

SENATE BILL NO. 42

Introduced: 1/3/83

Referred to Committee on Taxation: 1/3/83
Died in Committee.

1 SENATE BILL NO. 42
 2 INTRODUCED BY BERG
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A FEE IN
 5 LIEU OF PROPERTY TAX ON MOTORBOATS; AMENDING SECTIONS
 6 15-6-138, 15-6-201, 15-8-201, 15-8-301, 15-8-404, 23-2-512,
 7 23-2-513, AND 23-2-515, MCA; AND PROVIDING AN IMMEDIATE
 8 EFFECTIVE DATE AND APPLICABILITY CLAUSE."
 9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 11 Section 1. Section 15-6-138, MCA, is amended to read:
 12 "15-6-138. Class eight property -- description --
 13 taxable percentage. (1) Class eight property includes:
 14 (a) all agricultural implements and equipment;
 15 (b) all mining machinery, fixtures, equipment, tools,
 16 and supplies except:
 17 (i) those included in class five; and
 18 (ii) coal and ore haulers;
 19 (c) all manufacturing machinery, fixtures, equipment,
 20 tools, and supplies except those included in class five;
 21 (d) motorcycles;
 22 (e) ~~watercraft, except motorboats subject to a fee in~~
 23 lieu of tax;
 24 (f) light utility and boat trailers;
 25 (g) aircraft;

1 (h) all-terrain vehicles;
 2 (i) harness, saddlery, and other tack equipment; and
 3 (j) all other machinery except that specifically
 4 included in another class.
 5 (2) Class eight property is taxed at 11% of its market
 6 value."
 7 Section 2. Section 15-6-201, MCA, is amended to read:
 8 "15-6-201. Exempt categories. (1) The following
 9 categories of property are exempt from taxation:
 10 (a) the property of:
 11 (i) the United States, the state, counties, cities,
 12 towns, school districts;
 13 (ii) irrigation districts organized under the laws of
 14 Montana and not operating for profit;
 15 (iii) municipal corporations; and
 16 (iv) public libraries;
 17 (b) buildings, with land they occupy and furnishings
 18 therein, owned by a church and used for actual religious
 19 worship or for residences of the clergy, together with
 20 adjacent land reasonably necessary for convenient use of
 21 such buildings;
 22 (c) property used exclusively for agricultural and
 23 horticultural societies, for educational purposes, and for
 24 hospitals;
 25 (d) property that meets the following conditions:

1 (i) is owned and held by any association or
2 corporation organized under Title 35, chapter 2, 3, 20, or
3 21;

4 (ii) is devoted exclusively to use in connection with a
5 cemetery or cemeteries for which a permanent care and
6 improvement fund has been established as provided for in
7 Title 35, chapter 20, part 3; and

8 (iii) is not maintained and operated for private or
9 corporate profit;

10 (e) institutions of purely public charity;

11 (f) evidence of debt secured by mortgages of record
12 upon real or personal property in the state of Montana;

13 (g) public art galleries and public observatories not
14 used or held for private or corporate profit;

15 (h) all household goods and furniture, including but
16 not limited to clocks, musical instruments, sewing machines,
17 and wearing apparel of members of the family, used by the
18 owner for personal and domestic purposes or for furnishing
19 or equipping the family residence;

20 (i) a truck canopy cover or topper weighing less than
21 300 pounds and having no accommodations attached. Such
22 property is also exempt from the fee in lieu of tax.

23 (j) a bicycle, as defined in 61-1-123, used by the
24 owner for personal transportation purposes; and

25 (k) automobiles and trucks having a rated capacity of

1 three-quarters of a ton or less; and

2 ~~(1) Motorboats.~~

3 (2) (a) The term "institutions of purely public
4 charity" includes organizations owning and operating
5 facilities for the care of the retired or aged or
6 chronically ill, which are not operated for gain or profit.

7 (b) The terms "public art galleries" and "public
8 observatories" include only those art galleries and
9 observatories, whether of public or private ownership, that
10 are open to the public without charge at all reasonable
11 hours and are used for the purpose of education only.

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

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

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

21 Section 3. Section 15-8-201, MCA, is amended to read:
22 "15-8-201. General assessment day. (1) The department
23 of revenue or its agent must, between January 1 and the
24 second Monday of July in each year, ascertain the names of
25 all taxable inhabitants and assess all property subject to

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

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

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

14 (b) automobiles and trucks having a rated capacity of
15 three-quarters of a ton or less;

16 (c) motor homes, ~~motorboats~~, and travel trailers
17 subject to a fee in lieu of property tax;

18 (d) livestock;

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

23 (f) mobile homes held by a distributor or dealer of
24 mobile homes as a part of his stock in trade.

25 (3) Credits must be assessed as provided in

1 15-1-101(1)(c)."

2 Section 4. Section 15-8-301, MCA, is amended to read:

3 "15-8-301. Statement -- what to contain. (1) The
4 department of revenue or its agent must require from each
5 person a statement under oath setting forth specifically all
6 the real and personal property owned by such person or in
7 his possession or under his control at midnight on January
8 1. Such statement must be in writing, showing separately:

9 (a) all property belonging to, claimed by, or in the
10 possession or under the control or management of such
11 person;

12 (b) all property belonging to, claimed by, or in the
13 possession or under the control or management of any firm of
14 which such person is a member;

15 (c) all property belonging to, claimed by, or in the
16 possession or under the control or management of any
17 corporation of which such person is president, secretary,
18 cashier, or managing agent;

19 (d) the county in which such property is situated or
20 in which it is liable to taxation and (if liable to taxation
21 in the county in which the statement is made) also the city,
22 town, school district, road district, or other revenue
23 districts in which it is situated;

24 (e) an exact description of all lands in parcels or
25 subdivisions not exceeding 640 acres each and the sections

1 and fractional sections of all tracts of land containing
 2 more than 640 acres which have been sectionized by the
 3 United States government; improvements and personal
 4 property, including all ~~vessels, steamers, and other~~
 5 ~~watercraft not subject to a fee in lieu of tax~~; all taxable
 6 state, county, city, or other municipal or public bonds and
 7 the taxable bonds of any person, firm, or corporation and
 8 deposits of money, gold dust, or other valuables and the
 9 names of the persons with whom such deposits are made and
 10 the places in which they may be found; all mortgages, deeds
 11 of trust, contracts, and other obligations by which a debt
 12 is secured and the property in the county affected thereby;

13 (f) all solvent credits, secured or unsecured, due or
 14 owing to such person or any firm of which he is a member or
 15 due or owing to any corporation of which he is president,
 16 secretary, cashier, or managing agent;

17 (g) all depots, shops, stations, buildings, and other
 18 structures erected on the space covered by the right-of-way
 19 and all other property owned by any person owning or
 20 operating any railroad within the county.

21 (2) Whenever one member of a firm or one of the proper
 22 officers of a corporation has made a statement showing the
 23 property of the firm or corporation, another member of the
 24 firm or another officer need not include such property in
 25 the statement made by him but this statement must show the

1 name of the person or officer who made the statement in
 2 which such property is included.

3 (3) The fact that such statement is not required or
 4 that a person has not made such statement, under oath or
 5 otherwise, does not relieve his property from taxation."

6 Section 5. Section 15-8-404, MCA, is amended to read:

7 "15-8-404. Property of particular types of firms. (1)
 8 The personal property belonging to the business of a
 9 merchant or of a manufacturer must be listed in the town or
 10 district where his business is carried on.

11 (2) The personal property of express, transportation,
 12 and stage companies, ~~steamboats, vessels, and other~~
 13 ~~watercraft not subject to a fee in lieu of tax~~ must be
 14 listed and assessed in the county, town, or district where
 15 such property is usually kept.

16 (3) The personal property and franchises of gas and
 17 water companies must be listed and assessed in the county,
 18 town, or district where the principal works are located.
 19 Gas and water mains and pipes laid in roads, streets, or
 20 alleys are personal property."

21 Section 6. Section 23-2-512, MCA, is amended to read:

22 "23-2-512. Identification number. (1) The owner of
 23 each motorboat requiring numbering by this state shall file
 24 an application for number in the office of the county
 25 treasurer where the motorboat is owned ~~or taxable~~ on forms

prepared and furnished by the division of motor vehicles. The application must be signed by the owner of the motorboat and be accompanied by a fee of \$1. Any alteration, change, or false statement contained in the application will render the certificate of number void. Upon receipt of the application in approved form, the county treasurer shall issue to the applicant a certificate of number prepared and furnished by the division of motor vehicles, stating the number assigned to the motorboat and the name and address of the owner.

~~{2}--Before--filing--the--application--with--the--county--treasury--the--applicant--shall--submit--it--to--the--county--assessor--who--shall--enter--on--the--application--in--a--space--to--be--provided--for--that--purpose--the--market--value--and--taxable--value--of--the--motorboat--for--the--year--for--which--the--application--for--registration--is--made~~

{3}{2} The applicant, upon the filing of the application, shall pay to the county treasurer the registration fee and the ~~personal--property--taxes--assessed~~ equivalent fee in lieu of tax required for the motorboat or vessel for the current year of registration before the application for registration or reregistration may be accepted by the county treasurer.

{4}{3} Should the ownership of a motorboat change, a new application form with the registration fee must be filed

within a reasonable time with the county treasurer and a new certificate of number assigned in the same manner as provided for in an original assignment of number.

~~{5}{4}~~ If an agency of the United States government has in force a comprehensive system of identification numbering for motorboats in the United States, the numbering system employed pursuant to this part by the division of motor vehicles must be in conformity.

~~{6}{5}~~ Every certificate of number and the license decals assigned under this part continues in effect for a period not to exceed 1 year unless terminated or discontinued in accordance with the provisions of this part. Certificates of number and license decals must show the date of expiration and may be renewed by the owner in the same manner provided for in the initial securing of the certificate.

~~{7}{6}~~ Certificates of number expire on April 30 of each year and may not be in effect unless renewed under this part.

~~{8}{7}~~ In event of transfer of ownership, the purchaser shall furnish the county treasurer notice within a reasonable time of the acquisition of all or any part of his interest, other than the creation of a security interest, in a motorboat numbered in this state or of the loss, theft, destruction, or abandonment of the motorboat. The transfer,

1 loss, theft, destruction, or abandonment terminates the
2 certificate of number for the motorboat. Recovery from theft
3 or transfer of a part interest that does not affect the
4 owner's right to operate the motorboat does not terminate
5 the certificate of number.

6 ~~(9)~~(8) A holder of a certificate of number shall
7 notify the county treasurer within reasonable time if his
8 address no longer conforms to the address appearing on the
9 certificate and furnish the county treasurer with his new
10 address. The division of motor vehicles may provide by rule
11 for the surrender of the certificate bearing the former
12 address and its replacement with a certificate bearing the
13 new address or the alteration of an outstanding certificate
14 to show the new address of the holder.

15 ~~(10)~~(9) (a) The number assigned must be painted on or
16 attached to each outboard side of the forward half of the
17 motorboat or, if there are no such sides, at a corresponding
18 location on both outboard sides of the foredeck of the
19 motorboat. The number assigned must read from left to right
20 in Arabic numerals and block characters of good proportion
21 at least 3 inches tall excluding border or trim of a color
22 that contrasts with the color of the background and be so
23 maintained as to be clearly visible and legible. The number
24 may not be placed on the obscured underside of the flared
25 bow where it cannot be easily seen from another vessel or

1 ashore. No numerals, letters, or devices other than those
2 used in connection with the identifying number issued may be
3 placed in the proximity of the identifying number. No
4 numerals, letters, or devices that might interfere with the
5 ready identification of the motorboat by its identifying
6 number may be carried as to interfere with the motorboat's
7 identification. No number other than the number and license
8 decal assigned to a motorboat or granted reciprocity under
9 this part may be painted, attached, or otherwise displayed
10 on either side of the forward half of the motorboat.

11 (b) The certificate of number shall be pocket size and
12 available to federal, state, or local law enforcement
13 officers at all reasonable times for inspection on the
14 motorboat whenever the motorboat is on waters of this state.

15 (c) Boat liveries are not required to have the
16 certificate of number on board each motorboat, but a rental
17 agreement must be carried on board livery motorboats in
18 place of the certificate of number.

19 ~~(11)~~(10) Fees, other than fees in lieu of tax,
20 collected under this section shall be transmitted to the
21 state treasurer who shall deposit the fees in the motorboat
22 certificate identification account of an earmarked revenue
23 fund. These fees shall be used only for the administration
24 and enforcement of this part, as amended.

25 ~~(12)~~(11) An owner of a motorboat must within a

reasonable time notify the division of motor vehicles, giving the motorboat's identifying number and the owner's name when that motorboat becomes documented as a vessel of the United States or is transferred, lost, destroyed, abandoned, or frauded or within 60 days after change of state of principal use."

Section 7. Section 23-2-513, MCA, is amended to read:

"23-2-513. Dealer's identification number. (1) A dealer or manufacturer may apply directly to the division of motor vehicles for one identifying number and one or more certificates of number. A dealer's or manufacturer's identifying number shall be displayed on his boat while the boat is operating for a purpose related to the buying, selling, or exchanging of the boat by the dealer or manufacturer.

(2) The application for a dealer's or manufacturer's identifying number must include his name and business address. Each dealer or manufacturer will have one identifying number assigned to his business.

(3) An application for dealer's or manufacturer's identifying number and certificate of number must be accompanied by the following fees:

(a) for the identifying number, first certificate of number, and set of license decals, \$5;

(b) for each additional certificate of number and set

of license decals applied for in any application, \$2.

(4) The division of motor vehicles shall issue certificates of number for the identifying numbers assigned to a dealer or manufacturer in the same manner as provided in 23-2-512(1) and ~~(10)~~ (9), as amended, except that no boat may be described in the certificate and each certificate must state that the identifying number has been assigned to a dealer or manufacturer. A dealer's or manufacturer's certificate of number expires on April 30 of the year for which it is issued.

(5) A dealer's or manufacturer's identifying number shall be displayed in the same manner as provided in 23-2-512~~(10)~~(9), as amended, except that the number may be temporarily attached. The last three letters shall be "DLR" for dealer and "MFR" for manufacturer. These letters shall be included, respectively, in dealer or manufacturer identification numbers only.

(6) No person other than a dealer or manufacturer or an employee of a dealer or manufacturer may display or use a dealer's or manufacturer's identifying number. A dealer's or manufacturer's identifying number may be displayed only on motorboats owned by the dealer or manufacturer.

(7) No dealer or manufacturer or employee of a dealer or manufacturer may use a dealer's or manufacturer's identifying number for any purpose other than the purpose

described in subsection (1) of this section."

Section 8. Section 23-2-515, MCA, is amended to read:

"23-2-515. License decals to be displayed. (1) Every Montana boat numbered in accordance with the provisions of 23-2-512 and 23-2-513 shall be required to display license decals. For this purpose the county treasurer, upon receipt of ~~a certificate of tax of personal property showing payment of the fee in lieu of~~ tax on the motorboat for the current year, shall issue a pair of decals prepared and furnished by the division of motor vehicles with all new certificates of number and renewals thereof.

(2) The decals shall be of a style and design prescribed by the division of motor vehicles and shall be a color differing from the preceding year. The license decal will be serially numbered and have the expiration date of April 30 of the appropriate year printed thereon.

(3) License decals shall be displayed only in the following manner: one valid license decal on each side of the forward half, 3 inches aft of the identifying numbers."

NEW SECTION. Section 9. Fee in lieu of tax for motorboats. (1) There is a fee in lieu of property tax imposed on motorboats. The fee is in addition to the annual fee required by 23-2-512 for filing of the application for a certificate of number.

(2) The fee imposed by subsection (1) need not be paid

by a dealer for motorboats that constitute inventory of the dealership.

NEW SECTION. Section 10. Motorboat fees. (1) The owner of a motorboat shall pay a fee based on the length of the motorboat.

(2) The fee for a motorboat 15 feet or less in length is \$2 a foot or fraction of a foot.

(3) The fee for a motorboat more than 15 feet in length but less than 19 feet in length is \$3 a foot or fraction of a foot.

(4) The fee for a motorboat 19 feet or longer in length is \$4 a foot or fraction of a foot.

NEW SECTION. Section 11. Disposition of fees in lieu of tax. The county treasurer shall distribute all fees in lieu of tax collected on motorboats pursuant to [sections 9 and 10] in the relative proportions required by the levies for state, county, school district, and municipal purposes in the same manner as personal property taxes are distributed.

NEW SECTION. Section 12. Penalty -- disposition. (1) Failure to pay the fee in lieu of tax as provided for in 23-2-512 and [section 10] is a misdemeanor, punishable not as provided in 23-2-507 but by a fine equal to 50% of the fee in lieu of tax that is due on the motorboat for the current year of registration.

1 (2) All fines collected pursuant to subsection (1)
2 shall be distributed in the following ratio:

3 (a) 50% to the general fund of the county in which the
4 motorboat should be registered; and

5 (b) 50% to the motorboat account of the earmarked fund
6 for use by the department in the enforcement of this part.

7 ~~NEW SECTION.~~ Section 13. Codification instruction.
8 Sections 9 through 12 are intended to be codified as an
9 integral part of Title 23, chapter 2, part 5, and the
10 provisions of Title 23, chapter 2, part 5, apply to sections
11 9 through 12.

12 ~~NEW SECTION.~~ Section 14. Effective date --
13 applicability. This act is effective on passage and approval
14 and applies to motorboats registered on or after January 1,
15 1983.

-End-