

HOUSE BILL NO. 925

Introduced: 04/04/83

Referred to Committee on Taxation: 04/04/83

Hearing: 4/6/84

Report: 04/06/83, Do Pass

2nd Reading: 04/08/83, Do Pass, As Amended

3rd Reading: 04/11/83, Do Pass

Transmitted to Senate: 4/11/83

Referred to Committee on Rules: 04/12/83

On Motion, 4/12/83, That The Senate Temporarily Suspend  
The Rules In Order To Consider The Bill, And That The  
Bill Be Taken From The Committee On Rules and Rereferred  
To Committee On Taxation. Motion Passed Unanimously

Hearing: 4/14/83

Died in Senate Committee

1 *House* BILL NO. *925*  
 2 INTRODUCED BY *Sen. Norman Handley*  
 3 *Williams, Butcher* BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE  
 4 *Falge, Lindbeck*

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO ACHIEVE COMPLIANCE  
 6 WITH THE REQUIREMENTS OF THE FEDERAL RAILROAD REVITALIZATION  
 7 AND REGULATORY REFORM ACT OF 1976, AS AMENDED; TO REMOVE  
 8 RAILROAD PROPERTY FROM CENTRALLY ASSESSED PROPERTY SO THAT  
 9 IT MAY BE APPRAISED AND TAXED IN THE SAME MANNER AS ALL  
 10 OTHER PROPERTY SIMILARLY SITUATED; TO PROVIDE REPORTING  
 11 REQUIREMENTS FOR RAILROADS; AMENDING SECTIONS 15-6-137,  
 12 15-6-138, 15-6-140, 15-6-141, 15-23-101, 15-23-103,  
 13 15-23-105, 15-23-106, 15-23-201, AND 15-23-202, MCA; AND  
 14 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A DELAYED  
 15 APPLICABILITY DATE."

16  
 17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

18 ~~NEW SECTION.~~ Section 1. Purpose. The purpose of [this  
 19 section, 15-23-201, 15-23-202, section 13, and section 14]  
 20 is to insure that railroad property in the state of Montana  
 21 is appraised and taxed in the same manner as all other  
 22 property similarly situated, in order to achieve compliance  
 23 with the requirements of the Federal Railroad Revitalization  
 24 and Regulatory Reform Act of 1976, as amended.

25 Section 2. Section 15-6-137, MCA, is amended to read:

1 "15-6-137. Class seven property — description —  
 2 taxable percentage. (1) Class seven property includes:

3 (a) all property used and owned by persons, firms,  
 4 corporations, or other organizations that are engaged in the  
 5 business of furnishing telephone communications exclusively  
 6 to rural areas or to rural areas and cities and towns of 800  
 7 persons or less;

8 (b) all property owned by cooperative rural electrical  
 9 and cooperative rural telephone associations that serve less  
 10 than 95% of the electricity consumers or telephone users  
 11 within the incorporated limits of a city or town;

12 (c) electric transformers and meters; electric light  
 13 and power substation machinery; natural gas measuring and  
 14 regulating station equipment, meters, and compressor station  
 15 machinery owned by noncentrally assessed public utilities;  
 16 and tools used in the repair and maintenance of this  
 17 property; and

18 (d) tools, implements, and machinery used to repair  
 19 and maintain machinery not used for manufacturing and mining  
 20 purposes or by a railroad.

21 (2) To qualify for this classification, the average  
 22 circuit miles for each station on the telephone  
 23 communication system described in subsection (1)(b) must be  
 24 more than 1 mile.

25 (3) Class seven property is taxed at 8% of its market

1 value."

2 Section 3. Section 15-6-138, MCA, is amended to read:

3 "15-6-138. Class eight property -- description --

4 taxable percentage. (1) Class eight property includes:

5 (a) all agricultural implements and equipment;

6 (b) all mining machinery, fixtures, equipment, tools,

7 and supplies except:

8 (i) those included in class five; and

9 (ii) coal and ore haulers;

10 (c) all manufacturing machinery, fixtures, equipment,

11 tools, and supplies except those included in class five;

12 ~~(d) all railroad machinery, fixtures, equipment,~~

13 ~~tools, and supplies except:~~

14 ~~(i) those included in class five; and~~

15 ~~(ii) railroad rolling stock;~~

16 ~~(d)(e) motorcycles;~~

17 ~~(e)(f) watercraft;~~

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

19 ~~(g)(h) aircraft;~~

20 ~~(h)(i) all-terrain vehicles;~~

21 ~~(i)(j) harness, saddlery, and other tack equipment;~~

22 and

23 ~~(j)(k) all other machinery except that specifically~~

24 ~~included in another class.~~

25 (2) Class eight property is taxed at 11% of its market

1 value."

2 Section 4. Section 15-6-140, MCA, is amended to read:

3 "15-6-140. Class ten property -- description --

4 taxable percentage. (1) Class ten property includes:

5 (a) radio and television broadcasting and transmitting

6 equipment;

7 (b) cable television systems;

8 (c) coal and ore haulers;

9 ~~(d) railroad rolling stock;~~

10 ~~(d)(e) trucks having a rated capacity of more than~~

11 ~~1 1/2 tons, including those prorated under 15-24-102;~~

12 ~~(e)(f) trailers, except those included in class eight~~

13 ~~or nine, including those prorated under 15-24-102, and~~

14 ~~except those subject to a fee in lieu of property tax;~~

15 ~~(f)(g) theater projectors and sound equipment; and~~

16 ~~(g)(h) all other property not included in the~~

17 ~~preceding nine classes except that property subject to a fee~~

18 ~~in lieu of a property tax.~~

19 (2) Class ten property is taxed at 16% of its market

20 value."

21 Section 5. Section 15-6-141, MCA, is amended to read:

22 "15-6-141. Class eleven property -- description --

23 taxable percentage. (1) Class eleven property includes:

24 (a) centrally assessed electric power companies'

25 allocations;

1 (b) allocations for centrally assessed natural gas  
2 companies having a major distribution system in this state;  
3 and

4 (c) centrally assessed companies' allocations except:

5 (i) electric power and natural gas companies'  
6 property;

7 (ii) property owned by cooperative rural electric and  
8 cooperative rural telephone associations and classified in  
9 class five; and

10 (iii) property owned by organizations providing  
11 telephone communications to rural areas and classified in  
12 class seven.

13 (2) Class eleven property is taxed as follows:

14 (a) Property described in subsection (1)(a) and (b) is  
15 taxed at 12% of market value.

16 (b) ~~Except as provided in 15-23-202, property~~ Property  
17 described in subsection (1)(c) is taxed at 15% of market  
18 value."

19 Section 6. Section 15-23-101, MCA, is amended to read:

20 "15-23-101. Properties centrally assessed. The  
21 department of revenue shall centrally assess each year:

22 ~~(1) the franchise, roadway, roadbeds, raily, rolling~~  
23 ~~stock, and all other operating property of railroads~~  
24 ~~operating in more than one county in the state or more than~~  
25 ~~one state;~~

1 ~~(2) all~~ property owned by a corporation or other person  
2 operating a single and continuous property operated in more  
3 than one county or more than one state, including telegraph,  
4 telephone, microwave, electric power or transmission lines,  
5 natural gas or oil pipelines, canals, ditches, flumes, or  
6 like properties;

7 ~~(3) all~~ property of scheduled airlines;

8 ~~(4) all~~ the net proceeds of mines and of oil and gas  
9 wells; and

10 ~~(5) all~~ the gross proceeds of coal mines."

11 Section 7. Section 15-23-103, MCA, is amended to read:

12 "15-23-103. Due date of reports and returns --  
13 extensions. Each report or return described in 15-23-301,  
14 15-23-402, 15-23-502, 15-23-602, or 15-23-701 shall be  
15 delivered to the department on or before March 31 each year,  
16 ~~and each report described in 15-23-201 shall be delivered to~~  
17 ~~the department before April 15 each year.~~ The department may  
18 for good cause extend the time for filing a return or report  
19 for not more than 30 days."

20 Section 9. Section 15-23-105, MCA, is amended to read:

21 "15-23-105. Apportionment among counties. The  
22 department shall apportion the value of property assessed  
23 under 15-23-101, ~~15-23-202~~ or 15-23-403 among the counties  
24 in which such property is located. Apportionment shall be on  
25 a mileage basis or on the basis of the original installed

cost of the centrally assessed property located in the respective counties. If the property is of such a character that its value cannot reasonably be apportioned on the basis of mileage or on the basis of the original installed cost of the centrally assessed property located in the respective counties, the department may adopt such other method or basis of apportionment as may be just or proper."

Section 9. Section 15-23-106, MCA, is amended to read:

"15-23-106. Transmission to the counties. (1) On or before July 1, the department shall transmit to its agent in each county a statement listing:

~~(a) the assessed value of railroad property as determined under 15-23-202, apportioned to the county including the length or other description of such property;~~

~~(b)(a)~~ the assessed value of utility property, as determined under 15-23-302, apportioned to the county, including the length or other description of such property;

~~(c)(b)~~ the assessed value of property of airline companies, as determined under 15-23-403, apportioned to the county; 90% of the value of the property of airline companies apportioned to any county by reason of a state airport being located in the county shall be stated separately from the remaining assessed value of the property of airline companies apportioned to the county;

~~(d)(c)~~ the assessed value of the net proceeds and

royalties from mines and oil and gas wells in the county, as determined under 15-23-503, 15-23-505, 15-23-603, and 15-23-605; and

~~(e)(d)~~ the assessed value of the gross proceeds from coal mines, as described in 15-23-701.

(2) The agent of the department shall enter the assessed values so transmitted in the assessment book in a manner prescribed by the department."

Section 10. Section 15-23-201, MCA, is amended to read:

"15-23-201. Assessment Appraisal of railroads -- reporting requirements. (1) The president, secretary, or managing agent or such other officer as the department of revenue may designate of any corporation and each person or association of persons owning or operating any railroad in ~~more than one county in this state or more than one state~~ must on or before April 15 each year furnish the department a statement signed and sworn to by one of such officers or by the person or one of the persons forming such association, showing in detail and setting forth by individual county, when appropriate, for the year ending December 31 immediately preceding:

~~(a)~~ the whole number of miles of railroad in the state and, where the line is partly out of the state, the whole number of miles without the state and the whole number

1 within the state, owned or operated by such corporation,  
 2 person, or association;  
 3 (2)(b) the value of the roadway, roadbed, and rails of  
 4 the whole railroad and the value of the same within the  
 5 state;  
 6 (3)(c) the width of the right-of-way;  
 7 (4)(d) the number of each kind of all rolling stock  
 8 used by such corporation, person, or association in  
 9 operating the entire railroad, including the part without  
 10 the state;  
 11 (5)(e) the number, kind, and value of rolling stock  
 12 owned and operated in the state;  
 13 (6)(f) the number, kind, and value of rolling stock  
 14 used in the state but not owned by the party making the  
 15 returns;  
 16 (7)(g) the number, kind, and value of rolling stock  
 17 owned but used out of the state, either upon divisions of  
 18 road operated by the party making the returns or by and upon  
 19 other railroads;  
 20 (8)(h) the whole number of sidetracks in each county,  
 21 including the number of miles of track in each railroad yard  
 22 in the state;  
 23 (9)(i) the number of each kind of rolling stock used  
 24 in operating the entire railroad, including the part without  
 25 the state, which must include a detailed statement of the

1 number and value thereof of all engines; passenger, mail,  
 2 express, baggage, freight, and other cars; or property owned  
 3 or leased by such corporation, person, or association;  
 4 (10)(j) the number of sleeping and dining cars not  
 5 owned by such corporation, person, or association but used  
 6 in operating the railroads of such corporation, person, or  
 7 association in the state or on the line of the road without  
 8 the state during each month of the year for which the return  
 9 is made; also the number of miles each month the cars have  
 10 been run or operated within and without the state;  
 11 (11)(k) a description of the road, giving the points  
 12 of entrance into and the points of exit from each county,  
 13 with a statement of the number of miles in each county. When  
 14 a description of the road has once been given, no other  
 15 annual description thereof is necessary unless the road has  
 16 been changed. Whenever the road or any portion of the road  
 17 is advertised to be sold or is sold for taxes, either state  
 18 or county, no other description is necessary than that given  
 19 by, and the same is conclusive upon, the person,  
 20 corporation, or association giving the description. No  
 21 assessment is invalid on account of a misdescription of the  
 22 railroad or the right-of-way for the same. If such statement  
 23 is not furnished as above provided, the assessment made by  
 24 the department upon the property of the corporation, person,  
 25 or association failing to furnish the statement is

1 conclusive and final.

2       ††2†(ll) the gross earnings of the entire road;

3       ††3†(lm) the gross earnings of the road within the

4 state and, if the railroad is let to other operators, how

5 much was derived by the lessor as rental;

6       ††4†(ln) the cost of operating the entire road,

7 exclusive of sinking fund, expenses of land department, and

8 money paid to the United States;

9       ††5†(lo) net income for such year and amount of

10 dividend declared;

11       ††6†(lp) capital stock authorized;

12       ††7†(lq) capital stock paid in;

13       ††8†(lr) funded debt;

14       ††9†(ls) number of shares authorized;

15       ††10†(lt) number of shares of stock issued;

16       (u) copies of all Montana right-of-way maps;

17       (v) copies of all Montana track charts, including the

18 right-of-way;

19       (wl) a statement setting forth the total acreage of

20 Montana real property and right-of-way;

21       (xl) a statement of all track and right-of-way in

22 Montana, listing the pattern weight, number of miles, and

23 location by railroad segment and milepost;

24       (yl) a statement of all agreements authorizing the

25 longitudinal use of Montana right-of-way, including for each

1 agreement the names of the parties to the agreement, a

2 summary of its terms, the amounts paid thereunder, the

3 longitudinal use contemplated, and the location and length

4 of right-of-way covered;

5       (z) a statement by network segment of Montana gross

6 and net tons hauled during the year and a copy of any chart

7 setting forth this information;

8       (aa) a statement by network segment of system gross and

9 net tons hauled during the year and a copy of any chart

10 setting forth this information;

11       (bb) a copy of the company's freight car diagram book;

12       (cc) a statement setting forth all locomotive tonnage

13 ratings;

14       (dd) a copy of freight train schedules for the year;

15       (ee) a list of all Montana equipment and repair shops

16 and yards;

17       (ff) a list of all purchase dates and costs for all

18 operating property;

19       (gg) a list of all construction dates and costs for all

20 operating property; and

21       ††2†(hbl) any other facts the department may require.

22       (2) Information that is of a static nature need not be

23 resubmitted on an annual basis as specified in subsection

24 (1). However, each railroad shall immediately provide

25 updated information whenever static information is changed.

1 ~~rescinded, or revoked."~~

2 **NEW SECTION.** Section 11. Temporary reporting date for  
3 taxable year 1983. Notwithstanding the April 15 statement  
4 submission date required under 15-23-201, the date for  
5 submission of the statement required by 15-23-201 for  
6 taxable year 1983 is October 15.

7 Section 12. Section 15-23-202, MCA, is amended to  
8 read:

9 "15-23-202. Assessment -- how made. ~~(1)~~ The department  
10 must assess the franchise, roadway, roadbed, rails, rolling  
11 stock, and all other operating properties of all railroads  
12 operated in ~~more--than--one--county--or--more--than--one~~ the  
13 state. All rolling stock must be assessed in the name of the  
14 person owning, leasing, or using the same. Assessment must  
15 be made to the person owning or leasing or using the same  
16 and must be made upon the entire railroad within the state.  
17 The depots, stations, shops, and buildings erected upon the  
18 space covered by the right-of-way and all other property  
19 owned or leased by such person ~~except as above provided~~  
20 shall be assessed by the department.

21 ~~(2) In determining the taxable value of railroad~~  
22 ~~property, the department may modify the percentage~~  
23 ~~multiplier provided for in 15-6-141 in order to achieve~~  
24 ~~compliance with the requirements of the federal Railroad~~  
25 ~~Revitalization and Regulatory Reform Act of 1976, as~~

1 ~~amended."~~

2 **NEW SECTION.** Section 13. Apportionment to counties of  
3 rolling stock. (1) The department shall apportion the total  
4 value of railroad rolling stock property assessed under  
5 15-6-138 among the counties, based on rules that consider  
6 each county's pro rata share of operable railroad track and  
7 the annual usage thereof.

8 (2) On or before July 1, the department shall transmit  
9 to its agent in each county or to the official then having  
10 custody of the assessment book a statement of the assessed  
11 value of rolling stock determined under subsection (1). The  
12 agent or county official having custody of the assessment  
13 book shall immediately enter the valuation in the assessment  
14 book.

15 **NEW SECTION.** Section 14. Rulemaking authority. The  
16 department of revenue may adopt rules necessary for the  
17 taxation of railroad property under Title 15. The rules must  
18 conform to the requirements of the federal Railroad  
19 Revitalization and Regulatory Reform Act of 1976, as  
20 amended.

21 **NEW SECTION.** Section 15. Codification instruction.  
22 Sections 1, 13, and 14 are intended to be codified as an  
23 integral part of Title 15, chapter 7. Sections 15-23-201 and  
24 15-23-202 are intended to be renumbered and codified as an  
25 integral part of Title 15, chapter 7.



1        NEW SECTION. Section 16. Effective        date        --  
2        applicability date. This act is effective on passage and  
3        approval and applies to taxable years beginning after  
4        December 31, 1985.

-End-

## STATE OF MONTANA

REQUEST NO. 535-83

## FISCAL NOTE

Form BD-15

In compliance with a written request received April 13, , 19 83 , there is hereby submitted a Fiscal Note for House Bill 925 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 925 is an act to achieve compliance with the requirements of the Federal Railroad Revitalization and Regulatory Reform Act of 1976; removes railroad property from centrally assessed property so that it may be appraised and taxed in the same manner as all other property similarly situated; provides reporting requirements for railroads; and provides an immediate effective date and a delayed applicability date.

ASSUMPTIONS:

- 1) Time required to appraise real property owned by railroads is 240 man-months starting January 1, 1984, plus six months retention for tax appeal season.
- 2) Personnel required include appraisers @ grade 13 and engineers @ grade 15; approximately one engineer for four appraisers. Salary levels are for FY 83 plus 20% for fringe benefits.
- 3) Per diem payments are \$15 for meals; \$26 for lodging.
- 4) Reimbursement for use of a private car is \$.20 per mile.
- 5) Employees would have to travel half the time during the appraisal and one quarter of the time for the last six months, at a rate of 500 miles per month and 250 miles per month, respectively.

FISCAL IMPACT:

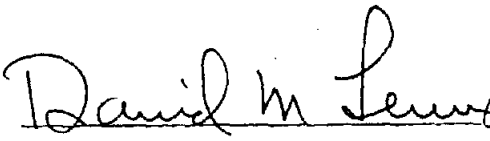
	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>
Personal Services			
Under Current Law	\$ -0-	\$ -0-	\$ -0-
Under Proposed	142,217	276,184	261,549
Estimated Increase	<u>\$142,217</u>	<u>\$276,184</u>	<u>\$261,549</u>

Effect on revenue cannot be determined at this time.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

Effect on local revenue cannot be determined at this time.  
Local expenditures would not be affected.

FISCAL NOTE 17: AA/1

  
BUDGET DIRECTOR  
Office of Budget and Program Planning  
Date: 4-14-83

## 1 STATEMENT OF INTENT

## 2 HOUSE BILL 925

## 3 House Taxation Committee

4  
5 A statement of intent is required for House Bill No.  
6 925 because it authorizes the Department of Revenue to adopt  
7 rules to implement the appraisal and taxation of railroad  
8 property at the local level as opposed to such property  
9 being centrally assessed.

10 The Legislature contemplates that the rules should  
11 address the following, among other things:

12 (1) guidelines, where necessary, for the appraisal of  
13 various classes of railroad property by the Department that  
14 establish the rules for treating railroad property in the  
15 same manner as other property in the same class. Whenever  
16 necessary, such guidelines should specify the manner in  
17 which market value for purposes of taxation is to be  
18 determined. The Legislature contemplates that such  
19 guidelines would adopt the same manner of arriving at market  
20 value for railroad property that is used for the entire  
21 class of property in which the railroad property is placed.  
22 The Legislature further contemplates that the rules would,  
23 to the extent possible, provide for the utilization of  
24 reports available from the federal government that arrive at  
25 market value for the property.

1 (2) apportionment of the value of railroad rolling  
2 stock among counties based on operable track in a county and  
3 the annual usage of that track by railroads. While the  
4 Legislature recognizes that apportionment of the value of  
5 railroad rolling stock among counties is somewhat different  
6 than the "normal" system used for personal property  
7 taxation, the Legislature has provided for such  
8 apportionment because it believes that to do otherwise would  
9 require burdensome reports by railroads of their migratory  
10 personal property.

Approved by committee  
on Taxation

## HOUSE BILL NO. 925

INTRODUCED BY SHONTZ, TOWE, NORMAN, YARDLEY,

WILLIAMS, BERTELSEN, FABREGA, NORDIVEDT

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO ACHIEVE COMPLIANCE WITH THE REQUIREMENTS OF THE FEDERAL RAILROAD REVITALIZATION AND REGULATORY REFORM ACT OF 1976, AS AMENDED; TO REMOVE RAILROAD PROPERTY FROM CENTRALLY ASSESSED PROPERTY SO THAT IT MAY BE APPRAISED AND TAXED IN THE SAME MANNER AS ALL OTHER PROPERTY SIMILARLY SITUATED; TO PROVIDE REPORTING REQUIREMENTS FOR RAILROADS; AMENDING SECTIONS 15-6-137, 15-6-138, 15-6-140, 15-6-141, 15-23-101, 15-23-103, 15-23-105, 15-23-106, 15-23-201, AND 15-23-202, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A DELAYED APPLICABILITY DATE."

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

NEW SECTION. Section 1. Purpose. The purpose of [this section, 15-23-201, 15-23-202, section 13, and section 14] is to insure that railroad property in the state of Montana is appraised and taxed in the same manner as all other property similarly situated, in order to achieve compliance with the requirements of the federal Railroad Revitalization and Regulatory Reform Act of 1976, as amended.

Section 2. Section 15-6-137, MCA, is amended to read:

"15-6-137. Class seven property -- description -- taxable percentage. (1) Class seven property includes:

(a) all property used and owned by persons, firms, corporations, or other organizations that are engaged in the business of furnishing telephone communications exclusively to rural areas or to rural areas and cities and towns of 800 persons or less;

(b) all property owned by cooperative rural electrical and cooperative rural telephone associations that serve less than 95% of the electricity consumers or telephone users within the incorporated limits of a city or town;

(c) electric transformers and meters; electric light and power substation machinery; natural gas measuring and regulating station equipment, meters, and compressor station machinery owned by noncentrally assessed public utilities; and tools used in the repair and maintenance of this property; and

(d) tools, implements, and machinery used to repair and maintain machinery not used for manufacturing and mining purposes ~~or by a railroad~~.

(2) To qualify for this classification, the average circuit miles for each station on the telephone communication system described in subsection (1)(b) must be more than 1 mile.

1 (3) Class seven property is taxed at 8% of its market  
 2 value."  
 3 Section 3. Section 15-6-138, MCA, is amended to read:  
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 5 taxable percentage. (1) Class eight property includes:  
 6 (a) all agricultural implements and equipment;  
 7 (b) all mining machinery, fixtures, equipment, tools,  
 8 and supplies except:  
 9 (i) those included in class five; and  
 10 (ii) coal and ore haulers;  
 11 (c) all manufacturing machinery, fixtures, equipment,  
 12 tools, and supplies except those included in class five;  
 13 ~~(d) all railroad machinery, fixtures, equipment,~~  
 14 ~~tools, and supplies except:~~  
 15 ~~(i) those included in class five; and~~  
 16 ~~(ii) railroad rolling stock;~~  
 17 ~~(d)(i) motorcycles;~~  
 18 ~~(d)(ii) watercraft;~~  
 19 ~~(d)(iii) light utility and boat trailers;~~  
 20 ~~(d)(iv) aircraft;~~  
 21 ~~(d)(v) all-terrain vehicles;~~  
 22 ~~(d)(vi) harness, saddlery, and other tack equipment;~~  
 23 and  
 24 ~~(d)(vii) all other machinery except that specifically~~  
 25 ~~included in another class.~~

1 (2) Class eight property is taxed at 11% of its market  
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 12 ~~1 1/2 tons, including those prorated under 15-24-102;~~  
 13 ~~(d)(ii) trailers, except those included in class eight~~  
 14 ~~or nine, including those prorated under 15-24-102, and~~  
 15 ~~except those subject to a fee in lieu of property tax;~~  
 16 ~~(d)(iii) theater projectors and sound equipment; and~~  
 17 ~~(d)(iv) all other property not included in the~~  
 18 ~~preceding nine classes except that property subject to a fee~~  
 19 ~~in lieu of a property tax.~~  
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 23 "15-6-141. Class eleven property -- description --  
 24 taxable percentage. (1) Class eleven property includes:  
 25 (a) centrally assessed electric power companies"

1 allocations;

2 (b) allocations for centrally assessed natural gas  
3 companies having a major distribution system in this state;  
4 and

5 (c) centrally assessed companies' allocations except:

6 (i) electric power and natural gas companies'  
7 property;

8 (ii) property owned by cooperative rural electric and  
9 cooperative rural telephone associations and classified in  
10 class five; and

11 (iii) property owned by organizations providing  
12 telephone communications to rural areas and classified in  
13 class seven.

14 (2) Class eleven property is taxed as follows:

15 (a) Property described in subsection (1)(a) and (b) is  
16 taxed at 12% of market value.

17 (b) ~~Except as provided in 15-23-202, property~~ **PROBABLY**  
18 described in subsection (1)(c) is taxed at 15% of market  
19 value."

20 Section 6. Section 15-23-101, MCA, is amended to read:

21 "15-23-101. Properties centrally assessed. The  
22 department of revenue shall centrally assess each year:

23 ~~(1) the franchise, roadway, roadbed, railway, and  
24 stock, and all other operating property of railroads  
25 operating in more than one county in the state or more than~~

1 ~~one state;~~

2 ~~(2) (1)~~ property owned by a corporation or other person  
3 operating a single and continuous property operated in more  
4 than one county or more than one state, including telegraph,  
5 telephone, microwave, electric power or transmission lines,  
6 natural gas or oil pipelines, canals, ditches, flumes, or  
7 like properties;

8 ~~(3) (2)~~ all property of scheduled airlines;

9 ~~(4) (3)~~ the net proceeds of mines and of oil and gas  
10 wells; and

11 ~~(5) (4)~~ the gross proceeds of coal mines."

12 Section 7. Section 15-23-103, MCA, is amended to read:

13 "15-23-103. Due date of reports and returns --  
14 extensions. Each report or return described in 15-23-301,  
15 15-23-402, 15-23-502, 15-23-602, or 15-23-701 shall be  
16 delivered to the department on or before March 31 each year  
17 and each report described in 15-23-201 shall be delivered to  
18 the department before April 15 each year. The department may  
19 for good cause extend the time for filing a return or report  
20 for not more than 30 days."

21 Section 8. Section 15-23-105, MCA, is amended to read:

22 "15-23-105. Apportionment among counties. The  
23 department shall apportion the value of property assessed  
24 under 15-23-101, 15-23-202 or 15-23-403 among the counties  
25 in which such property is located. Apportionment shall be on

a mileage basis or on the basis of the original installed cost of the centrally assessed property located in the respective counties. If the property is of such a character that its value cannot reasonably be apportioned on the basis of mileage or on the basis of the original installed cost of the centrally assessed property located in the respective counties, the department may adopt such other method or basis of apportionment as may be just or proper."

Section 9. Section 15-23-106, MCA, is amended to read:

"15-23-106. Transmission to the counties. (1) On or before July 1, the department shall transmit to its agent in each county a statement listing:

~~that the assessed value of railroad property as determined under 15-23-202, apportioned to the county including the length or other description of such property;~~

(b)(a) the assessed value of utility property, as determined under 15-23-302, apportioned to the county, including the length or other description of such property;

(c)(b) the assessed value of property of airline companies, as determined under 15-23-403, apportioned to the county; 90% of the value of the property of airline companies apportioned to any county by reason of a state airport being located in the county shall be stated separately from the remaining assessed value of the property of airline companies apportioned to the county;

~~that~~ the assessed value of the net proceeds and royalties from mines and oil and gas wells in the county, as determined under 15-23-503, 15-23-505, 15-23-603, and 15-23-605; and

~~that~~ the assessed value of the gross proceeds from coal mines, as described in 15-23-701.

(2) The agent of the department shall enter the assessed values so transmitted in the assessment book in a manner prescribed by the department."

Section 10. Section 15-23-201, MCA, is amended to read:

"15-23-201. Assessment ~~Appraisal~~ of railroads ~~== reporting requirements.~~ (1) The president, secretary, or managing agent or such other officer as the department of revenue may designate of any corporation and each person or association of persons owning or operating any railroad in ~~more than one county in this state or more than one state~~ must on or before April 15 each year furnish the department a statement signed and sworn to by one of such officers or by the person or one of the persons forming such association, showing in detail ~~and setting forth by individual county, when appropriate,~~ for the year ending December 31 immediately preceding:

~~that~~ the whole number of miles of railroad in the state and, where the line is partly out of the state, the

1 whole number of miles without the state and the whole number  
2 within the state, owned or operated by such corporation,  
3 person, or association;

4 ~~f2+1d1~~ the value of the roadway, roadbed, and rails of  
5 the whole railroad and the value of the same within the  
6 state;

7 ~~f3+1c1~~ the width of the right-of-way;

8 ~~f4+1d1~~ the number of each kind of all rolling stock  
9 used by such corporation, person, or association in  
10 operating the entire railroad, including the part without  
11 the state;

12 ~~f5+1e1~~ the number, kind, and value of rolling stock  
13 owned and operated in the state;

14 ~~f6+1f1~~ the number, kind, and value of rolling stock  
15 used in the state but not owned by the party making the  
16 returns;

17 ~~f7+1g1~~ the number, kind, and value of rolling stock  
18 owned but used out of the state, either upon divisions of  
19 road operated by the party making the returns or by and upon  
20 other railroads;

21 ~~f8+1h1~~ the whole number of sidetracks in each county,  
22 including the number of miles of track in each railroad yard  
23 in the state;

24 ~~f9+1i1~~ the number of each kind of rolling stock used  
25 in operating the entire railroad, including the part without

1 the state, which must include a detailed statement of the  
2 number and value thereof of all engines; passenger, mail,  
3 express, baggage, freight, and other cars; or property owned  
4 or leased by such corporation, person, or association;

5 ~~f10+1j1~~ the number of sleeping and dining cars not  
6 owned by such corporation, person, or association but used  
7 in operating the railroads of such corporation, person, or  
8 association in the state or on the line of the road without  
9 the state during each month of the year for which the return  
10 is made; also the number of miles each month the cars have  
11 been run or operated within and without the state;

12 ~~f11+1k1~~ a description of the road, giving the points  
13 of entrance into and the points of exit from each county,  
14 with a statement of the number of miles in each county. When  
15 a description of the road has once been given, no other  
16 annual description thereof is necessary unless the road has  
17 been changed. Whenever the road or any portion of the road  
18 is advertised to be sold or is sold for taxes, either state  
19 or county, no other description is necessary than that given  
20 by, and the same is conclusive upon, the person,  
21 corporation, or association giving the description. No  
22 assessment is invalid on account of a misdescription of the  
23 railroad or the right-of-way for the same. If such statement  
24 is not furnished as above provided, the assessment made by  
25 the department upon the property of the corporation, person,



1 or association failing to furnish the statement is  
 2 conclusive and final.

3       ††2††11 the gross earnings of the entire road;  
 4       ††3††11 the gross earnings of the road within the  
 5 state and, if the railroad is let to other operators, how  
 6 much was derived by the lessor as rental;

7       ††4††11 the cost of operating the entire road,  
 8 exclusive of sinking fund, expenses of land department, and  
 9 money paid to the United States;

10       ††5††11 net income for such year and amount of  
 11 dividend declared;

12       ††6††11 capital stock authorized;  
 13       ††7††11 capital stock paid in;  
 14       ††8††11 funded debt;  
 15       ††9††11 number of shares authorized;  
 16       ††0††11 number of shares of stock issued;

17       ††1††11 copies of all Montana right-of-way maps;  
 18       ††2††11 copies of all Montana track charts, including the  
 19 right-of-way;

20       ††3††11 a statement setting forth the total acreage of  
 21 Montana real property and right-of-way;

22       ††4††11 a statement of all track and right-of-way in  
 23 Montana, listing the pattern, weight, number of miles, and  
 24 location by railroad segment and milepost;

25       ††5††11 a statement of all agreements authorizing the

1 longitudinal use of Montana right-of-way, including for each  
 2 agreement the names of the parties to the agreement, a  
 3 summary of its terms, the amounts paid thereunder, the  
 4 longitudinal use contemplated, and the location and length  
 5 of right-of-way covered;

6       ††6††11 a statement by network segment of Montana gross  
 7 and net tons hauled during the year and a copy of any chart  
 8 setting forth this information;

9       ††7††11 a statement by network segment of system gross and  
 10 net tons hauled during the year and a copy of any chart  
 11 setting forth this information;

12       ††8††11 a copy of the company's freight car diagram books;  
 13       ††9††11 a statement setting forth all locomotive tonnage  
 14 ratings;

15       ††0††11 a copy of freight train schedules for the year;

16       ††1††11 a list of all Montana equipment and repair shops  
 17 and yards;

18       ††2††11 a list of all purchase dates and costs for all  
 19 operating property;

20       ††3††11 a list of all construction dates and costs for all  
 21 operating property; and

22       ††4††11 any other facts the department may require.

23       ††5††11 Information that is of a static nature need not be  
 24 resubmitted on an annual basis as specified in subsection  
 25 (1). However, each railroad shall immediately provide

1 ~~updated information whenever static information is changed,~~  
2 ~~rescinded, or revoked."~~

3 **NEW SECTION.** Section 11. Temporary reporting date for  
4 taxable year 1983. Notwithstanding the April 15 statement  
5 submission date required under 15-23-201, the date for  
6 submission of the statement required by 15-23-201 for  
7 taxable year 1983 is October 15.

8 Section 12. Section 15-23-202, MCA, is amended to  
9 read:

10 "15-23-202. Assessment -- how made. (1) The department  
11 must assess the franchise, roadway, roadbed, rails, rolling  
12 stock, and all other operating properties of all railroads  
13 operated in more--than--one--county---or--more--than--one the  
14 state. All rolling stock must be assessed in the name of the  
15 person owning, leasing, or using the same. Assessment must  
16 be made to the person owning or leasing or using the same  
17 and must be made upon the entire railroad within the state.  
18 The depots, stations, shops, and buildings erected upon the  
19 space covered by the right-of-way and all other property  
20 owned or leased by such person--except--as--above--provided--  
21 shall be assessed by the department.

22 (2)--in--determining--the--taxable--value--of--railroad  
23 property--the--department--may--modify--the--percentage  
24 multiplier--provided--for--in--15-6-141--in--order--to--achieve  
25 compliance--with--the--requirements--of--the--federal--Railroad

1 Revitalization--and--Regulatory--Reform--Act--of--1976---as  
2 amended."

3 **NEW SECTION.** Section 13. Apportionment to counties of  
4 rolling stock. (1) The department shall apportion the total  
5 value of railroad rolling stock property assessed under  
6 15-6-138 among the counties, based on rules that consider  
7 each county's pro rata share of operable railroad track and  
8 the annual usage thereof.

9 (2) On or before July 1, the department shall transmit  
10 to its agent in each county or to the official then having  
11 custody of the assessment book a statement of the assessed  
12 value of rolling stock determined under subsection (1). The  
13 agent or county official having custody of the assessment  
14 book shall immediately enter the valuation in the assessment  
15 book.

16 **NEW SECTION.** Section 14. Rulemaking authority. The  
17 department of revenue may adopt rules necessary for the  
18 taxation of railroad property under Title 15. The rules must  
19 conform to the requirements of the federal Railroad  
20 Revitalization and Regulatory Reform Act of 1976, as  
21 amended.

22 **NEW SECTION.** Section 15. Codification instruction.  
23 Sections 1, 13, and 14 are intended to be codified as an  
24 integral part of Title 15, chapter 7. Sections 15-23-201 and  
25 15-23-202 are intended to be renumbered and codified as an

1 integral part of Title 15, chapter 7.  
2       NEW\_SECTION. Section 16. Effective       date       --  
3 applicability date. This act is effective on passage and  
4 approval and applies to taxable years beginning after  
5 December 31, 1985.

-End-

## 1                   STATEMENT OF INTENT

## 2                   HOUSE BILL 925

## 3                   House Taxation Committee

4  
5           A statement of intent is required for House Bill No.  
6   925 because it authorizes the Department of Revenue to adopt  
7   rules to implement the appraisal and taxation of railroad  
8   property at the local level as opposed to such property  
9   being centrally assessed.

10          The Legislature contemplates that the rules should  
11   address the following, among other things:

12          (1) guidelines, where necessary, for the appraisal of  
13   various classes of railroad property by the Department that  
14   establish the rules for treating railroad property in the  
15   same manner as other property in the same class. Whenever  
16   necessary, such guidelines should specify the manner in  
17   which market value for purposes of taxation is to be  
18   determined. The Legislature contemplates that such  
19   guidelines would adopt the same manner of arriving at market  
20   value for railroad property that is used for the entire  
21   class of property in which the railroad property is placed.  
22   The Legislature further contemplates that the rules would,  
23   to the extent possible, provide for the utilization of  
24   reports available from the federal government that arrive at  
25   market value for the property.

1           (2) apportionment of the value of railroad rolling  
2   stock among counties based on operable track in a county and  
3   the annual usage of that track by railroads. While the  
4   Legislature recognizes that apportionment of the value of  
5   railroad rolling stock among counties is somewhat different  
6   than the "normal" system used for personal property  
7   taxation, the Legislature has provided for such  
8   apportionment because it believes that to do otherwise would  
9   require burdensome reports by railroads of their migratory  
10   personal property.

## HOUSE BILL NO. 925

INTRODUCED BY SHONTZ, TOWE, NORMAN, YARDLEY,  
WILLIAMS, BERTELSEN, FABREGA, NORDTVEDT  
BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO ACHIEVE COMPLIANCE  
WITH THE REQUIREMENTS OF THE FEDERAL RAILROAD REVITALIZATION  
AND REGULATORY REFORM ACT OF 1976, AS AMENDED; TO REMOVE  
RAILROAD PROPERTY FROM CENTRALLY ASSESSED PROPERTY SO THAT  
IT MAY BE APPRAISED AND TAXED IN THE SAME MANNER AS ALL  
OTHER PROPERTY SIMILARLY SITUATED; TO PROVIDE REPORTING  
REQUIREMENTS FOR RAILROADS; AMENDING SECTIONS 15-6-137,  
15-6-138, 15-6-140, 15-6-141, 15-23-101, 15-23-103,  
15-23-105, 15-23-106, 15-23-201, AND 15-23-202, MCA; AND  
PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A DELAYED  
APPLICABILITY DATE."

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

NEW SECTION. Section 1. Purpose. The purpose of [this  
section, 15-23-201, 15-23-202, section 13, and section 14]  
is to insure that railroad property in the state of Montana  
is appraised and taxed in the same manner as all other  
property similarly situated, in order to achieve compliance  
with the requirements of the federal Railroad Revitalization  
and Regulatory Reform Act of 1976, as amended.

Section 2. Section 15-6-137, MCA, is amended to read:

"15-6-137. Class seven property -- description --  
taxable percentage. (1) Class seven property includes:

(a) all property used and owned by persons, firms,  
corporations, or other organizations that are engaged in the  
business of furnishing telephone communications exclusively  
to rural areas or to rural areas and cities and towns of 800  
persons or less;

(b) all property owned by cooperative rural electrical  
and cooperative rural telephone associations that serve less  
than 95% of the electricity consumers or telephone users  
within the incorporated limits of a city or town;

(c) electric transformers and meters; electric light  
and power substation machinery; natural gas measuring and  
regulating station equipment, meters, and compressor station  
machinery owned by noncentrally assessed public utilities;  
and tools used in the repair and maintenance of this  
property; and

(d) tools, implements, and machinery used to repair  
and maintain machinery not used for manufacturing and mining  
purposes or by a railroad.

(2) To qualify for this classification, the average  
circuit miles for each station on the telephone  
communication system described in subsection (1)(b) must be  
more than 1 mile.

1 (3) Class seven property is taxed at 8% of its market  
2 value."

3 Section 3. Section 15-6-138, MCA, is amended to read:

4 "15-6-138. Class eight property -- description --  
5 taxable percentage. (1) Class eight property includes:

6 (a) all agricultural implements and equipment;  
7 (b) all mining machinery, fixtures, equipment, tools,  
8 and supplies except:

9 (i) those included in class five; and

10 (ii) coal and ore haulers;

11 (c) all manufacturing machinery, fixtures, equipment,  
12 tools, and supplies except those included in class five;

13 ~~(d) all railroad machinery, fixtures, equipment,~~  
14 ~~tools, and supplies except:~~

15 ~~(i) those included in class five; and~~

16 ~~(ii) railroad rolling stock;~~

17 ~~(d)(a) motorcycles;~~

18 ~~(e)(f) watercraft;~~

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

20 ~~(g)(h) aircraft;~~

21 ~~(h)(i) all-terrain vehicles;~~

22 ~~(i)(j) harness, saddlery, and other tack equipment;~~

23 and

24 ~~(j)(k) all other machinery except that specifically~~  
25 included in another class.

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

3 Section 4. Section 15-6-140, MCA, is amended to read:

4 "15-6-140. Class ten property -- description --  
5 taxable percentage. (1) Class ten property includes:

6 (a) radio and television broadcasting and transmitting  
7 equipment;

8 (b) cable television systems;

9 (c) coal and ore haulers;

10 ~~(d) railroad rolling stock;~~

11 ~~(d)(a) trucks having a rated capacity of more than~~  
12 ~~1 1/2 tons, including those prorated under 15-24-102;~~

13 ~~(e)(f) trailers, except those included in class eight~~  
14 ~~or nine, including those prorated under 15-24-102, and~~  
15 ~~except those subject to a fee in lieu of property tax;~~

16 ~~(f)(g) theater projectors and sound equipment; and~~

17 ~~(g)(h) all other property not included in the~~  
18 ~~preceding nine classes except that property subject to a fee~~  
19 ~~in lieu of a property tax.~~

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

22 Section 5. Section 15-6-141, MCA, is amended to read:

23 "15-6-141. Class eleven property -- description --  
24 taxable percentage. (1) Class eleven property includes:

25 (a) centrally assessed electric power companies'

1 allocations;

2 (b) allocations for centrally assessed natural gas  
3 companies having a major distribution system in this state;  
4 and

5 (c) centrally assessed companies' allocations except:

6 (i) electric power and natural gas companies'  
7 property;

8 (ii) property owned by cooperative rural electric and  
9 cooperative rural telephone associations and classified in  
10 class five; and

11 (iii) property owned by organizations providing  
12 telephone communications to rural areas and classified in  
13 class seven.

14 (2) Class eleven property is taxed as follows:

15 (a) Property described in subsection (1)(a) and (b) is  
16 taxed at 12% of market value.

17 (b) ~~Except as provided in 15-23-202, property properly~~  
18 described in subsection (1)(c) is taxed at 15% of market  
19 value."

20 Section 6. Section 15-23-101, MCA, is amended to read:

21 "15-23-101. Properties centrally assessed. The  
22 department of revenue shall centrally assess each year:

23 ~~{1}--the-franchisey--roadway--roadbeds--raily--rolling~~  
24 ~~stock--and--all--other--operating--property--of--railroads~~  
25 ~~operating-in-more-than-one-county-in-the-state-or-more-than~~

1 one-state;

2 ~~{2}{11}~~ property owned by a corporation or other person  
3 operating a single and continuous property operated in more  
4 than one county or more than one state, including telegraph,  
5 telephone, microwave, electric power or transmission lines,  
6 natural gas or oil pipelines, canals, ditches, flumes, or  
7 like properties;

8 ~~{3}{21}~~ all property of scheduled airlines;

9 ~~{4}{31}~~ the net proceeds of mines and of oil and gas  
10 wells; and

11 ~~{5}{41}~~ the gross proceeds of coal mines."

12 Section 7. Section 15-23-103, MCA, is amended to read:

13 "15-23-103. Due date of reports and returns --  
14 extensions. Each report or return described in 15-23-301,  
15 15-23-402, 15-23-502, 15-23-602, or 15-23-701 shall be  
16 delivered to the department on or before March 31 each year  
17 ~~and each report described in 15-23-201 shall be delivered to~~  
18 ~~the department before April 15 each year.~~ The department may  
19 for good cause extend the time for filing a return or report  
20 for not more than 30 days."

21 Section 8. Section 15-23-105, MCA, is amended to read:

22 "15-23-105. Apportionment among counties. The  
23 department shall apportion the value of property assessed  
24 under 15-23-101, ~~15-23-202~~ or 15-23-403 among the counties  
25 in which such property is located. Apportionment shall be on

1 a mileage basis or on the basis of the original installed  
2 cost of the centrally assessed property located in the  
3 respective counties. If the property is of such a character  
4 that its value cannot reasonably be apportioned on the basis  
5 of mileage or on the basis of the original installed cost of  
6 the centrally assessed property located in the respective  
7 counties, the department may adopt such other method or  
8 basis of apportionment as may be just or proper."

9 Section 9. Section 15-23-106, MCA, is amended to read:

10 "15-23-106. Transmission to the counties. (1) On or  
11 before July 1, the department shall transmit to its agent in  
12 each county a statement listing:

13 ~~(a) the assessed value of railroad property, as~~  
14 ~~determined under 15-23-202, apportioned to the county,~~  
15 ~~including the length or other description of such property;~~

16 (b)(a) the assessed value of utility property, as  
17 determined under 15-23-302, apportioned to the county,  
18 including the length or other description of such property;

19 (c)(b) the assessed value of property of airline  
20 companies, as determined under 15-23-403, apportioned to the  
21 county; 90% of the value of the property of airline  
22 companies apportioned to any county by reason of a state  
23 airport being located in the county shall be stated  
24 separately from the remaining assessed value of the property  
25 of airline companies apportioned to the county;

1 ~~(d)(c)~~ the assessed value of the net proceeds and  
2 royalties from mines and oil and gas wells in the county, as  
3 determined under 15-23-503, 15-23-505, 15-23-603, and  
4 15-23-605; and

5 ~~(e)(d)~~ the assessed value of the gross proceeds from  
6 coal mines, as described in 15-23-701.

7 (2) The agent of the department shall enter the  
8 assessed values so transmitted in the assessment book in a  
9 manner prescribed by the department."

10 Section 10. Section 15-23-201, MCA, is amended to  
11 read:

12 "15-23-201. Assessment Appraisal of railroads =  
13 reporting requirements. (1) The president, secretary, or  
14 managing agent or such other officer as the department of  
15 revenue may designate of any corporation and each person or  
16 association of persons owning or operating any railroad in  
17 ~~more than one county in this state or more than one state~~  
18 must on or before April 15 each year furnish the department  
19 a statement signed and sworn to by one of such officers or  
20 by the person or one of the persons forming such  
21 association, showing in detail and setting forth by  
22 individual county, when appropriate, for the year ending  
23 December 31 immediately preceding:

24 (i)(a) the whole number of miles of railroad in the  
25 state and, where the line is partly out of the state, the



1 whole number of miles without the state and the whole number  
2 within the state, owned or operated by such corporation,  
3 person, or association;

4 ~~(27)(b)~~ the value of the roadway, roadbed, and rails of  
5 the whole railroad and the value of the same within the  
6 state;

7 ~~(37)(c)~~ the width of the right-of-way;

8 ~~(47)(d)~~ the number of each kind of all rolling stock  
9 used by such corporation, person, or association in  
10 operating the entire railroad, including the part without  
11 the state;

12 ~~(57)(e)~~ the number, kind, and value of rolling stock  
13 owned and operated in the state;

14 ~~(67)(f)~~ the number, kind, and value of rolling stock  
15 used in the state but not owned by the party making the  
16 returns;

17 ~~(77)(g)~~ the number, kind, and value of rolling stock  
18 owned but used out of the state, either upon divisions of  
19 road operated by the party making the returns or by and upon  
20 other railroads;

21 ~~(87)(h)~~ the whole number of sidetracks in each county,  
22 including the number of miles of track in each railroad yard  
23 in the state;

24 ~~(97)(i)~~ the number of each kind of rolling stock used  
25 in operating the entire railroad, including the part without

1 the state, which must include a detailed statement of the  
2 number and value thereof of all engines; passenger, mail,  
3 express, baggage, freight, and other cars; or property owned  
4 or leased by such corporation, person, or association;

5 ~~(107)(j)~~ the number of sleeping and dining cars not  
6 owned by such corporation, person, or association but used  
7 in operating the railroads of such corporation, person, or  
8 association in the state or on the line of the road without  
9 the state during each month of the year for which the return  
10 is made; also the number of miles each month the cars have  
11 been run or operated within and without the state;

12 ~~(117)(k)~~ a description of the road, giving the points  
13 of entrance into and the points of exit from each county,  
14 with a statement of the number of miles in each county. When  
15 a description of the road has once been given, no other  
16 annual description thereof is necessary unless the road has  
17 been changed. Whenever the road or any portion of the road  
18 is advertised to be sold or is sold for taxes, either state  
19 or county, no other description is necessary than that given  
20 by, and the same is conclusive upon, the person,  
21 corporation, or association giving the description. No  
22 assessment is invalid on account of a misdescription of the  
23 railroad or the right-of-way for the same. If such statement  
24 is not furnished as above provided, the assessment made by  
25 the department upon the property of the corporation, person,

1 or association failing to furnish the statement is  
2 conclusive and final.

3 (12)(l) the gross earnings of the entire road;  
4 (13)(m) the gross earnings of the road within the  
5 state and, if the railroad is let to other operators, how  
6 much was derived by the lessor as rental;

7 (14)(n) the cost of operating the entire road,  
8 exclusive of sinking fund, expenses of land department, and  
9 money paid to the United States;

10 (15)(o) net income for such year and amount of  
11 dividend declared;

12 (16)(p) capital stock authorized;

13 (17)(q) capital stock paid in;

14 (18)(r) funded debt;

15 (19)(s) number of shares authorized;

16 (20)(t) number of shares of stock issued;

17 (u) copies of all Montana right-of-way maps;

18 (v) copies of all Montana track charts, including the  
19 right-of-way;

20 (w) a statement setting forth the total acreage of  
21 Montana real property and right-of-way;

22 (x) a statement of all track and right-of-way in  
23 Montana, listing the pattern weight, number of miles, and  
24 location by railroad segment and milepost;

25 (y) a statement of all agreements authorizing the

1 longitudinal use of Montana right-of-way, including for each  
2 agreement the names of the parties to the agreement, a  
3 summary of its terms, the amounts paid thereunder, the  
4 longitudinal use contemplated, and the location and length  
5 of right-of-way covered;

6 (z) a statement by network segment of Montana gross  
7 and net tons hauled during the year and a copy of any chart  
8 setting forth this information;

9 (aa) a statement by network segment of system gross and  
10 net tons hauled during the year and a copy of any chart  
11 setting forth this information;

12 (bb) a copy of the company's freight car diagram book;

13 (cc) a statement setting forth all locomotive tonnage  
14 ratings;

15 (dd) a copy of freight train schedules for the year;

16 (ee) a list of all Montana equipment and repair shops  
17 and yards;

18 (ff) a list of all purchase dates and costs for all  
19 operating property;

20 (gg) a list of all construction dates and costs for all  
21 operating property; and

22 (22)(hh) any other facts the department may require.

23 (2) Information that is of a static nature need not be  
24 resubmitted on an annual basis as specified in subsection

25 (1). However, each railroad shall immediately provide

1 ~~updated information whenever static information is changed,~~  
2 ~~rescinded, or revoked."~~

3 NEW SECTION. Section 11. Temporary reporting date for  
4 taxable year 1983. Notwithstanding the April 15 statement  
5 submission date required under 15-23-201, the date for  
6 submission of the statement required by 15-23-201 for  
7 taxable year 1983 is October 15.

8 Section 12. Section 15-23-202, MCA, is amended to  
9 read:

10 "15-23-202. Assessment -- how made. ~~(1)~~ The department  
11 must assess the franchise, roadway, roadbed, rails, rolling  
12 stock, and all other operating properties of all railroads  
13 operated in ~~more than one county or more than one~~ the  
14 state. All rolling stock must be assessed in the name of the  
15 person owning, leasing, or using the same. Assessment must  
16 be made to the person owning or leasing or using the same  
17 and must be made upon the entire railroad within the state.  
18 The depots, stations, shops, and buildings erected upon the  
19 space covered by the right-of-way and all other property  
20 owned or leased by such persons ~~except as above provided~~  
21 shall be assessed by the department.

22 ~~(2) In determining the taxable value of railroad~~  
23 ~~property, the department may modify the percentage~~  
24 ~~multiplier provided for in 15-6-141 in order to achieve~~  
25 ~~compliance with the requirements of the federal Railroad~~

1 ~~Revitalization and Regulatory Reform Act of 1976, as~~  
2 ~~amended"~~

3 NEW SECTION. Section 13. Apportionment to counties of  
4 rolling stock. (1) The department shall apportion the total  
5 value of railroad rolling stock property assessed under  
6 15-6-138 among the counties, based on rules that consider  
7 each county's pro rata share of operable railroad track and  
8 the annual usage thereof.

9 (2) On or before July 1, the department shall transmit  
10 to its agent in each county or to the official then having  
11 custody of the assessment book a statement of the assessed  
12 value of rolling stock determined under subsection (1). The  
13 agent or county official having custody of the assessment  
14 book shall immediately enter the valuation in the assessment  
15 book.

16 NEW SECTION. Section 14. Rulemaking authority. The  
17 department of revenue may adopt rules necessary for the  
18 taxation of railroad property under Title 15. The rules must  
19 conform to the requirements of the federal Railroad  
20 Revitalization and Regulatory Reform Act of 1976, as  
21 amended.

22 SECTION 15. SEVERABILITY. IF A PART OF THIS ACT IS  
23 INVALID, ALL VALID PARTS THAT ARE SEVERABLE FROM THE INVALID  
24 PART REMAIN IN EFFECT. IF A PART OF THIS ACT IS INVALID IN  
25 ONE OR MORE OF ITS APPLICATIONS, THE PART REMAINS IN EFFECT

1 IN ALL VALID APPLICATIONS THAT ARE SEVERABLE FROM THE  
2 INVALID APPLICATIONS.

3 NEW SECTION. Section 16. Codification instruction.  
4 Sections 1, 13, and 14 are intended to be codified as an  
5 integral part of Title 15, chapter 7. Sections 15-23-201 and  
6 15-23-202 are intended to be renumbered and codified as an  
7 integral part of Title 15, chapter 7.

8 NEW SECTION. Section 17. Effective date --  
9 applicability date. This act is effective on passage and  
10 approval and applies to taxable years beginning after  
11 December 31, 1985.

-End-