

Senate Bill 213

In The Senate

January 20, 1981	Introduced and referred to Committee on Taxation.
March 16, 1981	Fiscal note requested.
March 19, 1981	Fiscal note returned.
April 23, 1981	Died in Committee.

1 *Senate* BILL NO. *213*  
 2 INTRODUCED BY *Dove*

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR A FEE IN  
 5 LIEU OF TAX FOR AUTOMOBILES AND LIGHT TRUCKS BASED ON  
 6 WEIGHT; PROVIDING A FLOOR AMOUNT IN BONDING LIMITS TO  
 7 REFLECT TAXABLE VALUE LOST DUE TO FEES IN LIEU OF TAXES;  
 8 AMENDING SECTIONS 7-1-2111, 7-3-1321, 7-4-2502, 7-6-2211,  
 9 7-6-4121, 7-6-4254, 7-7-107, 7-7-108, 7-7-2101, 7-7-2202,  
 10 7-7-2203, 7-7-4201, 7-7-4202, 7-13-4103, 7-14-236,  
 11 7-14-2524, 7-14-4402, 7-16-2327, 7-16-4104, 7-31-106,  
 12 7-31-107, 7-34-2131, 10-2-301, 15-6-139, 15-6-140, 15-6-201,  
 13 15-3-201, 15-8-202, 15-24-101 THROUGH 15-24-105, 15-24-301,  
 14 15-30-121, 15-31-114, 15-50-207, 19-11-503, 19-11-504,  
 15 19-11-512, 20-9-406, 20-9-502, 61-3-303, 61-3-317, 61-3-322,  
 16 61-3-332, 61-3-335, 61-3-342, 61-3-501, 61-3-503, 61-3-504,  
 17 61-3-507, 61-3-509, 61-3-521, 61-3-701, 61-10-233, AND  
 18 85-7-2001, MCA."

19  
 20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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

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

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

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

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

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

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

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

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

24 Section 2. Section 7-3-1321, MCA, is amended to read:  
 25 "7-3-1321. Authorization to incur indebtedness --

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

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

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

17 "7-4-2503. Salary schedule for certain county  
18 officers. (1) The salary paid to the county treasurer,  
19 county clerk and recorder, clerk of the district court,  
20 county attorney, county assessor, county superintendent of  
21 schools, and county sheriff; the county surveyor in counties  
22 where county surveyors receive salaries as provided in  
23 7-4-2812; and the county auditor in all counties wherein  
24 such office is authorized is computed by adding the sum of  
25 the salary shown in column A, based on population as of

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

(a) Population of County	Column A
Below 3,000.....	\$4,494
3,000 to 3,999.....	\$4,729
4,000 to 4,999.....	\$4,833
5,000 to 5,999.....	\$4,933
6,000 to 6,999.....	\$5,058
7,000 to 7,999.....	\$5,394
8,000 to 8,999.....	\$5,487
9,000 to 9,999.....	\$5,617
10,000 to 12,499.....	\$5,708
12,500 to 14,999.....	\$5,826
15,000 to 17,499.....	\$5,943
17,500 to 19,999.....	\$6,048
20,000 to 24,999.....	\$6,165
25,000 to 29,999.....	\$6,270
30,000 to 39,999.....	\$6,387
40,000 to 49,999.....	\$6,544
50,000 to 59,999.....	\$6,779
60,000 to 69,999.....	\$7,014
70,000 to 79,999.....	\$7,275
80,000 to 89,999.....	\$7,432

1	90,000 to 99,999.....	\$7,676
2	100,000 and over.....	\$7,902
3	(b) Taxable Valuation of County	
4	<u>Plus Taxable Value of Property</u>	
5	<u>Within the County</u>	
6	<u>Subject to Fee in Lieu of Tax</u>	Column B
7	Below \$2,000,000.....	\$4,598
8	2,000,000 to 2,999,999.....	\$4,729
9	3,000,000 to 3,999,999.....	\$4,833
10	4,000,000 to 4,999,999.....	\$4,938
11	5,000,000 to 5,999,999.....	\$5,069
12	6,000,000 to 6,999,999.....	\$5,394
13	7,000,000 to 7,999,999.....	\$5,487
14	8,000,000 to 9,999,999.....	\$5,617
15	10,000,000 to 11,999,999.....	\$5,708
16	12,000,000 to 13,999,999.....	\$5,826
17	14,000,000 to 15,999,999.....	\$5,942
18	16,000,000 to 17,999,999.....	\$6,047
19	18,000,000 to 19,999,999.....	\$6,165
20	20,000,000 to 22,499,999.....	\$6,270
21	22,500,000 to 24,999,999.....	\$6,387
22	25,000,000 to 29,999,999.....	\$6,544
23	30,000,000 to 34,999,999.....	\$6,779
24	35,000,000 to 39,999,999.....	\$7,014
25	40,000,000 to 44,999,999.....	\$7,275

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

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

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

25 (c) Except in counties of population greater than

5B 213

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

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

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

13 "7-6-2211. Authorization to conduct county business on  
 14 a cash basis. (1) In case the total indebtedness of a  
 15 county, lawful when incurred, exceeds the limit of 18%  
 16 established in 7-7-2101 by reason of great diminution of the  
 17 sum of the taxable value plus the taxable value as of  
 18 December 31, 1980, of property within the county on which a  
 19 fee in lieu of tax is charged, the county may conduct its  
 20 business affairs on a cash basis and pay the reasonable and  
 21 necessary current expenses of the county out of the cash in  
 22 the county treasury derived from its current revenue and  
 23 under such restrictions and regulations as may be imposed by  
 24 the board of county commissioners of the county by a  
 25 resolution duly adopted and included in the minutes of the

1 board.

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

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

8 "7-6-4121. Authorization to conduct municipal business  
 9 on a cash basis. (1) In case the total indebtedness of a  
 10 city or town has reached 11% of the sum of the total taxable  
 11 value of the property of the city or town 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 or town on which a fee in  
 15 lieu of tax is charged, the city or town may conduct its  
 16 affairs and business on a cash basis as provided by  
 17 subsection (2).

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

25 (b) In the event that payment is made in advance, the

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

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

14 Section 6. Section 7-6-4254, MCA, is amended to read:

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

25 (2) The term "taxable property", as used herein, means

1 the percentage of the value at which such property is  
 2 assessed and which percentage is used for the purposes of  
 3 computing taxes and does not mean the assessed value of such  
 4 property as the same appears on the assessment roll."

5 Section 7. Section 7-7-107, MCA, is amended to read:

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

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

20 Section 8. Section 7-7-108, MCA, is amended to read:

21 "7-7-108. Authorization for additional indebtedness  
 22 for water or sewer systems. (1) For the purpose of  
 23 constructing a sewer system or procuring a water supply or  
 24 constructing or acquiring a water system for a city-county  
 25 consolidated government which shall own and control such

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

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

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

25 (2) No county may incur indebtedness or liability for

1 any single purpose to an amount exceeding \$40,000 without  
2 the approval of a majority of the electors thereof voting at  
3 an election to be provided by law, except as provided in  
4 7-21-3413 and 7-21-3414."

5 Section 10. Section 7-7-2202, MCA, is amended to read:  
6 "7-7-2202. Authority to issue general obligation bonds  
7 to satisfy judgments. (1) The board of county commissioners  
8 of every county of the state is hereby vested with the power  
9 and authority to issue, negotiate, and sell coupon bonds on  
10 the credit of the county, as more specifically provided in  
11 this part, for the purpose of funding, paying in full, or  
12 compromising, settling, and satisfying any judgment which  
13 may have been rendered against the county in a court of  
14 competent jurisdiction when:

15 (a) there are not sufficient funds available to pay  
16 such judgment; and

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

23 (2) The resolution providing for the issue of such  
24 bonds must recite the facts concerning the judgment to be  
25 funded and the terms of any compromise agreement which may

1 have been entered into between the board and the judgment  
2 creditor."

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

4 "7-7-2203. Limitation on amount of bonded  
5 indebtedness. (1) Except as provided in subsections (2) and  
6 (3), no county may issue general obligation bonds for any  
7 purpose which, with all outstanding bonds and warrants  
8 except county high school bonds and emergency bonds, will  
9 exceed 9% of the taxable value of the property therein, to  
10 be ascertained by the last assessment for state and county  
11 taxes prior to the proposed issuance of bonds.

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

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

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

25 "7-7-4201. Limitation on amount of bonded

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

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

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

15 "7-7-4202. Special provisions relating to water and  
16 sewer systems. (1) Notwithstanding the provisions of  
17 7-7-4201, for the purpose of constructing a sewer system,  
18 procuring a water supply, or constructing or acquiring a  
19 water system for a city or town which owns and controls the  
20 water supply and water system and devotes the revenues  
21 therefrom to the payment of the debt, a city or town may  
22 incur an additional indebtedness by borrowing money or  
23 issuing bonds.

24 (2) The additional total indebtedness that may be  
25 incurred by borrowing money or issuing bonds for the



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

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

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

22 Section 15. Section 7-14-236, MCA, is amended to read:

23 "7-14-236. Limitation on bonded indebtedness. The  
 24 amount of bonds issued to provide funds for the district and  
 25 outstanding at any time shall not exceed 5% of the sum of

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

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

8 "7-14-2524. Limitation on amount of bonds issued --  
 9 excess void. (1) Except as otherwise provided hereafter and  
 10 in 7-7-2203 and 7-7-2204, no county shall issue bonds which,  
 11 with all outstanding bonds and warrants except county high  
 12 school bonds and emergency bonds, will exceed 9% of the sum  
 13 of the taxable value of the property therein plus the  
 14 taxable value as of December 31, 1980, of property within  
 15 the county on which a fee in lieu of tax is charged. The  
 16 taxable property shall be ascertained by the last assessment  
 17 for state and county taxes prior to the issuance of such  
 18 bonds.

19 (2) A county may issue bonds which, with all  
 20 outstanding bonds and warrants except county high school  
 21 bonds, will exceed 9% but will not exceed 18% of the sum of  
 22 the taxable value of such property plus the taxable value as  
 23 of December 31, 1980, of property within the county on which  
 24 a fee in lieu of tax is charged when necessary for the  
 25 purpose of replacing, rebuilding, or repairing county

1 buildings, bridges, or highways which have been destroyed or  
2 damaged by an act of God, disaster, catastrophe, or  
3 accident.

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

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

13 "7-14-4402. Limit on indebtedness to provide bus  
14 service. The total amount of indebtedness authorized under  
15 7-14-4401(1) to be contracted in any form, including the  
16 then-existing indebtedness, may not at any time exceed 18%  
17 of the sum of the total taxable value of the property of the  
18 city or town subject to taxation as ascertained by the last  
19 assessment for state and county taxes plus the taxable value  
20 as of December 31, 1980, of property within the county on  
21 which a fee in lieu of tax is charged. No money may be  
22 borrowed or bonds issued for the purposes specified in  
23 7-14-4401(1) until the proposition has been submitted to the  
24 vote of the taxpayers of the city or town and the majority  
25 vote cast in its favor."

1 Section 18. Section 7-16-2327, MCA, is amended to  
2 read:

3 "7-16-2327. Indebtedness for park purposes. (1)  
4 Subject to the provisions of subsection (2), a county park  
5 board, in addition to powers and duties now given under law,  
6 shall have the power and duty to contract an indebtedness in  
7 behalf of a county, upon the credit thereof, for the  
8 purposes of 7-16-2321(1) and (2).

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

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

23 Section 19. Section 7-16-4104, MCA, is amended to  
24 read:

25 "7-16-4104. Authorization for municipal indebtedness

SB 213

1 for various cultural, social, and recreational purposes. (1)  
 2 A city or town council or commission may contract an  
 3 indebtedness on behalf of the city or town, upon the credit  
 4 thereof, by borrowing money or issuing bonds:

5 (a) for the purpose of purchasing and improving lands  
 6 for public parks and grounds;

7 (b) for procuring by purchase, construction, or  
 8 otherwise swimming pools, athletic fields, skating rinks,  
 9 playgrounds, museums, a golf course, a site and building for  
 10 a civic center, a youth center, or combination thereof; and

11 (c) for furnishing and equipping the same.

12 (2) The total amount of indebtedness authorized to be  
 13 contracted in any form, including the then-existing  
 14 indebtedness, may not at any time exceed 3% of the sum of  
 15 the value of the taxable property of the city or town as  
 16 ascertained by the last assessment for state and county  
 17 taxes previous to the incurring of such indebtedness plus  
 18 the taxable value as of December 31, 1980, of property  
 19 within the city or town on which a fee in lieu of tax is  
 20 charged. No money may be borrowed on bonds issued for the  
 21 purchase of lands and improving the same for any such  
 22 purpose until the proposition has been submitted to the vote  
 23 of the qualified electors of the city or town and a  
 24 majority vote is cast in favor thereof."

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

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

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

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

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

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

24 "7-31-107. Authorization for municipality to issue  
 25 bonds -- election required. (1) If said petition is

1 presented to the council of any incorporated city or town,  
2 the council, for the purpose of raising money to meet the  
3 payments under the terms and conditions of said contract and  
4 other necessary and proper expenses in and about the same  
5 and for the approval or disapproval thereof:

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

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

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

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

22 "7-34-2131. Hospital district bonds authorized. (1) A  
23 hospital district may borrow money by the issuance of its  
24 bonds to provide funds for payment of part or all of the  
25 cost of acquisition, furnishing, equipment, improvement,

1 extension, and betterment of hospital facilities and to  
2 provide an adequate working capital for a new hospital.

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

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

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

18 Section 23. Section 10-2-301, MCA, is amended to read:  
19 "10-2-301. Free license plates to disabled veterans.  
20 Any person who is a veteran of the armed service of the  
21 United States and 100% disabled because of an injury which  
22 has been determined by the veterans administration to be  
23 service connected and who is a citizen and resident of the  
24 state of Montana and who is the owner of a passenger  
25 automobile or of a truck up to and including three-quarter

1 ton GVW-rated capacity shall be provided with free license  
2 plates ~~upon payment of personal property tax equal to 1% of~~  
3 ~~the taxable value~~ for such automobile or truck and upon  
4 proof of 100% service-connected disability."

5 Section 24. Section 15-6-139, MCA, is amended to read:

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

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

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

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

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

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

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

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

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

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

25 Section 25. Section 15-6-140, MCA, is amended to read:

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

3 (a) radio and television broadcasting and transmitting  
4 equipment;

5 (b) cable television systems;

6 (c) centrally assessed utility allocations after  
7 deductions of locally assessed properties, except as  
8 provided in:

9 (i) class five for cooperative rural electrical and  
10 cooperative rural telephone associations; and

11 (ii) class seven for rural telephone and electrical  
12 organizations;

13 (d) coal and ore haulers;

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

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

18 (g) theater projectors and sound equipment; and

19 (h) all other property not included in the preceding  
20 nine classes.

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

23 Section 26. Section 15-6-201, MCA, is amended to read:

24 "15-6-201. Exempt categories. (1) The following  
25 categories of property are exempt from taxation:

1 (a) the property of:  
 2 (i) the United States, the state, counties, cities,  
 3 towns, school districts;  
 4 (ii) irrigation districts organized under the laws of  
 5 Montana and not operating for profit;  
 6 (iii) municipal corporations; and  
 7 (iv) public libraries;  
 8 (b) buildings, with land they occupy and furnishings  
 9 therein, owned by a church and used for actual religious  
 10 worship or for residences of the clergy, together with  
 11 adjacent land reasonably necessary for convenient use of  
 12 such buildings;  
 13 (c) property used exclusively for agricultural and  
 14 horticultural societies, for educational purposes, and for  
 15 hospitals;  
 16 (d) property that meets the following conditions:  
 17 (i) is owned and held by any association or  
 18 corporation organized under Title 35, chapter 2, 3, 20, or  
 19 21;  
 20 (ii) is devoted exclusively to use in connection with a  
 21 cemetery or cemeteries for which a permanent care and  
 22 improvement fund has been established as provided for in  
 23 Title 35, chapter 20, part 3; and  
 24 (iii) is not maintained and operated for private or  
 25 corporate profit;

1 (e) institutions of purely public charity;  
 2 (f) evidence of debt secured by mortgages of record  
 3 upon real or personal property in the state of Montana;  
 4 (g) public art galleries and public observatories not  
 5 used or held for private or corporate profit;  
 6 (h) all household goods and furniture, including but  
 7 not limited to clocks, musical instruments, sewing machines,  
 8 and wearing apparel of members of the family, used by the  
 9 owner for personal and domestic purposes or for furnishing  
 10 or equipping the family residence;  
 11 (i) a truck canopy cover or topper weighing less than  
 12 300 pounds and having no accommodations attached. Such  
 13 property is also exempt from the fee in lieu of tax.  
 14 (j) a bicycle, as defined in 61-1-123, used by the  
 15 owner for personal transportation purposes;  
 16 ~~(k) a vehicle listed in 61-3-521 on which a fee in~~  
 17 ~~lieu of tax is charged.~~  
 18 (2) (a) The term "institutions of purely public  
 19 charity" includes organizations owning and operating  
 20 facilities for the care of the retired or aged or  
 21 chronically ill, which are not operated for gain or profit.  
 22 (b) The terms "public art galleries" and "public  
 23 observatories" include only those art galleries and  
 24 observatories, whether of public or private ownership, that  
 25 are open to the public without charge at all reasonable

1 hours and are used for the purpose of education only.

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

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

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

11 Section 27. Section 15-8-201, MCA, is amended to read:

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

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

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

4 (b) motor ~~homes---and---travel---trailers~~ **vehicles**  
5 enumerated in 61-3-521, subject to a fee in lieu of property  
6 tax;

7 (c) livestock;

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

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

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

16 Section 28. Section 15-8-202, MCA, is amended to read:

17 "15-8-202. Motor vehicle assessment. (1) (a) The  
18 department or its agent must, in each year, ascertain and  
19 assess all motor vehicles other than motor ~~homes--travel~~  
20 ~~trailers, or mobile homes~~ **vehicles** in each county subject to  
21 a fee in lieu of tax or taxation as of January 1 or as of  
22 the anniversary registration date of those vehicles subject  
23 to 61-3-313 through 61-3-316 and 61-3-501. The motor  
24 vehicles shall be assessed in each year to the persons by  
25 whom owned or claimed or in whose possession or control they

1 were at midnight of January 1 or the anniversary  
2 registration date thereof, whichever is applicable.

3 (b) No tax may be assessed against motor vehicles that  
4 constitute inventory of motor vehicle dealers as of January  
5 1. These vehicles and all other motor vehicles brought into  
6 the state subsequent to January 1 as motor vehicle dealers'  
7 inventories shall be assessed to their respective purchasers  
8 as of the dates the vehicles are registered by the  
9 purchasers.

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

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

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

22 Section 29. Section 15-24-101, MCA, is amended to  
23 read:

24 "15-24-101. Assessment of proportionally registered  
25 interstate motor vehicle fleets -- tax payment required for

1 registration. (1) The department of revenue shall assess,  
2 for the purpose of personal property taxes, unless subject  
3 to a fee in lieu of tax, interstate motor vehicle fleets  
4 proportionally registered under the provisions of 61-3-711  
5 through 61-3-733, and said assessment shall be apportioned  
6 on the ratio of total miles traveled to in-state miles  
7 traveled formula as prescribed by 61-3-721. Interstate motor  
8 vehicle fleets are hereby declared assessable for taxation  
9 purposes, unless subject to a fee in lieu of tax, upon  
10 application for proportional registration and shall be  
11 assessed to the persons who own or claim or in whose  
12 possession or control the fleet is at the time of the  
13 application.

14 (2) Any fleet contained in an original application  
15 which has a situs for purpose of property taxation or fees  
16 in lieu of taxes in Montana by the terms of this part or any  
17 other provision of the laws of Montana between January 1 and  
18 April 1 shall be taxed or charged for a full year. Any fleet  
19 contained in an original application which acquires a situs  
20 for the purpose of property taxation or fees in lieu of  
21 taxes in Montana under the provisions of this part or any  
22 other law of the state of Montana after April 1 shall have  
23 taxes apportioned as provided in 15-24-303.

24 (3) Any fleet contained in a renewal application shall  
25 be assessed and taxed or be charged fees in lieu of taxes



1 for a full year.

2 (4) Vehicles contained in a fleet for which current  
3 ~~fees in lieu of taxes or~~ taxes have been assessed and paid  
4 shall not be assessed under this section upon presentation  
5 to the department of proof of payment of tax ~~or the fee in~~  
6 ~~lieu of tax~~ for the current registration year. The payment  
7 of personal property taxes ~~or fees in lieu of taxes~~ is a  
8 condition precedent to proportional registration or  
9 reregistration of an interstate motor vehicle fleet."

10 Section 30. Section 15-24-102, MCA, is amended to  
11 read:

12 "15-24-102. Valuation of interstate fleets --  
13 determination of aggregate tax due. The department of  
14 revenue shall assess any interstate motor vehicle fleets, ~~not~~  
15 ~~subject to a fee in lieu of tax,~~ making application for  
16 proportional registration as follows:

17 (1) The purchase price depreciated by a schedule as  
18 prescribed by the department shall determine the depreciated  
19 value.

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

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

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

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

7 Section 31. Section 15-24-103, MCA, is amended to  
8 read:

9 "15-24-103. Determination of average levy in state --  
10 application to interstate fleets -- cost stated in  
11 application for registration. (1) The department of revenue  
12 shall determine the aggregate tax in the entire state for  
13 state, county, and local purposes levied on the general  
14 property of the state in the previous year, excluding  
15 special levies on property for local improvements and  
16 special state levies on livestock for bounties, inspection,  
17 and protection purposes.

18 (2) From the total taxable valuation of the general  
19 property of the state including net proceeds and the  
20 aggregate tax as determined, the department shall compute  
21 the average levy by dividing the aggregate tax by the total  
22 state taxable valuation. The rate so determined shall  
23 constitute the rate of taxation on the taxable value of all  
24 interstate trucks ~~not subject to a fee in lieu of tax.~~

25 (3) The original cost of each vehicle shall be

1 included on the application for proportional registration  
 2 under the provisions of 61-3-711 through 61-3-733. The  
 3 department shall determine the original cost when the owner  
 4 does not have this information on new or used vehicles or in  
 5 the case of rebuilt vehicles."

6 Section 32. Section 15-24-104, MCA, is amended to  
 7 read:

8 "15-24-104. Situs in state of proportionally  
 9 registered fleets. (1) For the purposes of this part, any  
 10 vehicle previously registered or which has had application  
 11 for registration made under the provisions of 61-3-711  
 12 through 61-3-733 is hereby declared to have a situs in the  
 13 state for the purposes of taxation or charging fees in lieu  
 14 of taxes.

15 (2) The department or its designated agent shall  
 16 collect the personal property taxes or fees in lieu of taxes  
 17 prescribed herein."

18 Section 33. Section 15-24-105, MCA, is amended to  
 19 read:

20 "15-24-105. Deposit and distribution of taxes and fees  
 21 on proportionally registered fleets. The personal property  
 22 taxes or fees in lieu of taxes described herein and  
 23 collected shall be deposited with the state treasurer for  
 24 distribution to the general fund of each county according to  
 25 the ratio of the taxable valuation of each county to the

1 total state taxable valuation."

2 Section 34. Section 15-24-301, MCA, is amended to  
 3 read:

4 "15-24-301. Personal property brought into the state  
 5 -- assessment -- exceptions -- custom combine equipment. (1)  
 6 Property in the following cases is subject to a fee in lieu  
 7 of tax or taxation and assessment for all taxes levied that  
 8 year in the county in which it is located:

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

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

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

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

23 (3) Nothing in this section shall be construed to levy  
 24 a tax against a merchant or dealer within this state on  
 25 goods, wares, or merchandise brought into the county to

1 replenish the stock of the merchant or dealer in addition to  
2 the tax levied against the inventory of said merchant or  
3 dealer on the regular assessment date.

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

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

16 Section 35. Section 15-30-121, MCA, is amended to  
17 read:

18 "15-30-121. Deductions allowed in computing net  
19 income. In computing net income, there are allowed as  
20 deductions:

21 (1) the items referred to in sections 161 and 211 of  
22 the Internal Revenue Code of 1954, or as sections 161 and  
23 211 shall be labeled or amended, subject to the following  
24 exceptions which are not deductible:

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

1 (b) state income tax paid;

2 ~~(c) fees in lieu of taxes on motor vehicles;~~

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

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

16 (4) that portion of an energy-related investment  
17 allowed as a deduction under 15-32-103;

18 (5) in the case of an individual, political  
19 contributions determined in accordance with the provisions  
20 of section 218(a) and (b) of the Internal Revenue Code that  
21 were in effect for the taxable year ended December 31,  
22 1978."

23 Section 36. Section 15-31-114, MCA, is amended to  
24 read:

25 "15-31-114. Deductions allowed in computing income. In

1 computing the net income, the following deductions shall be  
 2 allowed from the gross income received by such corporation  
 3 within the year from all sources:

4 (1) All the ordinary and necessary expenses paid or  
 5 incurred during the taxable year in the maintenance and  
 6 operation of its business and properties, including  
 7 reasonable allowance for salaries for personal services  
 8 actually rendered, subject to the limitation hereinafter  
 9 contained, rentals or other payments required to be made as  
 10 a condition to the continued use or possession of property  
 11 to which the corporation has not taken or is not taking  
 12 title or in which it has no equity. No deduction shall be  
 13 allowed for salaries paid upon which the recipient thereof  
 14 has not paid Montana state income tax; provided, however,  
 15 that where domestic corporations are taxed on income derived  
 16 from without the state, salaries of officers paid in  
 17 connection with securing such income shall be deductible.

18 (2) (a) All losses actually sustained and charged off  
 19 within the year and not compensated by insurance or  
 20 otherwise, including a reasonable allowance for the wear and  
 21 tear and obsolescence of property used in the trade or  
 22 business, such allowance to be determined according to the  
 23 provisions of section 167 of the Internal Revenue Code in  
 24 effect with respect to the taxable year. All elections for  
 25 depreciation shall be the same as the elections made for

1 federal income tax purposes. No deduction shall be allowed  
 2 for any amount paid out for any buildings, permanent  
 3 improvements, or betterments made to increase the value of  
 4 any property or estate, and no deduction shall be made for  
 5 any amount of expense of restoring property or making good  
 6 the exhaustion thereof for which an allowance is or has been  
 7 made.

8 (b) (i) There shall be allowed as a deduction for the  
 9 taxable period a net operating loss deduction determined  
 10 according to the provisions of this subsection. The net  
 11 operating loss deduction is the aggregate of net operating  
 12 loss carryovers to such taxable period plus the net  
 13 operating loss carrybacks to such taxable period. The term  
 14 "net operating loss" means the excess of the deductions  
 15 allowed by this section, 15-31-114, over the gross income,  
 16 with the modifications specified in (ii) of this subsection.  
 17 If for any taxable period beginning after December 31, 1970,  
 18 a net operating loss is sustained, such loss shall be a net  
 19 operating loss carryback to each of the three taxable  
 20 periods preceding the taxable period of such loss and shall  
 21 be a net operating loss carryover to each of the five  
 22 taxable periods following the taxable period of such loss. A  
 23 net operating loss for any taxable period ending after  
 24 December 31, 1975, in addition to being a net operating loss  
 25 carryback to each of the three preceding taxable periods,

1 shall be a net operating loss carryover to each of the seven  
 2 taxable periods following the taxable period of such loss.  
 3 The portion of such loss which shall be carried to each of  
 4 the other taxable years shall be the excess, if any, of the  
 5 amount of such loss over the sum of the net income for each  
 6 of the prior taxable periods to which such loss was carried.  
 7 For purposes of the preceding sentence, the net income for  
 8 such prior taxable period shall be computed with the  
 9 modifications specified in (ii)(B) of this subsection and by  
 10 determining the amount of the net operating loss deduction  
 11 without regard to the net operating loss for the loss period  
 12 or any taxable period thereafter, and the net income so  
 13 computed shall not be considered to be less than zero.

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

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

17 (B) The deduction for depletion shall not exceed the  
 18 amount which would be allowable if computed under the cost  
 19 method.

20 (C) Any net operating loss carried over to any taxable  
 21 years beginning after December 31, 1978, must be calculated  
 22 under the provisions of this section effective for the  
 23 taxable year for which the return claiming the net operating  
 24 loss carryover is filed.

25 (iii) A net operating loss deduction shall be allowed

1 only with regard to losses attributable to the business  
 2 carried on within the state of Montana.

3 (iv) In the case of a merger of corporations, the  
 4 surviving corporation shall not be allowed a net operating  
 5 loss deduction for net operating losses sustained by the  
 6 merged corporations prior to the date of merger. In the case  
 7 of a consolidation of corporations, the new corporate entity  
 8 shall not be allowed a deduction for net operating losses  
 9 sustained by the consolidated corporations prior to the date  
 10 of consolidation.

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

14 (vi) The net operating loss deduction shall not be  
 15 allowed with respect to taxable periods which ended on or  
 16 before December 31, 1970, but shall be allowed only with  
 17 respect to taxable periods beginning on or after January 1,  
 18 1971.

19 (3) In the case of mines, other natural deposits, oil  
 20 and gas wells, and timber, a reasonable allowance for  
 21 depletion and for depreciation of improvements; such  
 22 reasonable allowance to be determined according to the  
 23 provisions of the Internal Revenue Code in effect for the  
 24 taxable year. All elections made under the Internal Revenue  
 25 Code with respect to capitalizing or expensing exploration

1 and development costs and intangible drilling expenses for  
2 corporation license tax purposes shall be the same as the  
3 elections made for federal income tax purposes.

4 (4) The amount of interest paid within the year on its  
5 indebtedness incurred in the operation of the business from  
6 which its income is derived; but no interest shall be  
7 allowed as a deduction if paid on an indebtedness created  
8 for the purchase, maintenance, or improvement of property or  
9 for the conduct of business unless the income from such  
10 property or business would be taxable under this part.

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

13 (i) Taxes imposed by this part.

14 (ii) Taxes assessed against local benefits of a kind  
15 tending to increase the value of the property assessed.

16 (iii) Taxes on or according to or measured by net  
17 income or profits imposed by authority of the government of  
18 the United States.

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

21 (b) Taxes deductible under this part shall be  
22 construed to include taxes or fees in lieu of taxes imposed  
23 by any county, school district, or municipality of this  
24 state.

25 (6) That portion of an energy-related investment

1 allowed as a deduction under 15-32-103."

2 Section 37. Section 15-50-207, MCA, is amended to  
3 read:

4 "15-50-207. Credit against other taxes -- credit for  
5 personal property taxes. (1) The additional license fees  
6 withheld or otherwise paid as provided herein may be used as  
7 a credit on the contractor's corporation license tax  
8 provided for in chapter 31 of this title or on the  
9 contractor's income tax provided for in chapter 30,  
10 depending upon the type of tax the contractor is required to  
11 pay under the laws of the state.

12 (2) Personal property taxes or fees in lieu of taxes  
13 paid in Montana on any personal property of the contractor  
14 which is used in the business of the contractor and is  
15 located within this state may be credited against the  
16 license fees required under this chapter. However, in  
17 computing the tax credit allowed by this section against the  
18 contractor's corporation license tax or income tax, the  
19 personal property tax credit against the license fees herein  
20 required shall not be considered as license fees paid for  
21 the purpose of such income tax or corporation license tax  
22 credit."

23 Section 38. Section 19-11-503, MCA, is amended to  
24 read:

25 "19-11-503. Special tax levy for fund required. (1)

1 The purpose of this section is to provide a means by which  
 2 each disability and pension fund may be maintained at a  
 3 level equal to 2% of the sum of the taxable valuation of all  
 4 taxable property within the limits of the city or town plus  
 5 the taxable value as of December 31, 1980, of property  
 6 within the city or town on which a fee in lieu of tax is  
 7 charged.

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

18 Section 39. Section 19-11-504, MCA, is amended to  
 19 read:

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

1 shall be:

2 (a) not less than 1 mill or more than 4 mills on each  
 3 dollar of the sum of the taxable valuation of all taxable  
 4 property within the limits of the city or town plus the  
 5 taxable value as of December 31, 1980, of property within  
 6 the city or town on which a fee in lieu of tax is charged;  
 7 and

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

16 (2) The special tax levy shall be a fractional part of  
 17 1 mill whenever:

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

23 (b) the special tax levy of a fractional part of 1  
 24 mill will produce sufficient revenue to cause the fund,  
 25 considering all sources of income to the fund and all

1 payments to be made out of the fund, to exceed 2% of the sum  
 2 of the taxable valuation of all taxable property within the  
 3 city or town plus the taxable value as of December 31, 1980,  
 4 of property within the city or town on which a fee in lieu  
 5 of tax is charged.

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

17 Section 40. Section 19-11-512, MCA, is amended to  
 18 read:

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

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

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

24 (3) If a city is not entitled to receive a sum equal  
 25 to 1 1/2 mills of the sum of its total taxable value plus



1 ~~the taxable value as of December 31, 1980, of property~~  
 2 ~~within the city or town on which a fee in lieu of tax is~~  
 3 ~~charged~~ under subsections (1) and (2), the payment shall be  
 4 made in the amount provided in subsections (4) and (5) for  
 5 cities of the third class and in the manner described in  
 6 subsection (1).

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

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

23 (6) The risks referred to in subsections (1) and (4)  
 24 are:

25 (a) insurance of houses, buildings, and all other

1 kinds of property against loss or damage by fire or other  
 2 casualty;

3 (b) all kinds of insurance on goods, merchandise, or  
 4 other property in the course of transportation, whether by  
 5 land, water, or air;

6 (c) insurance against loss or damage to motor vehicles  
 7 resulting from accident, collision, or marine and inland  
 8 navigation and transportation perils;

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

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

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

19 (g) insurance against theft of the whole or any part  
 20 of any vehicle."

21 Section 41. Section 20-9-406, MCA, is amended to read:

22 "20-9-406. Limitations on amount of bond issue. (1)  
 23 The maximum amount for which each school district may become  
 24 indebted by the issuance of bonds, including all  
 25 indebtedness represented by outstanding bonds of previous

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

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

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

23 Section 42. Section 20-9-502, MCA, is amended to read:

24 "20-9-502. Purpose and authorization of a building  
 25 reserve fund by an election. (1) The trustees of any

1 district, with the approval of the qualified electors of the  
 2 district, may establish a building reserve for the purpose  
 3 of raising money for the future construction, equipping, or  
 4 enlarging of school buildings or for the purpose of  
 5 purchasing land needed for school purposes in the district.  
 6 In order to submit to the qualified electors of the district  
 7 a building reserve proposition for the establishment of or  
 8 addition to a building reserve, the trustees shall pass a  
 9 resolution that specifies:

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

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

15 (c) the total amount of money that will be raised  
 16 during the duration of time specified in subsection (1)(b);  
 17 and

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

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

1 the manner provided in 20-9-406. A building reserve tax  
2 authorization shall not be for more than 20 years.

3 (3) The election shall be conducted in accordance with  
4 the school election laws of this title, and the electors  
5 qualified to vote in the election shall be qualified under  
6 the provisions of 20-20-301. The ballot for a building  
7 reserve proposition shall be substantially in the following  
8 form:

9 OFFICIAL BALLOT

10 SCHOOL DISTRICT BUILDING RESERVE ELECTION

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

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

24  BUILDING RESERVE--YES.

25  BUILDING RESERVE--NO.

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

17 Section 43. Section 61-3-303, MCA, is amended to read:

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

1 shall contain:

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

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

7 (c) description of motor vehicle, including make, year  
8 model, engine or serial number, manufacturer's model or  
9 letter, gross weight, type of body, and if truck, the rated  
10 capacity;

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

13 (e) such other information as the division may  
14 require.

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

19 (a) the registration fee, as provided in 61-3-311 and  
20 61-3-321; and

21 (b) the personal property taxes assessed, the new  
22 motor vehicle sales tax against the vehicle for the current  
23 year of registration, or in the case of a motor home, travel  
24 trailer, or camper, ~~light trucks, or automobile~~, the fee in  
25 lieu of property tax for the current year of registration;

1 unless the same shall have been theretofore paid for the  
2 year, before the application for registration or  
3 reregistration may be accepted by the county treasurer.

4 (3) The county treasurer may make full and complete  
5 investigation of the tax status of the vehicle. Any  
6 applicant for registration or reregistration must submit  
7 proof from the tax records of the proper county at the  
8 request of the county treasurer."

9 Section 44. Section 61-3-317, MCA, is amended to read:

10 "61-3-317. New registration required for transferred  
11 vehicle -- grace period -- penalty -- display of proof of  
12 purchase. Except as otherwise provided herein, the new owner  
13 of a transferred motor vehicle shall have a grace period of  
14 20 calendar days from the date of purchase to make  
15 application and pay the taxes, ~~as provided by part 5 of this~~  
16 ~~chapter~~ or the fee in lieu of tax as provided by ~~61-3-521~~  
17 ~~part 5 of this chapter~~ unless the tax or fee has been paid  
18 for the year, as if the vehicle were being registered for  
19 the first time in that registration year. If the motor  
20 vehicle was not purchased from a duly licensed motor vehicle  
21 dealer as provided in this chapter, it is not a violation of  
22 this chapter or any other law for the purchaser to operate  
23 the vehicle upon the streets and highways of this state  
24 without a certificate of registration during the 20-day  
25 period, provided that at all times during that period a bill

1 of sale or other proof of purchase reciting the date of  
 2 purchase is clearly displayed in the rear window of the  
 3 motor vehicle. Registration and license fees collected under  
 4 61-3-321 are not required to be paid when a license plate is  
 5 transferred under this section and 61-3-335. Failure to make  
 6 application within the time provided herein subjects the  
 7 purchaser to a penalty of \$10. The penalty shall be  
 8 collected by the county treasurer at the time of  
 9 registration and shall be in addition to the fees otherwise  
 10 provided by law."

11 Section 45. Section 61-3-322, MCA, is amended to read:

12 "61-3-322. Certificates of registration -- issuance.  
 13 (1) Upon completion of the application for registration on  
 14 forms furnished by the division, the county treasurer shall  
 15 file one copy in his office and issue to the applicant two  
 16 copies of the application marked "Owner's Certificate of  
 17 Registration and ~~Tax Payment~~ Receipt", one of which shall be  
 18 marked "file copy".

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

21 (3) Every owner, upon receiving a registration  
 22 receipt, shall write his signature thereon with pen and ink  
 23 in the space provided. Every registration receipt or a  
 24 notarized photostatic copy or a duplicate thereof furnished  
 25 by the division shall at all times be carried in the vehicle

1 to which it refers or shall be carried by the person driving  
 2 or in control of such vehicle, who shall display it upon  
 3 demand of a police officer or any officer or employee of the  
 4 division or the highway department.

5 (4) The county treasurer shall daily forward to the  
 6 division one copy of all applications for registration  
 7 received that day.

8 (5) It shall not be necessary for the county treasurer  
 9 to segregate the amount of taxes or fees in lieu of taxes  
 10 for state, county, school district, and municipal purposes  
 11 in the receipt."

12 Section 46. Section 61-3-332, MCA, is amended to read:

13 "61-3-332. Number plates. (1) Every motor vehicle  
 14 which shall be driven upon the streets or highways of this  
 15 state shall display both front and rear a number plate,  
 16 bearing the distinctive number assigned such vehicle. Such  
 17 number plate shall be in eight series: one series for owners  
 18 of motorcars, one for owners of motor vehicles of the  
 19 motorcycle type, one for trailers, one for trucks, one for  
 20 dealers in vehicles of the motorcycle type which shall bear  
 21 the distinctive letters "MCD" or the letters "MC" and the  
 22 word "DEALER", one for franchised dealers in new motorcars  
 23 (including trucks and trailers) or new and used motorcars  
 24 (including trucks and trailers) which shall bear the  
 25 distinctive letter "D" or the word "DEALER", one for dealers

1 in used motorcars only (including used trucks and trailers)  
 2 which shall bear the distinctive letters "UD" or the letter  
 3 "U" and the word "DEALER", and one for dealers in trailers  
 4 and/or semitrailers (new or used) which shall bear the  
 5 distinctive letters "DTR" or the letters "TR" and the word  
 6 "DEALER". All such markings for the aforementioned kinds of  
 7 dealers' plates shall be placed on the number plates  
 8 assigned thereto in such position thereon as the division  
 9 may designate.

10 (2) All number plates for motor vehicles shall be  
 11 issued for a minimum period of 4 years, shall bear a  
 12 distinctive marking, and shall be furnished by the state.  
 13 In years when number plates are not issued, the division  
 14 shall provide nonremovable stickers bearing appropriate  
 15 registration numbers which shall be affixed to the license  
 16 plates in use.

17 (3) In the case of motorcars and trucks, number plates  
 18 shall be of metal 6 inches wide and 12 inches in length. For  
 19 number plates issued after 1976, the outline of the state  
 20 of Montana shall be used as a distinctive border on such  
 21 license plates, and the word "Montana" with the year shall  
 22 be placed across the bottom of the plate. Such registration  
 23 plate shall be treated with a reflectorized background  
 24 material according to specifications prescribed by the  
 25 division.

1 (4) The distinctive registration numbers shall begin  
 2 with a number one or with a letter-number combination such  
 3 as "A 1" or "AA 1", or any other similar combination of  
 4 letters and numbers and be numbered consecutively for each  
 5 series of plates. The distinctive registration number or  
 6 letter-number combination assigned to the vehicle shall  
 7 appear on the plate preceded by the number of the county and  
 8 appearing in horizontal order on the same horizontal  
 9 baseline, and the county number shall be separated from the  
 10 distinctive registration number by a separation mark unless  
 11 a letter-number combination is used. The dimensions of such  
 12 numerals and letters shall be determined by the division,  
 13 provided that all county and registration numbers shall be  
 14 of equal height.

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

19 (a) For vehicles owned by the state the division may  
 20 designate the prefix number for the various state  
 21 departments, and all numbered plates issued to state  
 22 departments shall bear the words "State Owned" and no year  
 23 number will be indicated thereon as these numbered plates  
 24 will be of a permanent nature, and will be replaced by the  
 25 division at such time when the physical condition of

1 numbered plates requires same.

2 (b) For vehicles owned by the counties,  
3 municipalities, irrigation districts organized under the  
4 laws of Montana and not operating for profit, and school  
5 districts and used and operated by officials and employees  
6 thereof in line of duty as such, and for vehicles on loan  
7 from the United States government or the state of Montana,  
8 to, or owned by, the civil air patrol and used and operated  
9 by officials and employees thereof in the line of duty as  
10 such, there shall be placed on the number plates assigned  
11 thereto, in such position thereon as the division may  
12 designate, the letter "X" or the word "EXEMPT". Distinctive  
13 registration numbers for plates assigned to motor vehicles  
14 of each of the counties in the state and those of the  
15 municipalities and school districts situated within each of  
16 said counties and those of the irrigation districts which  
17 obtain plates within each county shall begin with number one  
18 and be numbered consecutively.

19 (6) On all number plates assigned to motor vehicles of  
20 the truck and trailer type, other than tax-exempt trucks and  
21 trailers, there shall appear the letter "T" or the word  
22 "TRUCK" for plates assigned to trucks and the letters "TR"  
23 or the word "TRAILER" for plates assigned to trailers and  
24 house trailers. The letters "MC" or the word "CYCLE" shall  
25 appear for plates assigned to vehicles of the motorcycle

1 type.

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

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

1 Section 47. Section 61-3-335, MCA, is amended to read:  
 2 "61-3-335. Transfer of license plates to another motor  
 3 vehicle. (1) Should the transferor make application for the  
 4 registration of another motor vehicle at any time during the  
 5 remainder of the current registration year as shown on the  
 6 original certificate of registration, he may file an  
 7 application in the office of the county treasurer where the  
 8 motor vehicle is taxable or where the fee in lieu of tax is  
 9 payable, upon a form to be prepared and furnished by the  
 10 division, accompanied by the original certificate of  
 11 registration, for the transfer of the license plates. The  
 12 application for transfer of the license plates from the  
 13 motor vehicle for which originally issued to a motor vehicle  
 14 acquired by the same person in whose name the original  
 15 license plates were issued shall be made within 20 days from  
 16 date of acquiring the vehicle. The use of the license plates  
 17 shall not be legalized until proper transfer of license  
 18 plates has been made.

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

21 (3) Upon transfer of the license plates, the  
 22 registration of the motor vehicle from which the license  
 23 plates were transferred expires. The certificate of  
 24 registration for such vehicle must be surrendered to the  
 25 county treasurer with the application for transfer."

1 Section 48. Section 61-3-342, MCA, is amended to read:  
 2 "61-3-342. Temporary windshield sticker. Any purchaser  
 3 of a motor vehicle who is unable to obtain license plates  
 4 from the county treasurer at the time he makes application  
 5 for registration or reregistration of said vehicle because  
 6 the certificate of ownership is lost, in the possession of  
 7 third parties, or in the process of reissuance in this state  
 8 or elsewhere may, upon making affidavit to that effect upon  
 9 a form prescribed by the division and upon the payment of a  
 10 fee of \$2 to be collected by the county treasurer and  
 11 remitted to the division, obtain from the county treasurer  
 12 of the county in which said vehicle is subject to tax or a  
 13 fee in lieu of tax a temporary windshield sticker of such  
 14 size, color, and design as the division may prescribe, to be  
 15 validated by the county treasurer for a period of 60 days  
 16 from the date of issuance. Such purchaser, upon displaying  
 17 such sticker on the lower right-hand corner of the  
 18 windshield of such motor vehicle, shall be entitled to  
 19 operate such vehicle during the period for which such  
 20 windshield sticker has been validated without displaying the  
 21 registration certificate or number plates or plate for the  
 22 current year. Provided, however, the county treasurer shall  
 23 not sell, and no person shall purchase, more than one 60-day  
 24 temporary windshield sticker for any vehicle, the ownership  
 25 of which has not changed since the issuance of the previous

58213



1 60-day windshield sticker."

2 Section 49. Section 61-3-501, MCA, is amended to read:

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

8 (2) If the anniversary date for reregistration of a  
9 vehicle passes while the vehicle is owned and held for sale  
10 by a licensed new or used car dealer, property taxes or the  
11 fee in lieu of property taxes abate on such vehicle properly  
12 reported with the department of revenue until the vehicle is  
13 sold and thereafter the purchaser shall pay the pro rata  
14 balance of the taxes or the fee in lieu of tax due and owing  
15 on the vehicle.

16 (3) In the event a vehicle's registration period is  
17 changed under 61-3-315, all taxes and other fees due thereon  
18 shall be prorated and paid from the last day of the old  
19 period until the first day of the new period in which the  
20 vehicle shall be registered. Thereafter taxes and other fees  
21 must be paid from the first day of the new period for a  
22 minimum period of 1 year. When the change is to a later  
23 registration period, taxes and fees shall be prorated and  
24 paid based on the same tax year as the original registration  
25 period. Thereafter, during the appropriate anniversary

1 registration period, each vehicle shall again register or  
2 reregister and shall pay all taxes and fees due thereon for  
3 a 12-month period."

4 Section 50. Section 61-3-503, MCA, is amended to read:

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

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

25 (3) Vehicles subject to the provisions of 61-3-313

1 through 61-3-316 shall be assessed as of the first day of  
 2 the registration period, and a lien for taxes and fees due  
 3 thereon shall occur on the anniversary date of the  
 4 registration and shall continue until such fees and taxes  
 5 have been paid."

6 Section 51. Section 61-3-504, MCA, is amended to read:

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

15 Section 52. Section 61-3-507, MCA, is amended to read:

16 "61-3-507. Exemption. Motor vehicles subject to  
 17 anniversary date registration as provided in 61-3-313  
 18 through 61-3-316 and vehicles subject to a fee in lieu of  
 19 ~~tax~~ are exempt from the provisions of 61-3-503(2) and  
 20 61-3-505."

21 Section 53. Section 61-3-509, MCA, is amended to read:

22 "61-3-509. Disposition of taxes and fees in lieu of  
 23 tax. The county treasurer shall credit all taxes on motor  
 24 vehicles and fees in lieu of tax on ~~motor homes--and--travel~~  
 25 ~~trailers~~ vehicles collected to a motor vehicle suspense

1 fund, and at some time between March 1 and March 10 of each  
 2 year and every 60 days thereafter, the county treasurer  
 3 shall distribute the money in the motor vehicle suspense  
 4 fund in the relative proportions required by the levies for  
 5 state, county, school district, and municipal purposes in  
 6 the same manner as other personal property taxes are  
 7 distributed."

8 Section 54. Section 61-3-521, MCA, is amended to read:

9 "61-3-521. Fee in lieu of tax for certain vehicles.  
 10 (1) There is a fee in lieu of property tax imposed on motor  
 11 homes, travel trailers, ~~and campers, light trucks, and~~  
 12 ~~automobiles~~. The fee is in addition to annual registration  
 13 fees.

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

17 Section 55. Section 61-3-701, MCA, is amended to read:

18 "61-3-701. Foreign vehicles used in gainful occupation  
 19 to be registered -- reciprocity. (1) Before any foreign  
 20 licensed motor vehicle may be operated on the highways of  
 21 this state for hire, compensation, or profit or before the  
 22 owner ~~and/or~~ user thereof uses the vehicle if such owner  
 23 ~~and/or~~ user is engaged in gainful occupation or business  
 24 enterprise in the state, including highway work, the owner  
 25 of the vehicle shall make application to a county treasurer

1 for registration upon an application form furnished by the  
 2 division. Upon satisfactory evidence of ownership submitted  
 3 to the county treasurer and the payment of property taxes as  
 4 required by 15-8-201 ~~through--15-8-203, 15-8-202,~~ or  
 5 15-24-301 or the fee in lieu of taxes, the treasurer shall  
 6 accept the application for registration and shall collect  
 7 the regular license fee required for the vehicle.

8 (2) The treasurer shall thereupon issue to the  
 9 applicant a copy of the application entitled "Owner's  
 10 Certificate of Registration and ~~Tax~~ Payment Receipt" and  
 11 forward a duplicate copy of the certificate to the division.  
 12 The treasurer shall at the same time issue to the applicant  
 13 the proper license plates or other identification markers,  
 14 which shall at all times be displayed upon the vehicle when  
 15 operated or driven upon roads and highways of this state  
 16 during the period of the life of the license.

17 (3) The registration receipt shall not constitute  
 18 evidence of ownership but shall be used only for  
 19 registration purposes. No Montana certificate of ownership  
 20 shall be issued for this type of registration.

21 (4) This section is not applicable to any vehicle  
 22 covered by a valid and existing reciprocal agreement or  
 23 declaration entered into under the provisions of the laws of  
 24 Montana."

25 Section 56. Section 61-10-233, MCA, is amended to

1 read:

2 "61-10-233. Excess weight -- penalties. (1) The  
 3 operator is subject to the penalties stated in 61-10-232  
 4 whenever the gross loaded weight of any trucks, truck  
 5 tractor, trailer, or semitrailer operated upon any highway  
 6 in this state exceeds the gross vehicle weight shown on:

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

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

11 (2) In addition, the operator shall immediately pay to  
 12 the nearest county treasurer or to the department the  
 13 difference between the fee already paid and that applicable  
 14 to the gross weight of his vehicle before unloading the  
 15 excess, provided that it does not exceed the legal axle  
 16 weight."

17 Section 57. Section 85-7-2001, MCA, is amended to  
 18 read:

19 "85-7-2001. Limitations on debt-incurring power. (1)  
 20 The board of commissioners or other officers of the district  
 21 may not incur any debt or liability, either by issuing bonds  
 22 or otherwise, except as provided in this chapter. No  
 23 irrigation district may become indebted, in any manner or  
 24 for any purpose in any one year, in an amount exceeding 15%  
 25 of the sum of the assessed valuation of the district plus

1 ~~the taxable value as of December 31, 1980, of property~~  
2 ~~within the district on which a fee in lieu of tax is~~  
3 ~~charged,~~ except as provided in subsection (2).

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

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

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

25 (d) The limitation of subsection (1) does not apply to

1 any bonds issued under this chapter pursuant to a provision  
2 which expressly supersedes the limitation.

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

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

9 ~~NEW SECTION.~~ Section 59. Fees for automobiles and  
10 light trucks. The owner of an automobile or light truck  
11 shall pay a fee in lieu of property tax based on the  
12 manufacturer's shipping weight of the vehicle according to  
13 the following schedule:

14	less than 1,000 pounds	\$ 50
15	1,000 pounds and less than 1,500 pounds	75
16	1,500 pounds and less than 2,000 pounds	100
17	2,000 pounds and less than 2,500 pounds	125
18	2,500 pounds and less than 3,000 pounds	150
19	3,000 pounds and less than 3,500 pounds	175
20	3,500 pounds and less than 4,000 pounds	200
21	4,000 pounds and less than 4,500 pounds	225
22	4,500 pounds and less than 5,000 pounds	250

23 Section 59. Codification instruction. (1) Section 58  
24 is intended to be codified as an integral part of Title 61,  
25 chapter 1, part 1, and section 53 applies to Title 61, and

SB 213

1 Title 61 applies to section 59.

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

-End-

## STATE OF MONTANA

REQUEST NO. 436-81

## FISCAL NOTE

Form BD-15

In compliance with a written request received March 17, 19 81, there is hereby submitted a Fiscal Note for Senate Bill 213 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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

DESCRIPTION

An Act to provide for a fee in lieu of tax for automobiles and light trucks based on weight and providing a floor amount in bonding limits to reflect taxable value lost due to fees in lieu of taxes.

ASSUMPTIONS

The data used in this note are new. Therefore, the numbers of automobiles and light trucks shown, as well as the amount of ad valorem tax attributed to this property, are different than those appearing on all other fee bill fiscal notes except the revised note on the amended version of HB 428. The data purport to be a full year's count (1980) from the Department of Motor Vehicles.

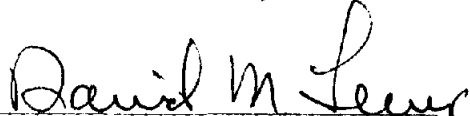
The Motor Vehicle Division data can only be used to make a rough estimate of the amount of revenue which would be collected under this proposal because the data are not broken down on weight categories other than the two ("less than 2850 lbs." and "at least 2850 lbs.") which are used to set registration fees. It is assumed that:

1. The average fee (statewide) for light trucks is \$195, for light automobiles is \$130, and for heavy automobiles is \$185.
2. The statewide mill levy applied to automobiles and light trucks is 260 mills.
3. Under present law, the total tax base of the state would be \$2.083 B for 1982 and \$2.263 B for 1983.
4. The total taxable value for automobiles and light trucks would be 9.135% of the tax base of the state year year.
5. There will be 10% fewer heavy cars in 82-83 and a like number more light cars than the calendar 1980 distribution.
6. The bill is amended so that it takes effect for calendar 1982 (see technical note #2).
7. In 1980 there were 141,866 light cars, 228,829 heavy cars, and 179,033 light trucks.

EFFECT IN 1980

Tax under current law (estimated) \$44,866,826 (see revised fiscal note HB 428, Request Number 208-81 for the derivation of this amount).

(continued on page 2)



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 3-20-81

STATE OF MONTANA

REQUEST NO. 436-81

FISCAL NOTE

Form BD-15

In compliance with a written request received March 17, 19 81, there is hereby submitted a Fiscal Note for Senate Bill 213 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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

EFFECT IN 1980 (Continued)

Computation shows that the fee schedule of the proposal would have raised at least 2.133 times as much revenue as the ad valorem tax did if it (the fee schedule) had been in effect for 1980. Using a weight distribution modified according to assumption #5, it appears that the fee system would raise approximately \$94.428 M or about 2.103 times as much revenue. It will be assumed for the purpose of this note, that the modified distribution of weight will remain constant during 1982-83 and that, therefore, the proposal will raise \$94.428 M in each year.

Year	CURRENT LAW			PROPOSED LAW		
	Total Revenue	6 mills for University System	40 mills for School Foundation	Total Revenue	6 mills for University System	40 mill for Scho Foundati
1982	\$49.473M	\$1.142M	\$7.611M	\$94.428M	\$2.179M	\$14.527
1983	\$53.749M	\$1.240M	\$8.269M	\$94.428M	\$2.179M	\$14.527

Year	INCREASE IN TOTAL REVENUE	INCREASE IN 6 MILL REVENUE	INCREASE IN 40 MILL SCHOOL FOUNDATION
1982	\$44.955M	\$1.037M	\$6.916M
1983	\$40.679M	\$0.939M	\$6.258M

EFFECT ON LOCAL GOVERNMENTS

No county by county analysis is attempted. It is clear from the data that every local government would receive more revenue under this proposal than it would under present law.

TECHNICAL NOTE

- 1) The use of the language "the taxable value as of December 31, 1980, of property within the county on which a fee in lieu of tax is charged" presents a problem. Under present law, motorhomes and snowmobiles pay a fee in lieu of ad valorem tax. These items were not assessed during 1980 and, therefore, could not be included in the amount contemplated by the language.
- 2) There is no effective date. Thus, the proposal would go into effect July 1 (or possibly October 1, if SB 305 passes) in the middle of a plate year. It would be advisable to have the operation of the fee system coincide with an entire calendar year.
- 3) page 23 lines 8-10: For the sake of clarity these lines should read: "(a) with a GVW-rated capacity of more than three-quarter ton and equal to or less than 1½ tons and buses;"

BUDGET DIRECTOR  
Office of Budget and Program Planning  
Date: \_\_\_\_\_