

HOUSE BILL NO. 25

1/07 Introduced  
1/07 Referred to Taxation  
1/07 Fiscal Note Requested  
1/12 Fiscal Note Required  
1/17 Hearing  
1/17 Committee Report-Bill Pass As Amended  
1/19 2nd Reading Pass  
1/21 3rd Reading Do Not Pass  
1/21 Bill Killed

1                    HOUSE      BILL NO. 25

2    INTRODUCED BY RAMIREZ

3                    BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

4

5    A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING CHURCH-OWNED

6    PASSENGER VEHICLES FROM TAXATION AND LICENSE FEES; AMENDING

7    SECTIONS 15-6-201 AND 61-3-532, MCA."

8

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

10            Section 1. Section 15-6-201, MCA, is amended to read:

11            "15-6-201. Exempt categories. (1) The following

12    categories of property are exempt from taxation:

13            (a) the property of:

14            (i) the United States, the state, counties, cities,

15    towns, school districts;

16            (ii) irrigation districts organized under the laws of

17    Montana and not operating for profit;

18            (iii) municipal corporations; and

19            (iv) public libraries;

20            (b) (i) buildings, with land they occupy and

21    furnishings therein, owned by a church and used for actual

22    religious worship or for residences of the clergy, together

23    with adjacent land reasonably necessary for convenient use

24    of such buildings; and

25            (ii) passenger vehicles, limited to light vehicles as

1    defined in 61-3-531 and buses or other motor vehicles

2    designed for carrying more than six passengers and used for

3    the transportation of persons, when such vehicles are owned

4    by a church and used for religious purposes;

5            (c) property used exclusively for agricultural and

6    horticultural societies, for educational purposes, and for

7    hospitals;

8            (d) property that meets the following conditions:

9            (i) is owned and held by any association or

10    corporation organized under Title 35, chapter 2, 3, 20, or

11    21;

12            (ii) is devoted exclusively to use in connection with a

13    cemetery or cemeteries for which a permanent care and

14    improvement fund has been established as provided for in

15    Title 35, chapter 20, part 3; and

16            (iii) is not maintained and operated for private or

17    corporate profit;

18            (e) institutions of purely public charity;

19            (f) evidence of debt secured by mortgages of record

20    upon real or personal property in the state of Montana;

21            (g) public art galleries and public observatories not

22    used or held for private or corporate profit;

23            (h) all household goods and furniture, including but

24    not limited to clocks, musical instruments, sewing machines,

25    and wearing apparel of members of the family, used by the



1 owner for personal and domestic purposes or for furnishing  
2 or equipping the family residence;

3 (i) a truck canopy cover or topper weighing less than  
4 300 pounds and having no accommodations attached. Such  
5 property is also exempt from the fee in lieu of tax.

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

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

10 (l) fixtures, buildings, and improvements owned by a  
11 cooperative association or nonprofit corporation organized  
12 to furnish potable water to its members or customers for  
13 uses other than the irrigation of agricultural land;

14 (m) the right of entry that is a property right  
15 reserved in land or received by mesne conveyance (exclusive  
16 of leasehold interests), devise, or succession to enter land  
17 whose surface title is held by another to explore, prospect,  
18 or dig for oil, gas, coal, or minerals; and

19 (n) property owned and used by a corporation or  
20 association organized and operated exclusively for the care  
21 of the developmentally disabled, mentally ill, or  
22 vocationally handicapped as defined in 18-5-101, which is  
23 not operated for gain or profit.

24 (2) (a) The term "institutions of purely public  
25 charity" includes organizations owning and operating

1 facilities for the care of the retired or aged or  
2 chronically ill, which are not operated for gain or profit.

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

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

13 (a) \$20,000 in the case of a single-family residential  
14 dwelling;

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

17 Section 2. Section 61-3-532, MCA, is amended to read:

18 "61-3-532. Light vehicle license fee. (1) Except as  
19 provided in subsection (2), light vehicles are subject to a  
20 license fee. This fee is imposed in lieu of a property tax  
21 and is in addition to the tax on new motor vehicles.

22 (2) (a) Light vehicles that meet the description of  
23 property exempt from taxation under the provisions of  
24 subsections (a), (b)(ii), (c), (d), or (e) of 15-6-201(1) or  
25 15-6-203(2) are exempt from the fee imposed in subsection

1 (1) of this section.

2 (b) A dealer for light vehicles is not required to pay  
3 the license fee for light vehicles held for sale or used in  
4 the dealer's business in selling or demonstrating the  
5 vehicles. Vehicles exempt under this subsection may not be  
6 used for the personal use of the dealer, his family, or  
7 employees or for any use not necessary in the pursuit of  
8 business."

9 NEW SECTION. Section 3. Extension of authority. Any  
10 existing authority of the department of revenue to make  
11 rules on the subject of the provisions of this act is  
12 extended to the provisions of this act.

-End-

STATE OF MONTANA  
FISCAL NOTE

REQUEST NO. FNN06-85

Form BD-15

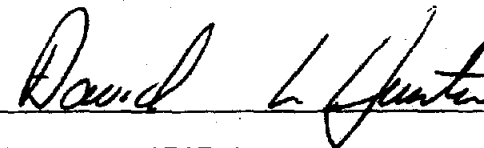
In compliance with a written request received January 7, 19 85, there is hereby submitted a Fiscal Note for H.B. 25 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION:

An act exempting church-owned passenger vehicles from taxation and license fees; amending sections 15-6-201 and 61-3-532, MCA.

FISCAL IMPACT:

The fiscal impact of this proposal should be minimal. Approximately 145 motor vehicles have been denied an exemption according to Department of Revenue records. Assuming an average market value of \$1,200 each implies a revenue loss of approximately \$6,000 at current levies.



BUDGET DIRECTOR  
Office of Budget and Program Planning

Date: JAN 12, 1985

APPROVED BY COMMITTEE  
ON TAXATION

1 HOUSE BILL NO. 25  
 2 INTRODUCED BY RAMIREZ, TOWE, KEENAN,  
 3 SWITZER, CRIPPEN, SCHYE  
 4 BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE  
 5  
 6 A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING CHURCH-OWNED  
 7 PASSENGER VEHICLES FROM TAXATION AND LICENSE FEES; AMENDING  
 8 SECTIONS 15-6-201 AND 61-3-532, MCA."

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 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
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 13 categories of property are exempt from taxation:  
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 16 towns, school districts;  
 17 (ii) irrigation districts organized under the laws of  
 18 Montana and not operating for profit;  
 19 (iii) municipal corporations; and  
 20 (iv) public libraries;  
 21 (b) (i) buildings, with land they occupy and  
 22 furnishings therein, owned by a church and used for actual  
 23 religious worship or for residences of the clergy, together  
 24 with adjacent land reasonably necessary for convenient use  
 25 of such buildings; and

1 (ii) passenger vehicles, limited to light vehicles as  
 2 defined in 61-3-531 and buses or other motor vehicles  
 3 designed for carrying more than six passengers and used for  
 4 the transportation of persons, when such vehicles are owned  
 5 by a church and used PRIMARILY for religious purposes;  
 6 (c) property used exclusively for agricultural and  
 7 horticultural societies, for educational purposes, and for  
 8 hospitals;  
 9 (d) property that meets the following conditions:  
 10 (i) is owned and held by any association or  
 11 corporation organized under Title 35, chapter 2, 3, 20, or  
 12 21;  
 13 (ii) is devoted exclusively to use in connection with a  
 14 cemetery or cemeteries for which a permanent care and  
 15 improvement fund has been established as provided for in  
 16 Title 35, chapter 20, part 3; and  
 17 (iii) is not maintained and operated for private or  
 18 corporate profit;  
 19 (e) institutions of purely public charity;  
 20 (f) evidence of debt secured by mortgages of record  
 21 upon real or personal property in the state of Montana;  
 22 (g) public art galleries and public observatories not  
 23 used or held for private or corporate profit;  
 24 (h) all household goods and furniture, including but  
 25 not limited to clocks, musical instruments, sewing machines,

1 and wearing apparel of members of the family, used by the  
2 owner for personal and domestic purposes or for furnishing  
3 or equipping the family residence;

4 (i) a truck canopy cover or topper weighing less than  
5 300 pounds and having no accommodations attached. Such  
6 property is also exempt from the fee in lieu of tax.

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

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

11 (l) fixtures, buildings, and improvements owned by a  
12 cooperative association or nonprofit corporation organized  
13 to furnish potable water to its members or customers for  
14 uses other than the irrigation of agricultural land;

15 (m) the right of entry that is a property right  
16 reserved in land or received by mesne conveyance (exclusive  
17 of leasehold interests), devise, or succession to enter land  
18 whose surface title is held by another to explore, prospect,  
19 or dig for oil, gas, coal, or minerals; and

20 (n) property owned and used by a corporation or  
21 association organized and operated exclusively for the care  
22 of the developmentally disabled, mentally ill, or  
23 vocationally handicapped as defined in 18-5-101, which is  
24 not operated for gain or profit.

25 (2) (a) The term "institutions of purely public

1 charity" includes organizations owning and operating  
2 facilities for the care of the retired or aged or  
3 chronically ill, which are not operated for gain or profit.

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

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

14 (a) \$20,000 in the case of a single-family residential  
15 dwelling;

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

18 Section 2. Section 61-3-532, MCA, is amended to read:

19 "61-3-532. Light vehicle license fee. (1) Except as  
20 provided in subsection (2), light vehicles are subject to a  
21 license fee. This fee is imposed in lieu of a property tax  
22 and is in addition to the tax on new motor vehicles.

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24 property exempt from taxation under the provisions of  
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9 business."

10 NEW SECTION. Section 3. Extension of authority. Any  
11 existing authority of the department of revenue to make  
12 rules on the subject of the provisions of this act is  
13 extended to the provisions of this act.

-End-



HOUSE BILL NO. 25

INTRODUCED BY RAMIREZ, TOWE, KEENAN,

SWITZER, CRIPPEN, SCHYE

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