	4,679,057	4,931,331	252,274
Missoula	43,746	3,030,741	3,009,871	(20,870)
Lewis & Clark	26,204	1,976,865	1,835,074	(141,791)
Gallatin	24,752	1,778,438	1,694,115	(84,323)
Flathead	32,635	2,039,345	2,243,421	204,076
Fergus	7,818	490,220	496,623	6,403
Powder River	1,586	81,825	154,085	72,260
Carbon	3,970	230,972	268,963	37,991
Phillips	2,868	152,094	220,054	67,960
Hill	6,586	472,681	522,554	49,873
Ravalli	13,659	656,037	855,946	199,909
Custer	7,804	584,256	534,724	(49,532)
Lake	11,280	589,713	750,226	160,513
Dawson	7,048	509,827	536,901	27,074
Roosevelt	4,158	306,305	368,527	62,222
Beaverhead	3,700	225,160	283,538	58,378
Chouteau	3,115	178,175	247,298	69,123
Valley	4,800	327,289	367,650	40,361
Toole	3,692	232,092	270,429	38,337
Big Horn	5,363	257,518	475,965	218,447
Musselshell	2,376	121,629	165,585	43,956
Blaine	2,715	171,020	231,039	60,019
Madison	3,032	171,604	226,617	55,013
Pondera	2,554	150,343	192,192	41,849
Richland	6,429	360,738	568,376	207,638
Powell	3,768	223,502	257,704	34,202
Rosebud	4,270	203,810	355,349	151,539
Deer Lodge	5,879	569,473	380,702	(188,771)
Teton	3,776	217,897	252,704	34,807
Stillwater	2,956	165,404	208,606	43,202
Treasure	537	28,272	44,539	16,267
Sheridan	3,329	182,736	268,843	86,107
Sanders	3,934	198,926	270,721	71,795
Judith Basin	1,758	94,151	125,627	31,476
Daniels	1,089	71,925	87,904	15,979
Glacier	5,557	327,780	458,658	130,938
Fallon	2,121	116,480	179,398	62,918
Sweetgrass	1,931	103,374	125,501	22,127
McCone	999	60,946	82,005	21,059
Carter	635	43,169	55,294	12,125
Broadwater	1,732	99,823	132,677	32,854
Wheatland	139	54,988	60,970	5,982
Prairie	944	54,109	66,897	12,788
Granite	1,704	100,489	115,754	15,265
Meagher	1,326	76,797	90,893	14,096
Liberty	1,449	83,154	122,781	39,627
Park	8,646	539,305	570,925	31,620
Garfield	700	36,133	50,987	14,854
Jefferson	3,516	236,793	240,631	3,838
Wibaux	683	36,338	53,152	16,814
Golden Valley	480	25,479	36,160	10,681
Mineral	1,624	119,556	104,701	(14,855)
Petroleum	234	10,879	18,321	7,442
Lincoln	7,563	388,137	518,150	130,013

The numbers and amounts appearing in this table were obtained by expanding a sample from the motor vehicle data file. The reader is cautioned that they will not coincide precisely with actual numbers of vehicles and tax collections data obtained from local sources. This information is presented for the purpose of allowing comparison between the present system and the proposed system and is valid for this purpose only.