

SENATE BILL NO. 204

INTRODUCED BY KEATING, GAGE, TVEIT, E. SMITH, PECK, BACHINI

IN THE SENATE

January 19, 1983	Introduced and referred to Committee on Taxation.
February 21, 1983	Committee recommend bill do pass. Report adopted.
February 22, 1983	Bill printed and placed on members' desks.
February 28, 1983	Second reading, do pass.
March 1, 1983	Correctly engrossed.
March 2, 1983	Third reading, passed. Ayes, 39; Noes, 11. Transmitted to House.

IN THE HOUSE

March 3, 1983	Introduced and referred to Committee on Taxation.
March 17, 1983	Committee recommend bill be concurred in. Report adopted.
March 21, 1983	Second reading, concurred in.
March 22, 1983	Third reading, concurred in.

IN THE SENATE

March 23, 1983	Returned to Senate. Sent to enrolling. Reported correctly enrolled.
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1 *Senate* BILL NO. *204*
 2 INTRODUCED BY *Heating Rep. Trent E. Smith*
 3 *Pack Backus*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT THE RIGHT OF
 5 ENTRY FROM PROPERTY TAXATION; AMENDING SECTIONS 15-6-131,
 6 15-6-201, AND 15-8-111, MCA; PROVIDING AN IMMEDIATE
 7 EFFECTIVE DATE AND AN APPLICABILITY DATE."
 8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 10 Section 1. Section 15-6-131, MCA, is amended to read:
 11 "15-6-131. Class one property -- description --
 12 taxable percentage. (1) Class one property includes*
 13 ~~{a}--the--right--of--entry--that--is--a--property-right~~
 14 ~~reserved-in-land-or-received-by-mesne-conveyance--exclusive~~
 15 ~~of-leasehold-interests; devisee-or-succession-to-enter-land~~
 16 ~~whose-surface-title-is-held-by-another-to-explore-prospect~~
 17 ~~or-dig-for-oil-gas-coal-or-minerals; and~~
 18 {b} the annual net proceeds of all mines and mining
 19 claims except coal and metal mines.
 20 (2) Class one property is taxed as follows:
 21 ~~{a}--Property-described-in-subsection-(1){a}--is--taxed~~
 22 ~~at-100%--of-its-market-value--as-determined-by-the-department~~
 23 ~~of-revenue;~~
 24 ~~{b}--Property-described-in-subsection-(1){b}--is--taxed~~
 25 at 100% of its annual net proceeds after deducting the

1 expenses specified and allowed by 15-23-503."

2 Section 2. Section 15-6-201, MCA, is amended to read:
 3 "15-6-201. Exempt categories. (1) The following
 4 categories of property are exempt from taxation:
 5 (a) the property of:
 6 (i) the United States, the state, counties, cities,
 7 towns, school districts;
 8 (ii) irrigation districts organized under the laws of
 9 Montana and not operating for profit;
 10 (iii) municipal corporations; and
 11 (iv) public libraries;
 12 (b) buildings, with land they occupy and furnishings
 13 therein, owned by a church and used for actual religious
 14 worship or for residences of the clergy, together with
 15 adjacent land reasonably necessary for convenient use of
 16 such buildings;
 17 (c) property used exclusively for agricultural and
 18 horticultural societies, for educational purposes, and for
 19 hospitals;
 20 (d) property that meets the following conditions:
 21 (i) is owned and held by any association or
 22 corporation organized under Title 35, chapter 2, 3, 20, or
 23 21;
 24 (ii) is devoted exclusively to use in connection with a
 25 cemetery or cemeteries for which a permanent care and

1 improvement fund has been established as provided for in
2 Title 35, chapter 20, part 3; and

3 (iii) is not maintained and operated for private or
4 corporate profit;

5 (e) institutions of purely public charity;

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

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

10 (h) all household goods and furniture, including but
11 not limited to clocks, musical instruments, sewing machines,
12 and wearing apparel of members of the family, used by the
13 owner for personal and domestic purposes or for furnishing
14 or equipping the family residence;

15 (i) a truck canopy cover or topper weighing less than
16 300 pounds and having no accommodations attached. Such
17 property is also exempt from the fee in lieu of tax.

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

20 (k) automobiles and trucks having a rated capacity of
21 three-quarters of a ton or less; and

22 ~~11. the right of entry that is a property right~~
23 ~~reserved in land or received by mesne conveyance (exclusive~~
24 ~~of leasehold interests), devise, or succession to enter land~~
25 ~~whose surface title is held by another to explore, prospect,~~

1 ~~or dig for oil, gas, coals or minerals.~~

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

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

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

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

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

20 Section 3. Section 15-8-111, MCA, is amended to read:

21 "15-8-111. Assessment -- market value standard --
22 exceptions. (1) All taxable property must be assessed at
23 100% of its market value except as provided in subsection
24 (5) of this section and in 15-7-111 through 15-7-114.

25 (2) (a) Market value is the value at which property

would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.

(b) The market value of all motor trucks; agricultural tools, implements, and machinery; and vehicles of all kinds, including but not limited to motorcycles, aircraft, and boats and all watercraft, is the average wholesale value shown in national appraisal guides and manuals or the value of the vehicle before reconditioning and profit margin. The department of revenue shall prepare valuation schedules showing the average wholesale value when no national appraisal guide exists.

(3) The department of revenue or its agents may not adopt a lower or different standard of value from market value in making the official assessment and appraisal of the value of property in ~~subsection--(1)(a)--of--15-6-131--and~~ 15-6-134 through 15-6-140. For purposes of taxation, assessed value is the same as appraised value.

(4) The taxable value for all property in ~~subsection (1)(a) of 15-6-131--and~~ classes four through eleven is the percentage of market value established for each class of property in ~~subsection--(2)(a)--of--15-6-131--and~~ 15-6-134 through 15-6-141.

(5) The assessed value of properties in ~~subsection (1)(b) of~~ 15-6-131, 15-6-132, and 15-6-133 is as follows:

(a) Properties in ~~subsection--(1)(b)--of~~ 15-6-131, under class one, are assessed at 100% of the annual net proceeds after deducting the expenses specified and allowed by 15-23-503.

(b) Properties in 15-6-132 under class two are assessed at 100% of the annual gross proceeds.

(c) Properties in 15-6-133, under class three, are assessed at 100% of the productive capacity of the lands when valued for agricultural purposes. All lands that meet the qualifications of 15-7-202 are valued as agricultural lands for tax purposes.

(6) Land and the improvements thereon are separately assessed when any of the following conditions occur:

(a) ownership of the improvements is different from ownership of the land;

(b) the taxpayer makes a written request; or

(c) the land is outside an incorporated city or town.

(7) The taxable value of all property in ~~subsection (1)(b)--of~~ 15-6-131 and classes two and three is the percentage of assessed value established in 15-6-131(2)(b), 15-6-132, and 15-6-133 for each class of property."

NEW SECTION. Section 4. Effective date -- applicability. This act is effective on passage and approval and applies to taxable years beginning after December 31, 1982.

Approved by committee
on Taxation

1 *Senate* BILL NO. *204*
2 INTRODUCED BY *Heating Rep. Trent E. Smith*
3 *Pack Backus*

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7 EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

10 Section 1. Section 15-6-131, MCA, is amended to read:

11 "15-6-131. Class one property -- description --
12 taxable percentage. (1) Class one property includes:

13 ~~{a}--the--right--of--entry--that--is--a--property-right~~
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15 ~~of-leasehold-interests},-devisee-or-succession-to-enter-land~~
16 ~~whose-surface-title-is-held-by-another-to-explore-prospects~~
17 ~~or-dig-for-oil-gas-coal-or-minerals;-and~~

18 {b} the annual net proceeds of all mines and mining
19 claims except coal and metal mines.

20 (2) Class one property is taxed as follows:

21 ~~{a}--Property-described-in-subsection-(1){a}--is--taxed~~
22 ~~at-100%-of-its-market-value,-as-determined-by-the-department~~
23 ~~of-revenue.~~

24 ~~{b}--Property-described-in-subsection-(1){b}--is--taxed~~
25 at 100% of its annual net proceeds after deducting the

1 expenses specified and allowed by 15-23-503."

2 Section 2. Section 15-6-201, MCA, is amended to read:

3 "15-6-201. Exempt categories. (1) The following
4 categories of property are exempt from taxation:

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6 (i) the United States, the state, counties, cities,
7 towns, school districts;

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

10 (iii) municipal corporations; and

11 (iv) public libraries;

12 (b) buildings, with land they occupy and furnishings
13 therein, owned by a church and used for actual religious
14 worship or for residences of the clergy, together with
15 adjacent land reasonably necessary for convenient use of
16 such buildings;

17 (c) property used exclusively for agricultural and
18 horticultural societies, for educational purposes, and for
19 hospitals;

20 (d) property that meets the following conditions:

21 (i) is owned and held by any association or
22 corporation organized under Title 35, chapter 2, 3, 20, or
23 21;

24 (ii) is devoted exclusively to use in connection with a
25 cemetery or cemeteries for which a permanent care and

1 improvement fund has been established as provided for in
 2 Title 35, chapter 20, part 3; and
 3 (iii) is not maintained and operated for private or
 4 corporate profit;
 5 (e) institutions of purely public charity;
 6 (f) evidence of debt secured by mortgages of record
 7 upon real or personal property in the state of Montana;
 8 (g) public art galleries and public observatories not
 9 used or held for private or corporate profit;
 10 (h) all household goods and furniture, including but
 11 not limited to clocks, musical instruments, sewing machines,
 12 and wearing apparel of members of the family, used by the
 13 owner for personal and domestic purposes or for furnishing
 14 or equipping the family residence;
 15 (i) a truck canopy cover or topper weighing less than
 16 300 pounds and having no accommodations attached. Such
 17 property is also exempt from the fee in lieu of tax.
 18 (j) a bicycle, as defined in 61-1-123, used by the
 19 owner for personal transportation purposes; and
 20 (k) automobiles and trucks having a rated capacity of
 21 three-quarters of a ton or less; and
 22 ~~(l) the right of entry that is a property right~~
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 11 (3) The following portions of the appraised value of a
 12 capital investment made after January 1, 1979, in a
 13 recognized nonfossil form of energy generation, as defined
 14 in 15-32-102, are exempt from taxation for a period of 10
 15 years following installation of the property:
 16 (a) \$20,000 in the case of a single family residential
 17 dwelling;
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 19 dwelling or a nonresidential structure."
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 21 "15-8-111. Assessment -- market value standard --
 22 exceptions. (1) All taxable property must be assessed at
 23 100% of its market value except as provided in subsection
 24 (5) of this section and in 15-7-111 through 15-7-114.
 25 (2) (a) Market value is the value at which property

1 would change hands between a willing buyer and a willing
2 seller, neither being under any compulsion to buy or to sell
3 and both having reasonable knowledge of relevant facts.

4 (b) The market value of all motor trucks; agricultural
5 tools, implements, and machinery; and vehicles of all kinds,
6 including but not limited to motorcycles, aircraft, and
7 boats and all watercraft, is the average wholesale value
8 shown in national appraisal guides and manuals or the value
9 of the vehicle before reconditioning and profit margin. The
10 department of revenue shall prepare valuation schedules
11 showing the average wholesale value when no national
12 appraisal guide exists.

13 (3) The department of revenue or its agents may not
14 adopt a lower or different standard of value from market
15 value in making the official assessment and appraisal of the
16 value of property in subsection--(1)(a)--of 15-6-131 and
17 15-6-134 through 15-6-140. For purposes of taxation,
18 assessed value is the same as appraised value.

19 (4) The taxable value for all property in subsection
20 (1)(a) of 15-6-131 and classes four through eleven is the
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22 property in subsection--(2)(a)--of--15-6-131--and 15-6-134
23 through 15-6-141.

24 (5) The assessed value of properties in subsection
25 (1)(b) of 15-6-131, 15-6-132, and 15-6-133 is as follows:

1 (a) Properties in subsection--(1)(b)--of 15-6-131, under
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3 after deducting the expenses specified and allowed by
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6 assessed at 100% of the annual gross proceeds.

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9 of the vehicle before reconditioning and profit margin. The
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5 (b) Properties in 15-6-132 under class two are
6 assessed at 100% of the annual gross proceeds.

7 (c) Properties in 15-6-133, under class three, are
8 assessed at 100% of the productive capacity of the lands
9 when valued for agricultural purposes. All lands that meet
10 the qualifications of 15-7-202 are valued as agricultural
11 lands for tax purposes.

12 (6) Land and the improvements thereon are separately
13 assessed when any of the following conditions occur:

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15 ownership of the land;

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20 percentage of assessed value established in 15-6-131(2)(b),
21 15-6-132, and 15-6-133 for each class of property."

22 NEW SECTION. Section 4. Effective date --
23 applicability. This act is effective on passage and approval
24 and applies to taxable years beginning after December 31,
25 1982.

SENATE BILL NO. 244

INTRODUCED BY TOWE

BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING ~~AN ADDITION~~
~~TO ADJUSTED GROSS INCOME FOR~~ A SEPARATE TAX ON CERTAIN
 LUMP-SUM DISTRIBUTION PAYMENTS; AMENDING SECTION ~~15-30-111~~
 MEA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN
 APPLICABILITY DATE."

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

Section ~~15-30-111~~ MEA is amended to read:

~~"15-30-111. Adjusted gross income--(1) Adjusted gross~~
~~income shall be the taxpayer's federal income tax adjusted~~
~~gross income as defined in section 62 of the Internal~~
~~Revenue Code of 1954 or as that section may be labeled or~~
~~amended and in addition shall include the following:~~

~~(a) interest received on obligations of another state~~
~~or territory or county; municipality; district; or other~~
~~political subdivision thereof;~~

~~(b) refunds received of federal income tax to the~~
~~extent the deduction of such tax resulted in a reduction of~~
~~Montana income tax liability;~~

~~(c) 50% of the ordinary income portion of any lump-sum~~
~~distribution deducted from gross income pursuant to section~~

~~402(c)(3) of the Internal Revenue Code of 1954, as amended;~~

~~(2) Notwithstanding the provisions of the federal~~
~~Internal Revenue Code of 1954 as labeled or amended,~~
~~adjusted gross income does not include the following which~~
~~are exempt from taxation under this chapter:~~

~~(a) all interest income from obligations of the United~~
~~States, government, the state of Montana, county,~~
~~municipality, district, or other political subdivision~~
~~thereof;~~

~~(b) interest income earned by a taxpayer age 65 or~~
~~older in a taxable year up to and including 1988 for a~~
~~taxpayer filing a separate return and \$1,600 for each joint~~
~~return;~~

~~(c) all benefits received under the Federal Employees'~~
~~Retirement Act not in excess of \$3,600;~~

~~(d) all benefits not in excess of \$360 received as~~
~~an annuity, pension, or endowment under any private or~~
~~corporate retirement plan or system;~~

~~(e) all benefits paid under the teachers' retirement~~
~~law which are specified as exempt from taxation by 19-4-706;~~

~~(f) all benefits paid under the Public Employees'~~
~~Retirement System Act which are specified as exempt from~~
~~taxation by 19-3-185;~~

~~(g) all benefits paid under the highway patrol~~
~~retirement law which are specified as exempt from taxation~~

1 by 19-6-705;

2 (h) all Montana income tax refunds or credits thereof;

3 (i) all benefits paid under 19-11-602, 19-11-604, and

4 19-11-605 to retired and disabled firefighters, their

5 surviving spouses and orphans;

6 (j) all benefits paid by first or second class cities

7 for the policemen's retirement system provided for by Title

8 19, chapter 9;

9 (k) gain required to be recognized by a liquidating

10 corporation under 15-31-113(i)(a)(ii);

11 (3) in the case of a shareholder of a corporation with

12 respect to which the election provided for under subchapter

13 5, of the Internal Revenue Code of 1954, as amended, is in

14 effect but with respect to which the election provided for

15 under 15-31-202, as amended, is not in effect, adjusted

16 gross income does not include any part of the corporation's

17 undistributed taxable income, net operating loss, capital

18 gains or other gains, profits, or losses required to be

19 included in the shareholder's federal income tax adjusted

20 gross income by reason of the said election under subchapter

21 5. However, the shareholder's adjusted gross income shall

22 include actual distributions from the corporation to the

23 extent they would be treated as taxable dividends if the

24 subchapter 5 election were not in effect;

25 (4) a shareholder of a BISE that is exempt from the

1 corporation license tax under 15-31-102(i)(i) shall include

2 in his adjusted gross income the earnings and profits of the

3 BISE in the same manner as provided by federal law (section

4 995, Internal Revenue Code) for all periods for which the

5 BISE election is effective.

6 THERE IS A NEW MCA SECTION THAT READS:

7 Section 1. Tax on lump-sum distributions. (1) There

8 is imposed a separate tax on the ordinary income portion of

9 a lump-sum distribution DISTRIBUTIONS.

10 (2) The tax is 10% of the amount of tax determined

11 under section 402(e) of the Internal Revenue Code of 1954,

12 as amended, or as section 402(e) may be renumbered or

13 amended.

14 (3) All means available for the administration and

15 enforcement of income taxes shall be applied to the tax on

16 lump-sum distributions.

17 SECTION 2. CODIFICATION INSTRUCTION. SECTION 1 IS

18 INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF TITLE 15,

19 CHAPTER 30, AND THE PROVISIONS OF TITLE 15, CHAPTER 30,

20 APPLY TO SECTION 1.

21 NEW SECTION. Section 3. Effective date --

22 applicability. This act is effective on passage and approval

23 and applies to taxable years beginning after December 31,

24 1982.

-End-

SENATE BILL NO. 204

INTRODUCED BY KEATING, GAGE, TVEIT, E. SMITH, PECK, BACHINI

A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT THE RIGHT OF ENTRY FROM PROPERTY TAXATION; AMENDING SECTIONS 15-6-131, 15-6-201, AND 15-8-111, MCA; PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

Section 1. Section 15-6-131, MCA, is amended to read:

"15-6-131. Class one property -- description -- taxable percentage. (1) Class one property includes:

~~(a) the right of entry that is a property right reserved in and or received by means conveyance exclusive of teneshold interests, devise or succession to enter land whose surface title is held by another to explore prospect or dig for oil, gas, coal, or minerals; and~~

~~(b) the annual net proceeds of all mines and mining claims except coal and metal mines.~~

(2) Class one property is taxed as follows:

~~(a) Property described in subsection (1)(a) is taxed at 100% of its market value as determined by the department of revenue~~

~~(b) Property described in subsection (1)(b) is taxed at 100% of its annual net proceeds after deducting the~~

expenses specified and allowed by 15-23-503."

Section 2. Section 15-6-201, MCA, is amended to read:

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

(a) the property of:

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

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

(iii) municipal corporations; and

(iv) public libraries;

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

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

(d) property that meets the following conditions:

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

(ii) is devoted exclusively to use in connection with a cemetery or cemeteries for which a permanent care and

1 improvement fund has been established as provided for in
 2 Title 35, chapter 20, part 3; and
 3 (iii) is not maintained and operated for private or
 4 corporate profit;
 5 (e) institutions of purely public charity;
 6 (f) evidence of debt secured by mortgages of record
 7 upon real or personal property in the state of Montana;
 8 (g) public art galleries and public observatories not
 9 used or held for private or corporate profit;
 10 (h) all household goods and furniture, including but
 11 not limited to clocks, musical instruments, sewing machines,
 12 and wearing apparel of members of the family, used by the
 13 owner for personal and domestic purposes or for furnishing
 14 or equipping the family residence;
 15 (i) a truck canopy cover or topper weighing less than
 16 300 pounds and having no accommodations attached. Such
 17 property is also exempt from the fee in lieu of tax.
 18 (j) a bicycle, as defined in 61-1-123, used by the
 19 owner for personal transportation purposes; and
 20 (k) automobiles and trucks having a rated capacity of
 21 three-quarters of a ton or less; and
 22 ~~(l) the right of entry that is a property right~~
 23 ~~reserved in land or received by mesne conveyance (exclusive~~
 24 ~~of leasehold interests), devise, or succession to enter land~~
 25 ~~whose surface title is held by another to explore, prospect,~~

1 ~~or dig for oil, gas, coal, or minerals.~~
 2 (2) (a) The term "institutions of purely public
 3 charity" includes organizations owning and operating
 4 facilities for the care of the retired or aged or
 5 chronically ill, which are not operated for gain or profit.
 6 (b) The terms "public art galleries" and "public
 7 observatories" include only those art galleries and
 8 observatories, whether of public or private ownership, that
 9 are open to the public without charge at all reasonable
 10 hours and are used for the purpose of education only.
 11 (3) The following portions of the appraised value of a
 12 capital investment made after January 1, 1979, in a
 13 recognized nonfossil form of energy generation, as defined
 14 in 15-32-102, are exempt from taxation for a period of 10
 15 years following installation of the property:
 16 (a) \$20,000 in the case of a single family residential
 17 dwelling;
 18 (b) \$100,000 in the case of a multifamily residential
 19 dwelling or a nonresidential structure."
 20 Section 3. Section 15-8-111, MCA, is amended to read:
 21 "15-8-111. Assessment -- market value standard --
 22 exceptions. (1) All taxable property must be assessed at
 23 100% of its market value except as provided in subsection
 24 (5) of this section and in 15-7-111 through 15-7-114.
 25 (2) (a) Market value is the value at which property

1 would change hands between a willing buyer and a willing
2 seller, neither being under any compulsion to buy or to sell
3 and both having reasonable knowledge of relevant facts.

4 (b) The market value of all motor trucks; agricultural
5 tools, implements, and machinery; and vehicles of all kinds,
6 including but not limited to motorcycles, aircraft, and
7 boats and all watercraft, is the average wholesale value
8 shown in national appraisal guides and manuals or the value
9 of the vehicle before reconditioning and profit margin. The
10 department of revenue shall prepare valuation schedules
11 showing the average wholesale value when no national
12 appraisal guide exists.

13 (3) The department of revenue or its agents may not
14 adopt a lower or different standard of value from market
15 value in making the official assessment and appraisal of the
16 value of property in subsection--(1)(e)--of 15-6-131 and
17 15-6-134 through 15-6-140. For purposes of taxation,
18 assessed value is the same as appraised value.

19 (4) The taxable value for all property in subsection
20 (1)(a) of 15-6-131 and classes four through eleven is the
21 percentage of market value established for each class of
22 property in subsection--(2)(a)--of 15-6-131 and 15-6-134
23 through 15-6-141.

24 (5) The assessed value of properties in subsection
25 (1)(b) of 15-6-131, 15-6-132, and 15-6-133 is as follows:

1 (a) Properties in subsection--(1)(b)--of 15-6-131, under
2 class one, are assessed at 100% of the annual net proceeds
3 after deducting the expenses specified and allowed by
4 15-23-503.

5 (b) Properties in 15-6-132 under class two are
6 assessed at 100% of the annual gross proceeds.

7 (c) Properties in 15-6-133, under class three, are
8 assessed at 100% of the productive capacity of the lands
9 when valued for agricultural purposes. All lands that meet
10 the qualifications of 15-7-202 are valued as agricultural
11 lands for tax purposes.

12 (6) Land and the improvements thereon are separately
13 assessed when any of the following conditions occurs:

14 (a) ownership of the improvements is different from
15 ownership of the land;

16 (b) the taxpayer makes a written request; or

17 (c) the land is outside an incorporated city or town.

18 (7) The taxable value of all property in subsection
19 (1)(b) of 15-6-131 and classes two and three is the
20 percentage of assessed value established in 15-6-131(2)(b),
21 15-6-132, and 15-6-133 for each class of property."

22 NEW SECTION. Section 4. Effective date --
23 applicability. This act is effective on passage and approval
24 and applies to taxable years beginning after December 31,
25 1982.

-End-