

HOUSE BILL NO. 101
INTRODUCED BY D. BROWN, MARKS

IN THE HOUSE

January 7, 1985	Introduced and referred to Committee on Taxation.
January 11, 1985	Fiscal Note requested.
January 14, 1985	Fiscal Note returned.
	On motion by Chief Sponsor, Representative Marks added as sponsor.
January 29, 1985	Committee recommend bill do not pass as amended.
	Objection to adverse committee report.
January 30, 1985	Bill printed and placed on members' desks.
February 1, 1985	Second reading, pass consideration until 26th Legislative Day.
February 2, 1985	New Fiscal Note requested.
February 5, 1985	Second reading, pass consideration until 30th Legislative Day.
February 7, 1985	New Fiscal Note returned.
February 9, 1985	Second reading, do pass. Considered correctly engrossed.
February 11, 1985	Third reading, passed. Transmitted to Senate.

IN THE SENATE

February 12, 1985	Introduced and referred to Committee on Taxation.
March 23, 1985	Second New Fiscal Note requested.
March 25, 1985	Second New Fiscal Note returned.
March 27, 1985	Committee recommend bill be concurred in as amended. Report adopted.
March 29, 1985	Second reading, concurred in.
April 1, 1985	Third reading, concurred in. Ayes, 37; Noes, 9.
	Returned to House with amendments.

IN THE HOUSE

April 2, 1985	Received from Senate.
April 4, 1985	Second reading, amendments concurred in.
April 5, 1985	Third reading, amendments concurred in.
	Sent to enrolling.
	Reported correctly enrolled.

1 HOUSE BILL NO. 101
2 INTRODUCED BY D. BROWN

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE
5 LAWS RELATING TO MOTORCYCLES; REPLACING THE PRESENT TAXATION
6 OF MOTORCYCLES WITH A FEE IN LIEU OF TAX; DEFINING
7 "QUADRICYCLE"; MAKING MOTORCYCLE LAWS APPLICABLE TO
8 QUADRICYCLES; AMENDING SECTIONS 15-6-138, 15-6-201,
9 15-8-111, 15-8-201, 15-8-202, 15-24-301, 15-30-121,
10 15-31-114, 15-50-207, 31-1-202, 45-6-308, 61-3-301,
11 61-3-303, 61-3-313, 61-3-321, 61-3-332, 61-3-402, 61-3-403,
12 61-3-501, 61-3-503, 61-3-504, 61-3-509, 61-3-701, 61-4-101
13 THROUGH 61-4-103, 61-5-106, 61-5-107, 61-5-110, 61-5-111,
14 61-6-303, 61-8-359, 61-9-203, 61-9-205, 61-9-206, 61-9-220,
15 61-9-225, 61-9-303, 61-9-304, 61-9-309, 61-9-312, 61-9-417,
16 61-9-418, AND 61-9-421, MCA; AND PROVIDING AN EFFECTIVE
17 DATE."

18
19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

20 NEW SECTION. Section 1. Quadricycle. "Quadricycle"
21 means a four-wheeled motor vehicle, designed for on-road or
22 off-road use, having a seat or saddle upon which the
23 operator sits and a motor of less than 300 cubic centimeters
24 capable of producing not more than 35 horsepower.

25 NEW SECTION. Section 2. Fee in lieu of tax for

1 motorcycles and quadricycles. (1) There is a fee in lieu of
2 property tax imposed on motorcycles and quadricycles. The
3 fee is in addition to annual registration fees.

4 (2) The fee imposed by subsection (1) need not be paid
5 by a dealer for vehicles that constitute inventory of the
6 dealership.

7 NEW SECTION. Section 3. Schedule of fees for
8 motorcycles and quadricycles. (1) The owner of a motorcycle
9 or quadricycle shall pay a fee based on the age of the
10 vehicle as follows:

11 less than 5 years old \$30
12 5 years old and older \$10

13 (2) The age of a motorcycle or quadricycle is
14 determined by subtracting the manufacturer's designated
15 model year from the current calendar year.

16 Section 4. Section 15-6-138, MCA, is amended to read:

17 "15-6-138. Class eight property -- description --
18 taxable percentage. (1) Class eight property includes:

19 (a) all agricultural implements and equipment;
20 (b) all mining machinery, fixtures, equipment, tools,
21 and supplies except:

22 (i) those included in class five; and
23 (ii) coal and ore haulers;
24 (c) all manufacturing machinery, fixtures, equipment,
25 tools, and supplies except those included in class five;



1 ~~(d)~~ motorcycles;
 2 ~~(e)~~(d) watercraft;
 3 ~~(f)~~(e) all trailers up to and including 18,000 pounds
 4 maximum gross loaded weight, except those subject to a fee
 5 in lieu of property tax;
 6 ~~(g)~~(f) aircraft;
 7 ~~(h)~~(g) all-terrain vehicles not registered under
 8 61-3-301;
 9 ~~(i)~~(h) harness, saddlery, and other tack equipment;
 10 ~~(j)~~(i) all goods and equipment intended for rent or
 11 lease, except goods and equipment specifically included and
 12 taxed in another class; and
 13 ~~(k)~~(j) all other machinery except that specifically
 14 included in another class.

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

17 Section 5. Section 15-6-201, MCA, is amended to read:

18 "15-6-201. Exempt categories. (1) The following
 19 categories of property are exempt from taxation:

20 (a) the property of:

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

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

25 (iii) municipal corporations; and

1 (iv) public libraries;

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

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

10 (d) property that meets the following conditions:

11 (i) is owned and held by any association or
 12 corporation organized under Title 35, chapter 2, 3, 20, or
 13 21;

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

18 (iii) is not maintained and operated for private or
 19 corporate profit;

20 (e) institutions of purely public charity;

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

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

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

1 not limited to clocks, musical instruments, sewing machines,
2 and wearing apparel of members of the family, used by the
3 owner for personal and domestic purposes or for furnishing
4 or equipping the family residence;

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

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

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

12 (l) motorcycles and quadricycles;

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

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

22 ~~(o)~~ property owned and used by a corporation or
23 association organized and operated exclusively for the care
24 of the developmentally disabled, mentally ill, or
25 vocationally handicapped as defined in 18-5-101, which is

1 not operated for gain or profit.

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 6. 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 15-6-134 through 15-6-140. For
17 purposes of taxation, assessed value is the same as
18 appraised value.

19 (4) The taxable value for all property in classes four
20 through eleven is the percentage of market value established
21 for each class of property in 15-6-134 through 15-6-141.

22 (5) The assessed value of properties in 15-6-131
23 through 15-6-133 is as follows:

24 (a) Properties in 15-6-131, under class one, are
25 assessed at 100% of the annual net proceeds after deducting

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

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

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

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

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

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

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

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

19 Section 7. Section 15-8-201, MCA, is amended to read:

20 "15-8-201. General assessment day. (1) The department
21 of revenue or its agent must, between January 1 and the
22 second Monday of July in each year, ascertain the names of
23 all taxable inhabitants and assess all property subject to
24 taxation in each county. The department or its agent must
25 assess property to the person by whom it was owned or

1 claimed or in whose possession or control it was at midnight
2 of January 1 next preceding. It must also ascertain and
3 assess all mobile homes arriving in the county after
4 midnight of January 1 next preceding. No mistake in the name
5 of the owner or supposed owner of real property, however,
6 renders the assessment invalid.

7 (2) The procedure provided by this section may not
8 apply to:

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

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

14 (c) motor homes and travel trailers subject to a fee
15 in lieu of property tax;

16 (d) motorcycles and quadricycles;

17 ~~(d)~~(e) livestock;

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

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

24 (3) Credits must be assessed as provided in
25 15-1-101(1)(c)."

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

2 "15-8-202. Motor vehicle assessment. (1) (a) The
3 department or its agent must, in each year, ascertain and
4 assess all motor vehicles other than automobiles, trucks
5 having a rated capacity of three-quarters of a ton or less,
6 motorcycles, quadricycles, motor homes, travel trailers, or
7 mobile homes in each county subject to taxation as of
8 January 1 or as of the anniversary registration date of
9 those vehicles subject to 61-3-313 through 61-3-316 and
10 61-3-501. The assessment for all motor vehicles will be made
11 using the market value as of January 1 of the year of
12 assessment of the vehicle as contained in the most recent
13 volume of the Mountain States Edition of the National
14 Automobile Dealers Association Official Used Car Guide. The
15 motor vehicles shall be assessed in each year to the persons
16 by whom owned or claimed or in whose possession or control
17 they were at midnight of January 1 or the anniversary
18 registration date thereof, whichever is applicable.

19 (b) No tax may be assessed against motor vehicles
20 subject to taxation that constitute inventory of motor
21 vehicle dealers as of January 1. These vehicles and all
22 other motor vehicles subject to taxation brought into the
23 state subsequent to January 1 as motor vehicle dealers'
24 inventories shall be assessed to their respective purchasers
25 as of the dates the vehicles are registered by the

1 purchasers.

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

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

8 (2) In all cases where taxes or a fee in lieu of tax
9 were required to be paid, the applicant for registration or
10 reregistration of a motor vehicle, other than a mobile home,
11 is not relieved of the duty of paying taxes or the fee in
12 lieu of tax if the taxes or fees have not been paid by a
13 prior applicant or owner."

14 Section 9. Section 15-24-301, MCA, is amended to read:

15 "15-24-301. Personal property brought into the state
16 -- assessment -- exceptions -- custom combine equipment. (1)
17 Except as provided in subsections (2) through (6), property
18 in the following cases is subject to taxation and assessment
19 for all taxes levied that year in the county in which it is
20 located:

21 (a) any personal property (including livestock)
22 brought, driven, or coming into this state at any time
23 during the year that is used in the state for hire,
24 compensation, or profit;

25 (b) property whose owner or user is engaged in gainful

1 occupation or business enterprise in the state; or

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

4 (2) The taxes on this property are levied in the same
5 manner and to the same extent, except as otherwise provided,
6 as though the property had been in the county on the regular
7 assessment date, provided that the property has not been
8 regularly assessed for the year in some other county of the
9 state.

10 (3) Nothing in this section shall be construed to levy
11 a tax against a merchant or dealer within this state on
12 goods, wares, or merchandise brought into the county to
13 replenish the stock of the merchant or dealer.

14 (4) Any motor vehicle not subject to the light vehicle
15 license fee or a fee in lieu of tax brought, driven, or
16 coming into this state by any nonresident person temporarily
17 employed in Montana and used exclusively for transportation
18 of such person is subject to taxation and assessment for
19 taxes as follows:

20 (a) The motor vehicle is taxed by the county in which
21 it is located.

22 (b) One-fourth of the annual tax liability of the
23 motor vehicle must be paid for each quarter or portion of a
24 quarter of the year that the motor vehicle is located in
25 Montana.

1 (c) The quarterly taxes are due the first day of the
2 quarter.

3 (5) Agricultural harvesting machinery classified under
4 class eight, licensed in other states, and operated on the
5 lands of persons other than the owner of the machinery under
6 contracts for hire shall be subject to a fee in lieu of
7 taxation of \$35 per machine for the calendar year in which
8 the fee is collected. The machines shall be subject to
9 taxation under class eight only if they are sold in Montana.

10 (6) The provisions of this part do not apply to
11 automobiles and trucks having a rated capacity of
12 three-quarters of a ton or less, motorcycles, or
13 quadricycles. These vehicles are subject to the fee provided
14 for in 61-3-532 or [section 2]."

15 Section 10. Section 15-30-121, MCA, is amended to
16 read:

17 "15-30-121. Deductions allowed in computing net
18 income. In computing net income, there are allowed as
19 deductions:

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

- 24 (a) items provided for in 15-30-123;
25 (b) state income tax paid;

1 (2) federal income tax paid within the taxable year;
2 (3) child and dependent care expenses determined in
3 accordance with the provisions of section 214 of the
4 Internal Revenue Code of 1954 that were in effect for the
5 taxable year that began January 1, 1974, except that:

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

14 (b) the limitation set forth in section 214(e)(1) of
15 the Internal Revenue Code of 1954 as that section was in
16 effect for the taxable year that began January 1, 1974, does
17 not apply when the taxpayers file separately on the same
18 form; and

19 (c) the deduction for child and dependent care
20 expenses shall be divided equally between the taxpayers;

21 (4) in the case of an individual, political
22 contributions determined in accordance with the provisions
23 of section 218(a) and (b) of the Internal Revenue Code that
24 were in effect for the taxable year ended December 31, 1978;

25 (5) that portion of expenses for organic fertilizer

1 allowed as a deduction under 15-32-303 which was not
2 otherwise deducted in computing taxable income;

3 (6) light vehicle license fees, as provided by
4 61-3-532, paid during the taxable year;

5 (7) fees in lieu of taxes on motorcycles and
6 quadracycles, as provided by [section 2], paid during the
7 taxable year."

8 Section 11. Section 15-31-114, MCA, is amended to
9 read:

10 "15-31-114. Deductions allowed in computing income. In
11 computing the net income, the following deductions shall be
12 allowed from the gross income received by such corporation
13 within the year from all sources:

14 (1) All the ordinary and necessary expenses paid or
15 incurred during the taxable year in the maintenance and
16 operation of its business and properties, including
17 reasonable allowance for salaries for personal services
18 actually rendered, subject to the limitation hereinafter
19 contained, rentals or other payments required to be made as
20 a condition to the continued use or possession of property
21 to which the corporation has not taken or is not taking
22 title or in which it has no equity. No deduction shall be
23 allowed for salaries paid upon which the recipient thereof
24 has not paid Montana state income tax; provided, however,
25 that where domestic corporations are taxed on income derived

1 from without the state, salaries of officers paid in
2 connection with securing such income shall be deductible.

3 (2) (a) All losses actually sustained and charged off
4 within the year and not compensated by insurance or
5 otherwise, including a reasonable allowance for the wear and
6 tear and obsolescence of property used in the trade or
7 business, such allowance to be determined according to the
8 provisions of section 167 of the Internal Revenue Code in
9 effect with respect to the taxable year. All elections for
10 depreciation shall be the same as the elections made for
11 federal income tax purposes. No deduction shall be allowed
12 for any amount paid out for any buildings, permanent
13 improvements, or betterments made to increase the value of
14 any property or estate, and no deduction shall be made for
15 any amount of expense of restoring property or making good
16 the exhaustion thereof for which an allowance is or has been
17 made.

18 (b) (i) There shall be allowed as a deduction for the
19 taxable period a net operating loss deduction determined
20 according to the provisions of this subsection. The net
21 operating loss deduction is the aggregate of net operating
22 loss carryovers to such taxable period plus the net
23 operating loss carrybacks to such taxable period. The term
24 "net operating loss" means the excess of the deductions
25 allowed by this section, 15-31-114, over the gross income,

1 with the modifications specified in (ii) of this subsection.
 2 If for any taxable period beginning after December 31, 1970,
 3 a net operating loss is sustained, such loss shall be a net
 4 operating loss carryback to each of the three taxable
 5 periods preceding the taxable period of such loss and shall
 6 be a net operating loss carryover to each of the five
 7 taxable periods following the taxable period of such loss. A
 8 net operating loss for any taxable period ending after
 9 December 31, 1975, in addition to being a net operating loss
 10 carryback to each of the three preceding taxable periods,
 11 shall be a net operating loss carryover to each of the seven
 12 taxable periods following the taxable period of such loss.
 13 The portion of such loss which shall be carried to each of
 14 the other taxable years shall be the excess, if any, of the
 15 amount of such loss over the sum of the net income for each
 16 of the prior taxable periods to which such loss was carried.
 17 For purposes of the preceding sentence, the net income for
 18 such prior taxable period shall be computed with the
 19 modifications specified in (ii)(B) of this subsection and by
 20 determining the amount of the net operating loss deduction
 21 without regard to the net operating loss for the loss period
 22 or any taxable period thereafter, and the net income so
 23 computed shall not be considered to be less than zero.

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

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

2 (B) The deduction for depletion shall not exceed the
 3 amount which would be allowable if computed under the cost
 4 method.

5 (C) Any net operating loss carried over to any taxable
 6 years beginning after December 31, 1978, must be calculated
 7 under the provisions of this section effective for the
 8 taxable year for which the return claiming the net operating
 9 loss carryover is filed.

10 (iii) A net operating loss deduction shall be allowed
 11 only with regard to losses attributable to the business
 12 carried on within the state of Montana.

13 (iv) In the case of a merger of corporations, the
 14 surviving corporation shall not be allowed a net operating
 15 loss deduction for net operating losses sustained by the
 16 merged corporations prior to the date of merger. In the case
 17 of a consolidation of corporations, the new corporate entity
 18 shall not be allowed a deduction for net operating losses
 19 sustained by the consolidated corporations prior to the date
 20 of consolidation.

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

24 (vi) The net operating loss deduction shall not be
 25 allowed with respect to taxable periods which ended on or

1 before December 31, 1970, but shall be allowed only with
2 respect to taxable periods beginning on or after January 1,
3 1971.

4 (3) In the case of mines, other natural deposits, oil
5 and gas wells, and timber, a reasonable allowance for
6 depletion and for depreciation of improvements; such
7 reasonable allowance to be determined according to the
8 provisions of the Internal Revenue Code in effect for the
9 taxable year. All elections made under the Internal Revenue
10 Code with respect to capitalizing or expensing exploration
11 and development costs and intangible drilling expenses for
12 corporation license tax purposes shall be the same as the
13 elections made for federal income tax purposes.

14 (4) The amount of interest paid within the year on its
15 indebtedness incurred in the operation of the business from
16 which its income is derived; but no interest shall be
17 allowed as a deduction if paid on an indebtedness created
18 for the purchase, maintenance, or improvement of property or
19 for the conduct of business unless the income from such
20 property or business would be taxable under this part.

21 (5) (a) Taxes paid within the year, except the
22 following:

23 (i) Taxes imposed by this part.

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

1 (iii) Taxes on or according to or measured by net
2 income or profits imposed by authority of the government of
3 the United States.

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

6 (b) Taxes deductible under this part shall be
7 construed to include taxes imposed by any county, school
8 district, or municipality of this state.

9 (6) Light vehicle license fees, as provided by
10 61-3-532, and fees in lieu of taxes for motorcycles and
11 quadricycles, as provided by [section 2], paid within the
12 year.

13 (7) That portion of an energy-related investment
14 allowed as a deduction under 15-32-103.

15 (8) (a) Except as provided in subsection (b),
16 charitable contributions and gifts that qualify for
17 deduction under section 170 of the Internal Revenue Code, as
18 amended.

19 (b) The public service commission shall not allow in
20 the rate base of a regulated corporation the inclusion of
21 contributions made under this subsection.

22 (9) In lieu of the deduction allowed under subsection
23 (8), the taxpayer may deduct the fair market value, not to
24 exceed 30% of the taxpayer's net income, of a computer or
25 other sophisticated technological equipment or apparatus

1 intended for use with the computer donated to an elementary,
2 secondary, or accredited postsecondary school located in
3 Montana if:

4 (a) the contribution is made no later than 5 years
5 after the manufacture of the donated property is
6 substantially completed;

7 (b) the property is not transferred by the donee in
8 exchange for money, other property, or services; and

9 (c) the taxpayer receives a written statement from the
10 donee in which the donee agrees to accept the property and
11 representing that the use and disposition of the property
12 will be in accordance with the provisions of (b) of this
13 subsection (9)."

14 Section 12. Section 15-50-207, MCA, is amended to
15 read:

16 "15-50-207. Credit against other taxes -- credit for
17 personal property taxes and certain fees. (1) The additional
18 license fees withheld or otherwise paid as provided herein
19 may be used as a credit on the contractor's corporation
20 license tax provided for in chapter 31 of this title or on
21 the contractor's income tax provided for in chapter 30,
22 depending upon the type of tax the contractor is required to
23 pay under the laws of the state.

24 (2) Personal property taxes, fees in lieu of taxes on
25 motorcycles or quadricycles, or light vehicle license fees,

1 as provided by 61-3-532, paid in Montana on any personal
2 property of the contractor which is used in the business of
3 the contractor and is located within this state may be
4 credited against the license fees required under this
5 chapter. However, in computing the tax credit allowed by
6 this section against the contractor's corporation license
7 tax or income tax, the personal property tax or light
8 vehicle license fee credit against the license fees herein
9 required shall not be considered as license fees paid for
10 the purpose of such income tax or corporation license tax
11 credit."

12 Section 13. Section 31-1-202, MCA, is amended to read:
13 "31-1-202. Definitions. (1) Unless the context
14 requires otherwise, in this part the following definitions
15 apply:

16 (a) "Cash sale price" means the price stated in a
17 retail installment contract or in a sales slip or other
18 memorandum furnished by a retail seller to a retail buyer
19 under or in connection with a retail charge account
20 agreement for which the seller would have sold or furnished
21 to the buyer and the buyer would have bought or obtained
22 from the seller the goods or services which are the subject
23 matter of the retail installment transaction, if the sale
24 had been a sale for cash. The cash sale price may include
25 any taxes, registration, certificate of title, license, and

1 official fees and cash sale prices for services, if any, and
 2 for accessories and their installation and for delivering,
 3 servicing, repairing, or improving the goods.

4 (b) "Department" means the department of commerce
 5 provided for in Title 2, chapter 15, part 18.

6 (c) "Finance charge" means the amount, as limited by
 7 31-1-241, in addition to the principal balance, agreed upon
 8 between the buyer and the seller, to be paid by the buyer
 9 for the privilege of purchasing goods or services to be paid
 10 for by the buyer in one or more deferred installments.

11 (d) "Goods" means all chattels personal, including
 12 motor vehicles and merchandise certificates or coupons
 13 exchangeable for chattels personal but not including money
 14 or things in action. The term includes goods which, at the
 15 time of the sale or subsequently, are to be so affixed to
 16 realty as to become a part thereof, whether or not severable
 17 from it.

18 (e) "Holder" means the retail seller of the goods or
 19 services under the retail installment contract or retail
 20 charge account agreement or a person who establishes and
 21 administers retail charge account agreements with retail
 22 buyers; the assignee, if the retail installment contract or
 23 the retail charge account agreement or the balance in the
 24 account under either has been sold or otherwise transferred;
 25 or any other person entitled to the rights of the retail

1 seller under any retail installment contract or any retail
 2 charge account agreement.

3 (f) "Manufactured structure" means any structure,
 4 transportable in one or more sections, designed to be used
 5 as a single-family dwelling or commercial building with or
 6 without a permanent foundation when connected to the
 7 required utilities and includes the plumbing, heating, air
 8 conditioning, and electrical systems contained therein.

9 (g) "Motor vehicle" means any new or used automobile,
 10 motorcycle, quadricycle, truck, trailer, semitrailer, truck
 11 tractor, and all vehicles with any power, other than
 12 muscular power, primarily designed or used to transport
 13 persons or property on a public highway, excepting, however,
 14 any vehicle which runs only on rails or tracks or in the
 15 air.

16 (h) "Official fees" means the fees prescribed by law
 17 for filing, recording, or otherwise perfecting and releasing
 18 or satisfying any title or lien retained or taken by a
 19 seller in connection with a retail installment transaction.

20 (i) "Person" means an individual, partnership,
 21 corporation, association, and any other group, however
 22 organized.

23 (j) "Principal balance" means the cash sale price of
 24 the goods or services which are the subject matter of a
 25 retail installment transaction plus the amounts, if any,

1 included in the sale, if a separate identified charge is
 2 made therefor and stated in the contract, for insurance and
 3 other benefits and official fees, minus the amount of the
 4 buyer's down payment in money or goods.

5 (k) "Recreational vehicle" means a vehicular type unit
 6 that either has its own motor power or is mounted on or
 7 drawn by another vehicle, primarily designed as temporary
 8 living quarters for recreational, camping, or travel use.

9 (l) "Retail buyer" or "buyer" means a person who buys
 10 goods or obtains services from a retail seller in a retail
 11 installment transaction and not for the purpose of resale.

12 (m) "Retail charge account agreement" means an
 13 instrument in writing prescribing the terms of retail
 14 installment transactions which may be made under it from
 15 time to time under which a retail seller gives to a retail
 16 buyer the privilege of using a credit card issued by the
 17 retail seller or any other person or other credit
 18 confirmation or identification for the purpose of purchasing
 19 goods or services from the retail seller, from the retail
 20 seller and any other person, or from a person licensed or
 21 franchised by the retail seller and under the terms of which
 22 a finance charge as defined in this section may be computed
 23 in relation to the buyer's balance in the account from time
 24 to time.

25 (n) "Retail installment contract" or "contract" means

1 an agreement evidencing a retail installment transaction
 2 entered into in this state under which a buyer promises to
 3 pay in one or more deferred installments the time sale price
 4 of goods or services, or both. The term includes a chattel
 5 mortgage, conditional sales contract, and a contract for the
 6 bailment or leasing of goods by which the bailee or lessee
 7 contracts to pay as compensation for its use a sum
 8 substantially equivalent to or in excess of its value and by
 9 which it is agreed that the bailee or lessee is bound to
 10 become, or for no further or a merely nominal consideration
 11 has the option of becoming, the owner of the goods upon full
 12 compliance with the provisions of the contract.

13 (o) "Retail installment transaction" means a written
 14 contract to sell or furnish, or the sale or furnishing of,
 15 goods or services by a retail seller to a retail buyer
 16 pursuant to a retail charge account agreement or under a
 17 retail installment contract.

18 (p) "Retail seller" or "seller" means a person who
 19 sells goods or furnishes services to a retail buyer in a
 20 written retail installment contract or written retail
 21 installment transaction.

22 (q) "Sales finance company" means a person engaged, in
 23 whole or in part, in the business of purchasing retail
 24 installment contracts from one or more sellers. The term
 25 includes but is not limited to a bank, trust company,

1 investment company, or savings and loan association, if so
 2 engaged. The term does not include a person who makes only
 3 isolated purchases of retail installment contracts, which
 4 purchases are not being made in the course of repeated and
 5 successive purchases of retail installment contracts from
 6 the same seller.

7 (r) "Services" means work, labor, and services
 8 furnished in the delivery, installation, servicing, repair,
 9 or improvement of goods.

10 (s) "Time sale price" means the total of the cash sale
 11 price of the goods or services and the amount, if any,
 12 included for insurance and other benefits, if a separate
 13 identified charge is made therefor, and the amounts of the
 14 official fees and the finance charge.

15 (2) This part does not apply to the lending of money
 16 by banks or other lending institutions and securing loans by
 17 chattel mortgages of goods in the ordinary course of lending
 18 by those banks or other lending institutions. However, this
 19 part pertains to the extension of credit by those banks or
 20 other lending institutions under retail installment
 21 contracts or credit cards issued by those banks or other
 22 lending institutions."

23 Section 14. Section 45-6-308, MCA, is amended to read:

24 "45-6-308. Unauthorized use of motor vehicles. (1) A
 25 person commits the offense of unauthorized use of motor

1 vehicles if he knowingly operates the automobile, airplane,
 2 motorcycle, quadricycle, motorboat, or other motor-propelled
 3 vehicle of another without his consent.

4 (2) A person convicted of unauthorized use of motor
 5 vehicles shall be fined not to exceed \$500 or be imprisoned
 6 in the county jail for any term not to exceed 6 months, or
 7 both. It is an affirmative defense that the offender
 8 reasonably believed that the owner would have consented to
 9 the operation had he known of it."

10 Section 15. Section 61-3-301, MCA, is amended to read:

11 "61-3-301. Registration -- license plate required --
 12 display. (1) Except as otherwise provided herein, no person
 13 shall operate a motor vehicle upon the public highways of
 14 this state unless such vehicle is properly registered and
 15 has the proper number plates conspicuously displayed, one on
 16 the front and one on the rear of the vehicle, each securely
 17 fastened to prevent it from swinging and unobstructed from
 18 plain view, except that trailers, semitrailers,
 19 quadricycles, and motorcycles shall have but one number
 20 plate conspicuously displayed on the rear. No person shall
 21 display on such vehicle at the same time any number assigned
 22 to it under any motor vehicle law except as provided in this
 23 chapter. A junk vehicle, as defined in part 5, chapter 10,
 24 Title 75, being driven or towed to an auto wrecking
 25 graveyard for disposal is exempt from the provisions of this

1 section.

2 (2) No person shall purchase or display on a vehicle
3 any license plate bearing the number assigned to any county
4 as provided in 61-3-332 other than the county of his
5 permanent residence at the time of application for
6 registration. However, the owner of any motor vehicle
7 requiring a license plate on any motor vehicle used in the
8 public transportation of persons or property may make
9 application therefor in any county through which the motor
10 vehicle passes in its regularly scheduled route, and the
11 license plate so issued bearing the number assigned to said
12 county may be displayed on the motor vehicle in any other
13 county of the state.

14 (3) It is unlawful to use license plates issued to one
15 vehicle on any other vehicle, trailer, or semitrailer unless
16 legally transferred as provided by statute, or to repaint
17 old license plates to resemble current license plates.

18 (4) Any person violating these provisions is guilty of
19 a misdemeanor and subject to the penalty set out in
20 61-3-601."

21 Section 16. Section 61-3-303, MCA, is amended to read:

22 "61-3-303. Application for registration. (1) Every
23 owner of a motor vehicle operated or driven upon the public
24 highways of this state shall for each motor vehicle owned,
25 except as herein otherwise expressly provided, file or cause

1 to be filed in the office of the county treasurer where the
2 motor vehicle is owned or taxable an application for
3 registration or reregistration upon a blank form to be
4 prepared and furnished by the division. The application
5 shall contain:

6 (a) name and address of owner, giving county, school
7 district, and town or city within whose corporate limits the
8 motor vehicle is taxable, if taxable, or within whose
9 corporate limits the owner's residence is located if the
10 motor vehicle is not taxable;

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

13 (c) description of motor vehicle, including make, year
14 model, engine or serial number, manufacturer's model or
15 letter, gross weight, type of body, and if truck, the rated
16 capacity;

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

19 (e) such other information as the division may
20 require.

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

25 (a) the registration fee, as provided in 61-3-311 and

1 61-3-321; and

2 (b) unless it has been previously paid:

3 (i) the personal property taxes assessed;

4 (ii) the new motor vehicle sales tax against the

5 vehicle for the current year of registration and/or the

6 license fee imposed by 61-3-532; or

7 (iii) in the case of a motorcycle, quadricycle, motor

8 home, travel trailer, or camper, the fee in lieu of property

9 tax for the current year of registration.

10 (3) The application may not be accepted by the county

11 treasurer unless the payments required by subsection (2)

12 accompany the application.

13 (4) The county treasurer may make full and complete

14 investigation of the tax status of the vehicle. Any

15 applicant for registration or reregistration must submit

16 proof from the tax or other appropriate records of the

17 proper county at the request of the county treasurer."

18 Section 17. Section 61-3-313, MCA, is amended to read:

19 "61-3-313. Vehicles subject to staggered registration.

20 For purposes of 61-3-313 through 61-3-316 "vehicle" means

21 any motor vehicle as defined in 61-1-102(7) subject to

22 annual registration in this state except:

23 (1) vehicles owned or leased and operated by the

24 government of the United States, of the state of Montana, or

25 its political subdivisions;

1 (2) mobile homes and motor homes;

2 (3) vehicles that are registered in accordance with or

3 subject to 10-2-301, 61-3-411, or 61-3-421;

4 (4) trucks exceeding a licensed gross vehicle weight

5 of 10,000 pounds;

6 (5) trailers, semitrailers, tractors, buses,

7 motorcycles, quadricycles, and ~~cycle--motors~~ motor-driven

8 cycles;

9 (6) special mobile equipment as defined in

10 61-1-104(2)."

11 Section 18. Section 61-3-321, MCA, is amended to read:

12 "61-3-321. Registration fees of vehicles --

13 public-owned vehicles exempt from license or registration

14 fees -- disposition of fees. (1) Registration or license

15 fees shall be paid upon registration or reregistration of

16 motor vehicles, trailers, housetrailers, and semitrailers,

17 in accordance with this chapter, as follows:

18 (a) motor vehicles weighing 2,850 pounds or under

19 (other than motortrucks), \$5;

20 (b) motor vehicles weighing over 2,850 pounds (other

21 than motortrucks), \$10;

22 (c) electrically driven passenger vehicles, \$10;

23 (d) all motorcycles and quadricycles, \$2;

24 (e) tractors and/or trucks, \$10;

25 (f) buses shall be classed as motortrucks and licensed

1 accordingly;

2 (g) trailers and semitrailers less than 2,500 pounds
3 maximum gross loaded weight and housetrailers of all
4 weights, \$2;

5 (h) trailers and semitrailers over 2,500 up to 6,000
6 pounds maximum gross loaded weight (except housetrailers),
7 \$5;

8 (i) trailers and semitrailers over 6,000 pounds
9 maximum gross loaded weight, \$10;

10 (j) trailers used exclusively in the transportation of
11 logs in the forest or in the transportation of oil and gas
12 well machinery, road machinery, or bridge materials, new and
13 secondhand, shall pay a fee of \$15 annually, regardless of
14 size or capacity.

15 (2) All rates shall be 25% higher for motor vehicles,
16 trailers, and semitrailers not equipped with pneumatic
17 tires.

18 (3) "Tractor", as specified in this section, means any
19 motor vehicle except passenger cars used for towing a
20 trailer or semitrailer.

21 (4) If any motor vehicle, housetrailer, trailer, or
22 semitrailer is originally registered 6 months after the time
23 of registration as set by law, the registration or license
24 fee for the remainder of the year shall be one-half of the
25 regular fee.

1 (5) An additional fee of \$2 per year for each
2 registration of a vehicle shall be collected as a
3 registration fee. Revenue from this fee shall be forwarded
4 by the respective county treasurers to the state treasurer
5 for deposit in the motor vehicle recording account of the
6 state special revenue fund.

7 (6) The provisions of this part with respect to the
8 payment of registration fees shall not apply to or be
9 binding upon motor vehicles, trailers or semitrailers, or
10 tractors owned or controlled by the United States of America
11 or any state, county, or city.

12 (7) The provisions of this section relating to the
13 payment of registration fees do not apply when number plates
14 are transferred to a replacement vehicle under 61-3-317,
15 61-3-332(7), or 61-3-335."

16 Section 19. Section 61-3-332, MCA, is amended to read:

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

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

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

21 (3) In the case of motorcars and trucks, number plates
 22 shall be of metal 6 inches wide and 12 inches in length. For
 23 number plates issued after 1976, the outline of the state
 24 of Montana shall be used as a distinctive border on such
 25 license plates, and the word "Montana" with the year shall

1 be placed across the bottom of the plate. Such registration
 2 plate shall be treated with a reflectorized background
 3 material according to specifications prescribed by the
 4 division.

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

19 (5) For the use of tax-exempt motor vehicles that are
 20 also exempt from the light vehicle license fee as provided
 21 in subsection (2)(a) of 61-3-532, in addition to the
 22 markings herein provided, number plates shall have thereon
 23 the following distinctive markings:

24 (a) For vehicles owned by the state the division may
 25 designate the prefix number for the various state

1 departments, and all numbered plates issued to state
 2 departments shall bear the words "State Owned" and no year
 3 number will be indicated thereon as these numbered plates
 4 will be of a permanent nature and will be replaced by the
 5 division at such time when the physical condition of
 6 numbered plates requires same.

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

24 (6) On all number plates assigned to motor vehicles of
 25 the truck and trailer type, other than tax-exempt trucks

1 that are also exempt from the light vehicle license fee as
 2 provided in subsection (2)(a) of 61-3-532 and tax exempt
 3 trailers, there shall appear the letter "T" or the word
 4 "TRUCK" for plates assigned to trucks and the letters "TR"
 5 or the word "TRAILER" for plates assigned to trailers and
 6 housetrailer. The letters "MC" or the word "CYCLE" shall
 7 appear for plates assigned to vehicles of the motorcycle or
 8 quadricycle type.

9 (7) Number plates issued to a passenger car, truck,
 10 trailer, or vehicle of the motorcycle or quadricycle type
 11 may be transferred only to a replacement passenger car,
 12 truck, trailer, or motorcycle-or quadricycle-type vehicle.
 13 No registration or license fee may be assessed upon a
 14 transfer of a number plate under 61-3-317 and 61-3-335.

15 (8) For the purpose of this chapter, the several
 16 counties of the state shall be assigned numbers as follows:
 17 Silver Bow, 1; Cascade, 2; Yellowstone, 3; Missoula, 4;
 18 Lewis and Clark, 5; Gallatin, 6; Flathead, 7; Fergus, 8;
 19 Powder River, 9; Carbon, 10; Phillips, 11; Hill, 12;
 20 Ravalli, 13; Custer, 14; Lake, 15; Dawson, 16; Roosevelt,
 21 17; Beaverhead, 18; Chouteau, 19; Valley, 20; Toole, 21; Big
 22 Horn, 22; Musselshell, 23; Blaine, 24; Madison, 25; Pondera,
 23 26; Richland, 27; Powell, 28; Rosebud, 29; Deer Lodge, 30;
 24 Teton, 31; Stillwater, 32; Treasure, 33; Sheridan, 34;
 25 Sanders, 35; Judith Basin, 36; Daniels, 37; Glacier, 38;

1 Fallon, 39; Sweet Grass, 40; McCone, 41; Carter, 42;
 2 Broadwater, 43; Wheatland, 44; Prairie, 45; Granite, 46;
 3 Meagher, 47; Liberty, 48; Park, 49; Garfield, 50; Jefferson,
 4 51; Wibaux, 52; Golden Valley, 53; Mineral, 54; Petroleum,
 5 55; Lincoln, 56. Any new counties shall be assigned numbers
 6 by the division as they may be formed, beginning with the
 7 number 57."

8 Section 20. Section 61-3-402, MCA, is amended to read:

9 "61-3-402. Personalized license plates authorized. Any
 10 person who is the registered owner of a motor vehicle, a
 11 truck, motor home, camping trailer, motorcycle, quadricycle,
 12 or other vehicle for the owner's personal use registered
 13 with the division or who makes application for original
 14 registration of a motor vehicle may upon payment of the fee
 15 prescribed in 61-3-406 apply to the division for
 16 personalized license plates in the manner prescribed in
 17 61-3-405, which plates shall be affixed to the motor vehicle
 18 for which registration is sought in lieu of the regular
 19 license plates provided for in this chapter."

20 Section 21. Section 61-3-403, MCA, is amended to read:

21 "61-3-403. Color and design of personalized plates --
 22 county designation. (1) The personalized license plates
 23 shall be the same color and design as regular passenger
 24 motor vehicle license plates and shall consist of numbers or
 25 letters, or any combination thereof not exceeding eight

1 positions and not less than two positions, provided that
 2 there are no conflicts with existing passenger, commercial,
 3 trailer, motorcycle, quadricycle, or special license plate
 4 series under this title.

5 (2) Upon the issuance of personalized license plates
 6 or upon the reregistration of any motor vehicle assigned
 7 personalized license plates that do not bear a county
 8 designation or no longer bear the correct county
 9 designation, the division shall provide nonremovable
 10 stickers bearing the appropriate county designation which
 11 must be affixed to the license plates in use in accordance
 12 with instructions by the division."

13 Section 22. Section 61-3-501, MCA, is amended to read:

14 "61-3-501. When vehicle taxes and fees are due. (1)
 15 Property taxes, new car taxes, light vehicle license fees,
 16 and fees in lieu of tax on a motorcycle, quadricycle, motor
 17 home, or travel trailer must be paid on the date of
 18 registration or reregistration of the vehicle.

19 (2) If the anniversary date for reregistration of a
 20 vehicle passes while the vehicle is owned and held for sale
 21 by a licensed new or used car dealer, property taxes, light
 22 vehicle license fees, or the fee in lieu of property taxes
 23 abate on such vehicle properly reported with the department
 24 of revenue until the vehicle is sold and thereafter the
 25 purchaser shall pay the pro rata balance of the taxes or the

1 fee in lieu of tax due and owing on the vehicle.

2 (3) In the event a vehicle's registration period is
3 changed under 61-3-315, all taxes and other fees due thereon
4 shall be prorated and paid from the last day of the old
5 period until the first day of the new period in which the
6 vehicle shall be registered. Thereafter taxes and other fees
7 must be paid from the first day of the new period for a
8 minimum period of 1 year. When the change is to a later
9 registration period, taxes and fees shall be prorated and
10 paid based on the same tax year as the original registration
11 period. Thereafter, during the appropriate anniversary
12 registration period, each vehicle shall again register or
13 reregister and shall pay all taxes and fees due thereon for
14 a 12-month period."

15 Section 23. Section 61-3-503, MCA, is amended to read:

16 "61-3-503. Assessment. (1) Except as provided in
17 subsection (2), the following apply to the taxation of motor
18 vehicles:

19 (a) Except as provided in subsection (1)(c), a person
20 who files an application for registration or reregistration
21 of a motor vehicle shall before filing such application with
22 the county treasurer submit the application to the county
23 assessor. The county assessor shall enter on the
24 application in a space to be provided for that purpose the
25 market value and taxable value of the vehicle as of January

1 of the year for which the application for registration is
2 made.

3 (b) Except as provided in subsection (1)(c), motor
4 vehicles are assessed for taxes on January 1 in each year
5 irrespective of the time fixed by law for the assessment of
6 other classes of personal property and irrespective of
7 whether the levy and tax may be a lien upon real property
8 within the state. In no event may any motor vehicle be
9 subject to assessment, levy, and taxation more than once in
10 each year.

11 (c) Vehicles subject to the provisions of 61-3-313
12 through 61-3-316 shall be assessed as of the first day of
13 the registration period, using the market value as of
14 January 1 of the year of assessment of the vehicle as
15 contained in the most recent volume of the Mountain States
16 Edition of the National Automobile Dealers Association
17 Official Used Car Guide; and a lien for taxes and fees due
18 thereon shall occur on the anniversary date of the
19 registration and shall continue until such fees and taxes
20 have been paid.

21 (2) The provisions of subsections (1)(a) through
22 (1)(c) do not apply to automobiles and trucks having a rated
23 capacity of three-quarters of a ton or less, motorcycles,
24 quadricycles, motor homes, travel trailers, or mobile homes
25 as defined in 15-1-101(1)."

1 Section 24. Section 61-3-504, MCA, is amended to read:

2 "61-3-504. Computation of tax. The amount of taxes on
3 a motor vehicle, other than an automobile, truck having a
4 rated capacity of three-quarters of a ton or less,
5 motorcycle, quadricycle, motor home, travel trailer, or
6 mobile home as defined in 15-1-101(1), is computed and
7 determined by the county treasurer on the basis of the levy
8 of the year preceding the current year of application for
9 registration or reregistration. The determination is entered
10 on the application form in a space provided therefor."

11 Section 25. Section 61-3-509, MCA, is amended to read:

12 "61-3-509. Disposition of taxes and fees in lieu of
13 tax. The county treasurer shall credit all taxes on motor
14 vehicles, light vehicle license fees provided for in
15 61-3-532, and fees in lieu of tax on motorcycles,
16 quadricycles, motor homes, and travel trailers collected to
17 a motor vehicle suspense fund, and at some time between
18 March 1 and March 10 of each year and every 60 days
19 thereafter, the county treasurer shall distribute the money
20 in the motor vehicle suspense fund in the relative
21 proportions required by the levies for state, county, school
22 district, and municipal purposes in the same manner as
23 personal property taxes are distributed."

24 Section 26. Section 61-3-701, MCA, is amended to read:

25 "61-3-701. Foreign vehicles used in gainful occupation

1 to be registered -- reciprocity. (1) Before any foreign
2 licensed motor vehicle may be operated on the highways of
3 this state for hire, compensation, or profit or before the
4 owner and/or user thereof uses the vehicle if such owner
5 and/or user is engaged in gainful occupation or business
6 enterprise in the state, including highway work, the owner
7 of the vehicle shall make application to a county treasurer
8 for registration upon an application form furnished by the
9 division. Upon satisfactory evidence of ownership submitted
10 to the county treasurer and the payment of property taxes,
11 if appropriate, as required by 15-8-201 through 15-8-203 or
12 15-24-301, or the payment of the light vehicle license fee
13 as provided by 61-3-532, or the fee in lieu of tax as
14 provided by [section 2], the treasurer shall accept the
15 application for registration and shall collect the regular
16 license fee required for the vehicle.

17 (2) The treasurer shall thereupon issue to the
18 applicant a copy of the application entitled "Owner's
19 Certificate of Registration and Payment Receipt" and forward
20 a duplicate copy of the certificate to the division. The
21 treasurer shall at the same time issue to the applicant the
22 proper license plates or other identification markers, which
23 shall at all times be displayed upon the vehicle when
24 operated or driven upon roads and highways of this state
25 during the period of the life of the license.

1 (3) The registration receipt shall not constitute
2 evidence of ownership but shall be used only for
3 registration purposes. No Montana certificate of ownership
4 shall be issued for this type of registration.

5 (4) This section is not applicable to any vehicle
6 covered by a valid and existing reciprocal agreement or
7 declaration entered into under the provisions of the laws of
8 Montana."

9 Section 27. Section 61-4-101, MCA, is amended to read:

10 "61-4-101. Application for dealer's license. (1) Every
11 person, firm, corporation, or association which, for
12 commission or profit, engages in the business of buying,
13 selling, exchanging, or acting as a broker of new motor
14 vehicles, recreational vehicles, used motor vehicles,
15 trailers (except trailers having an unloaded weight of less
16 than 500 pounds), semitrailers, or special mobile equipment
17 as defined in 61-1-104 shall file, by mail or otherwise, in
18 the office of the division a verified application for
19 licensure as a dealer, on a blank to be furnished by the
20 division for that purpose and containing the information
21 required. The application and all of the information
22 contained in it shall be verified by the Montana highway
23 patrol. Each application must be accompanied by the license
24 fee hereinafter specified. A dealer's license must be
25 renewed and paid for annually, and an application for

1 relicensure must be filed not later than January 1 of each
2 year. If an application for renewal of a license has been
3 received by the division prior to the expiration of the
4 license, the dealer may operate his business and display
5 dealer plates under the expired license between January 1
6 and February 15 following expiration.

7 (2) To qualify for licensure and the issuance and use
8 of "D", "UD", "RV", "DTR", or "MCD" plates as hereinafter
9 provided, the applicant must furnish the following
10 information and qualify under the following provisions:

11 (a) To qualify as a new motor vehicle dealer and for
12 the use of "D" plates, the applicant must:

13 (i) state the name under which the business is to be
14 conducted and the location of the premises (street address,
15 city, county, and state) where records are kept, sales are
16 made, and stock of motor vehicles is displayed;

17 (ii) state the name and address of all owners or
18 persons having an interest in the business, provided that in
19 the case of a corporation, the names and addresses of the
20 president and secretary are sufficient;

21 (iii) state the name and make of all motor vehicles
22 handled and the name and address of the manufacturer,
23 importer, or distributor with whom the applicant has a
24 written new motor vehicle franchise or sales agreement;

25 (iv) execute a certificate to the effect that the

1 applicant has a permanent building for the display and sale
2 of new motor vehicles at the location of the premises where
3 sales are conducted;

4 (v) execute a certificate to the effect that the
5 applicant has a bona fide service department for the repair,
6 service, and maintenance of motor vehicles; and

7 (vi) execute a certificate to the effect that the
8 applicant is a bona fide dealer in new motor vehicles and
9 that he is recognized by a manufacturer, importer, or
10 distributor as a dealer in new motor vehicles.

11 (b) To qualify as a used motor vehicle dealer and for
12 the use of "UD" plates or as a recreational vehicle,
13 trailer, semitrailer, or special mobile equipment dealer and
14 for the use of "DTR" plates or as a motorcycle or
15 quadricycle dealer and for the use of "MCD" plates, the
16 applicant must, in addition to the matters set forth in
17 subsections (i) and (ii) of subsection (2)(a) above,
18 provide:

19 (i) a statement that the applicant has a building or
20 lot and a sign readable at a minimum distance of 150 feet
21 and indicating the firm name and headquarters as the
22 principal place of business; and

23 (ii) a certificate to the effect that the applicant is
24 a bona fide dealer in used motor vehicles, recreational
25 vehicles, trailers, semitrailers, special mobile equipment,

1 or motorcycles, or quadricycles. An applicant for a
2 recreational vehicle dealer license must also indicate on
3 the same certificate that he is recognized by a
4 manufacturer, importer, or distributor as a dealer in
5 recreational vehicles.

6 (c) To qualify for a used motor vehicle dealer's
7 license, a person must submit an annual application for that
8 license and comply with the provisions of 61-4-102(5) in
9 addition to fulfilling the requirements of subsection (2)(b)
10 above.

11 (d) The provisions of subsection (2)(c) above do not
12 apply to an applicant who is licensed as a motor vehicle
13 wrecking facility under the provisions of Title 75, chapter
14 10, part 5.

15 (3) The applicant for a dealer's license shall also
16 file with his application a good and sufficient bond in the
17 sum of \$5,000, and the bond shall be conditioned that the
18 applicant shall conduct his business in accordance with the
19 requirements of the law. All bonds shall run to the state of
20 Montana and shall be approved by the division and filed in
21 its office and shall be renewed annually."

22 Section 28. Section 61-4-102, MCA, is amended to read:
23 "61-4-102. Fees. (1) Upon making such application, the
24 applicant shall pay to the division, in addition to the fees
25 required of dealers under the provisions of subsection (2),

1 a fee of \$5. Upon receipt of the application, fee, and bond,
 2 as provided above, the division shall examine the
 3 application, and may, prior to issuing a license, make
 4 individual investigation of the truth of the statements
 5 contained in the application. If the division is satisfied
 6 that the applicant qualifies for the issuance of a dealer's
 7 license under the provisions of this chapter, it may
 8 thereupon issue the same.

9 (2) Registration or license fees shall be paid upon
 10 registration or reregistration of dealers in motor
 11 vehicles, recreational vehicles, or trailers as follows:

12 (a) (i) all dealers in motor vehicles and recreational
 13 vehicles, a fee of \$25, which shall entitle such dealer to
 14 one set of number plates, and \$25 additional fee for each
 15 additional set of number plates, subject to the following
 16 limitations on the number of additional sets allowed a
 17 dealer:

18 (A) 5% of the first 100 vehicle sales for the previous
 19 year; plus

20 (B) 3% of the next 100 vehicle sales for the previous
 21 year; plus

22 (C) 2% of vehicle sales in excess of 200 for the
 23 previous year; and

24 (D) any additional sets upon a showing of good cause
 25 by the applicant dealer to the division.

1 (ii) in addition to the dealer plates allowed under
 2 subsection (2)(a)(i), a dealer who has purchased one or more
 3 sets of dealer plates is entitled to purchase demonstrator
 4 plates at a cost determined by the division to offset the
 5 cost of production. Demonstrator plates shall be used in
 6 lieu of a dealer plate but only as set forth in subsection
 7 (6) and must be distinguished from dealer plates in a manner
 8 determined by the division.

9 (b) dealers in motorcycles, quadricycles, and
 10 trailers, including housetrailer, \$45.

11 (3) If any dealer is originally registered 6 months
 12 after the time of registration as set by law, the
 13 registration or license fee for the remainder of such year
 14 shall be one-half of the regular fee above given.

15 (4) A dealer in motor vehicles, recreational vehicles,
 16 or trailers who shall maintain more than one place of
 17 business or who shall maintain any branch establishment or
 18 establishments must register and pay a registration or
 19 license fee for each such place of business or
 20 establishment.

21 (5) A new applicant for a used motor vehicle dealer
 22 license shall pay \$300 to the division in addition to any
 23 other sums required by this section or other provisions of
 24 the law. An applicant for a renewal of a used motor vehicle
 25 dealer license shall certify under oath that he has sold

1 more than five used motor vehicles during the preceding
2 calendar year or pay an additional \$300 before he may be
3 licensed.

4 (6) Demonstrator plates provided for in subsection
5 (2)(a)(ii) may be used only as follows:

6 (a) New and used motor vehicle or recreational vehicle
7 demonstrator plates may be used:

8 (i) to demonstrate, for no more than 72 hours, an
9 authorized vehicle held for sale, when operated by an
10 individual holding a valid operator's license;

11 (ii) on authorized vehicles owned by the firm when
12 operated by an officer or bona fide full-time employee of
13 the dealer and used to transport the dealer's own tools,
14 parts, and equipment;

15 (iii) on authorized vehicles being tested for repair;

16 (iv) on authorized vehicles being moved to or from a
17 dealer's place of business for sale;

18 (v) on authorized vehicles being moved to or from
19 service and repair facilities before sale;

20 (vi) on authorized vehicles being moved to or from
21 exhibitions within the state, provided any such exhibition
22 does not exceed a period of 20 days.

23 (b) Mobile home and trailer dealer demonstrator plates
24 may be used:

25 (i) on units hauled to or from the place of business

1 of the manufacturer and the place of business of the dealer
2 or to and from places of business of the dealer;

3 (ii) on mobile homes hauled to a customer's location
4 for setup after sale;

5 (iii) on travel trailers held for sale to demonstrate
6 the towing capability of the vehicle provided that a dated
7 demonstration permit, valid for not more than 72 hours, is
8 carried with the vehicle at all times;

9 (iv) on any motor vehicle owned by the dealer that is
10 used only to move vehicles legally bearing mobile home and
11 travel trailer dealer license plates of the dealer owning
12 any such motor vehicle;

13 (v) on vehicles being moved to or from vehicle
14 exhibitions within the state, provided any such exhibition
15 does not exceed a period of 20 days."

16 Section 29. Section 61-4-103, MCA, is amended to read:

17 "61-4-103. Assignment of dealer plates. (1) Upon the
18 licensing of a dealer as a new motor vehicle dealer, used
19 motor vehicle dealer, recreational vehicle dealer, or
20 trailer, semitrailer, or special mobile equipment dealer, or
21 a dealer of the motorcycle- or quadricycle-type vehicle, the
22 division shall assign to such dealer a distinctive serial
23 license number as a dealer and after payment of fees furnish
24 every qualified dealer in motor vehicles with such sets of
25 number plates as required according to need, which need

1 shall be justified by the dealer with the initial
 2 application for license and each renewal. Assigned number
 3 plates shall be similar to number plates furnished to owners
 4 of motor vehicles but shall bear thereon, in addition to the
 5 serial number assigned such dealer, the letter "D" if the
 6 dealer is authorized to sell new motor vehicles (including
 7 trucks and truck trailers); the letters "RV" if the dealer
 8 is authorized to sell recreational vehicles; the letters
 9 "UD" if the dealer is authorized to sell used motor vehicles
 10 (including used trucks and used truck trailers); the letters
 11 "DTR" if the dealer is authorized to sell trailers,
 12 semitrailers, or special mobile equipment (new or used); and
 13 the letters "MCD" if the dealer is authorized to sell
 14 vehicles of the motorcycle or quadricycle type (new or
 15 used).

16 (2) With the exception of a dealer authorized to sell
 17 new motor vehicles (including trucks and truck trailers) and
 18 to use the "D" plate or demonstrator plate, no dealer
 19 authorized to transact business under the provisions of this
 20 section may offer for sale or trade any vehicle described in
 21 this section except such vehicles as are authorized by the
 22 plates assigned to him. If an applicant wishes to sell more
 23 than one type of vehicle, he shall make application for each
 24 separate authorization. No plate assigned to a dealer may be
 25 used on any vehicle other than the type described in this

1 section. A dealer authorized to sell new motor vehicles and
 2 assigned a "D" plate or demonstrator plate is authorized to
 3 sell both new and used motor vehicles (including trucks and
 4 truck trailers), and such plates may be displayed on either
 5 new or used motor vehicles by a licensed dealer in new
 6 vehicles.

7 (3) The division shall cause to be placed on each set
 8 of license plates issued to a dealer a serial number
 9 assigned to each dealer and the actual number of license
 10 plates issued to each dealer. The number of the dealer shall
 11 follow the prefix of the county, and the number of plates
 12 issued the dealer shall follow the prefix of the county and
 13 the number of the dealer, the dealer's number to be
 14 separated from the county prefix by a dash, and the number
 15 of plates issued to a dealer to be separated from the
 16 dealer's number by a dash, as follows: dealer number 4 in
 17 Lewis and Clark County would be numbered 5-4, and if the
 18 dealer were issued three sets of plates, they would be
 19 numbered consecutively as follows, 5-4-1, 5-4-2, and 5-4-3.

20 (4) Dealers properly licensed under this section are
 21 authorized to use and display dealer's license plates on any
 22 motor vehicle held for bona fide sale or used in the conduct
 23 of the dealer's business in selling or demonstrating motor
 24 vehicles and operated by or under the control of the dealer,
 25 his officers or employees. For purposes of this provision,

1 "officers and employees" include only such persons listed on
 2 the manufacturer's franchise agreement or the importer's
 3 distribution agreement and their spouses or such other
 4 persons upon whom the dealer has paid social security taxes
 5 as a full-time employee. No dealer's license plate shall be
 6 used or displayed on vehicles normally used for hire, lease,
 7 or rental or for purposes not incident to the business of a
 8 motor vehicle dealer. Each dealer is accountable for each
 9 plate issued and shall certify quarterly to the division the
 10 disposition of each dealer plate assigned to the dealer,
 11 including the name, address, and occupation of the person
 12 primarily using each plate.

13 (5) If it shall appear to the satisfaction of the
 14 division, from information furnished to it by the sheriff or
 15 any other law enforcement officer, that any such dealer has
 16 been improperly licensed, has used the dealer's license in a
 17 manner other than the one herein authorized, or is not
 18 qualified as a dealer under the requirements of this
 19 section, the division may revoke such dealer's license. No
 20 person, firm, corporation, or association shall, for
 21 commission or profit, engage in the business of buying,
 22 selling, exchanging, or acting as a broker of new motor
 23 vehicles, trailers, or semitrailers unless duly licensed in
 24 compliance with this section (except trailers having an
 25 unladen weight of less than 500 pounds)."

1 Section 30. Section 61-5-106, MCA, is amended to read:
 2 "61-5-106. Instruction and traffic education permits
 3 and temporary licenses. (1) Any person satisfying the age
 4 requirements specified in 61-5-105(1) may apply to the
 5 division for an instruction permit. The division may in its
 6 discretion, after the applicant has successfully passed all
 7 parts of the examination other than the driving test, issue
 8 to the applicant an instruction permit which shall entitle
 9 the applicant, while having such permit in his immediate
 10 possession, to drive a motor vehicle upon the public
 11 highways for a period of 6 months when accompanied by a
 12 licensed operator or chauffeur who is occupying a seat
 13 beside the driver. In addition, the division may issue such
 14 an instruction permit to any person who is at least 14 1/2
 15 years of age and who has successfully completed or is
 16 successfully participating in a traffic education course
 17 approved by the division and the superintendent of public
 18 instruction. Any instruction permit so issued shall be
 19 restricted to the operation of a motor vehicle only when
 20 accompanied by an approved instructor or licensed parent or
 21 guardian and may be further restricted to specific times
 22 and/or areas.
 23 (2) The division upon receiving proper application may
 24 in its discretion issue a traffic education permit effective
 25 for a school year or more restricted period to an applicant

1 who is enrolled in a traffic education program approved by
 2 the division even though the applicant has not reached the
 3 legal age to be eligible for an operator's license. Such
 4 permit shall entitle the permittee when he has such a permit
 5 in his immediate possession to operate only on a designated
 6 highway or within a designated area a motor vehicle only
 7 when an approved instructor is occupying a seat beside the
 8 permittee or a motorcycle or quadricycle only when under the
 9 immediate and proximate supervision of an approved
 10 instructor.

11 (3) The division may in its discretion issue a
 12 temporary driver's permit to an applicant for an operator's
 13 license permitting him to operate a motor vehicle while the
 14 division is completing its investigation and determination
 15 of all facts relative to such applicant's right to receive
 16 an operator's license. Such permit must be in his immediate
 17 possession while operating a motor vehicle, and it shall be
 18 invalid when the applicant's license has been issued or for
 19 good cause has been refused."

20 Section 31. Section 61-5-107, MCA, is amended to read:

21 "61-5-107. Application for license, instruction
 22 permit, or motorcycle endorsement. (1) Every application for
 23 an instruction permit, operator's or chauffeur's license, or
 24 motorcycle endorsement shall be made upon a form furnished
 25 by the division. A motorcycle endorsement is required for

1 the operation of a quadricycle. Every application shall be
 2 accompanied by the proper fee and payment of such fee shall
 3 entitle the applicant to not more than three attempts to
 4 pass the examination within a period of 6 months from the
 5 date of application.

6 (2) Every such application shall state the full name,
 7 date of birth, sex, and residence address of the applicant,
 8 and briefly describe the applicant, and shall state whether
 9 the applicant has theretofore been licensed as an operator
 10 or chauffeur, and, if so, when and by what state or country,
 11 and whether any such license has ever been suspended or
 12 revoked, or whether an application has ever been refused,
 13 and, if so, the date of and reason for such suspension,
 14 revocation, or refusal.

15 (3) Whenever application is received from an applicant
 16 previously licensed by any other jurisdiction, the division
 17 shall request a copy of such applicant's driving record from
 18 such previous licensing jurisdiction. When received, such
 19 driving records shall become a part of the driver's record
 20 in this state with the same force and effect as though
 21 entered on the driver's record in this state in the original
 22 instance."

23 Section 32. Section 61-5-110, MCA, is amended to read:

24 "61-5-110. Examination of applicants. The division
 25 shall examine every applicant for an operator's or

1 chauffeur's license or motorcycle endorsement, except as
2 otherwise provided in this section. Such examination shall
3 include a test of the applicant's eyesight, his ability to
4 read and understand highway signs regulating, warning, and
5 directing traffic, his knowledge of the traffic laws of this
6 state, and shall include an actual demonstration of ability
7 to exercise ordinary and reasonable control in the operation
8 of a motor vehicle, quadricycle, or motorcycle. The division
9 shall make provision for giving an examination either in the
10 county where the applicant resides or at a place adjacent
11 thereto reasonably convenient to the applicant within not
12 more than 30 days from the date the application is
13 received."

14 Section 33. Section 61-5-111, MCA, is amended to read:

15 "61-5-111. Licenses issued to operators and chauffeurs
16 -- renewals and expiration -- fees -- disposition. (1) The
17 division shall have authority to appoint county treasurers
18 and other qualified officers to act as its agents for the
19 sale of driver's licenses receipts and shall make necessary
20 rules governing such sales. In those areas where the
21 division provides driver licensing services 3 days or more a
22 week the division is responsible for sale of receipts and
23 may not appoint an agent. The division, upon receipt of
24 payment of the fees specified in this section, shall issue
25 to every applicant qualifying therefor an operator's or

1 chauffeur's license as applied for. Such licenses shall
2 contain a photograph of the licensee in the size and form as
3 prescribed by the division, a distinguishing number issued
4 to the licensee; the full name, date of birth, residence
5 address, and a brief description of the licensee; and either
6 a facsimile of the signature of the licensee or a space upon
7 which he shall write his signature in pen and ink
8 immediately upon receipt of the license. No license shall be
9 valid until it has been so signed by the licensee. Five
10 percent of the license fees collected by the county
11 treasurer shall be deposited by the county treasurer for the
12 use of the county general fund. In the event no agent is
13 appointed under this section, 5% of the license fees
14 collected by the division shall be retained by the division
15 to defray the cost of handling.

16 (2) The division shall, when any person applies for
17 renewal of an operator's or chauffeur's license, test the
18 applicant's eyesight and may also in the division's
19 discretion have the applicant demonstrate his physical
20 ability to operate and to exercise ordinary and reasonable
21 care in the operation of a motor vehicle. A person shall be
22 considered to have applied for renewal of a Montana
23 operator's or chauffeur's license if the application is made
24 within 3 months of the expiration of his license.

25 (3) Licenses shall expire on the anniversary of the

1 date of birth of the licensee 4 years or less after the date
2 of issue.

3 (4) Whenever the division issues an original license
4 to a person under the age of 18 years, the license shall be
5 designated and clearly marked as a "provisional license".
6 Any license so designated and marked may be suspended by the
7 division for a period of not more than 12 months, when its
8 records disclose that the licensee, subsequent to the
9 issuance of such license, has been guilty of careless or
10 negligent driving. Upon renewal as applicable to operator's
11 licenses, the division may, for any reasonable cause as
12 shown by its records, designate the renewal of the license
13 as provisional; otherwise, a license in usual form shall be
14 issued subject to other provisions of the laws of Montana.

15 (5) It shall be unlawful for any person to have in his
16 possession or under his control more than one Montana
17 operator's or chauffeur's license at any one time. A license
18 is not valid for the operation of a motorcycle or
19 quadricycle until the holder thereof has completed the
20 requirements of 61-5-110 and the license has been clearly
21 marked with the words "motorcycle endorsement".

22 (6) Fees for driver's licenses shall be as follows:

23 (a) driver's license -- \$2 per year or fraction
24 thereof;

25 (b) motorcycle endorsement -- 50 cents per year or

1 fraction thereof.

2 (7) The county treasurer or other agent of the
3 division collecting such fees shall retain 5% of each fee
4 for the use of the county general fund and shall transmit
5 the remainder to the state treasurer, who shall deposit to
6 the credit of the state general fund all money received by
7 him from the collection of the fees."

8 Section 34. Section 61-6-303, MCA, is amended to read:

9 "61-6-303. Exempt vehicles. The following vehicles and
10 their drivers are exempt from the provisions of 61-6-301:

11 (1) a vehicle owned by the United States government or
12 any state or political subdivision;

13 (2) a vehicle for which cash, securities, or a bond
14 has been deposited or filed with the division upon such
15 terms and conditions providing the same benefits available
16 under a required motor vehicle liability insurance policy;

17 (3) a vehicle owned by a self-insurer certified as
18 provided in 61-6-143;

19 (4) an implement of husbandry or special mobile
20 equipment that is only incidentally operated on a highway or
21 property open to use by the public;

22 (5) a vehicle operated upon a highway only for the
23 purpose of crossing such highway from one property to
24 another;

25 (6) a commercial vehicle registered or proportionally

1 registered in this and any other jurisdiction provided that
 2 vehicle is covered by a motor vehicle liability insurance
 3 policy complying with the laws of another jurisdiction in
 4 which it is registered;

5 (7) a motorcycle or quadricycle;

6 (8) a vehicle moved solely by human or animal power."

7 Section 35. Section 61-8-359, MCA, is amended to read:

8 "61-8-359. Riding on motorcycles. (1) A person
 9 operating a motorcycle or quadricycle on public streets or
 10 highways shall ride only upon the permanent and regular seat
 11 attached thereto, and such operator shall not carry any
 12 other person; nor shall any other person ride on a
 13 motorcycle or quadricycle unless such motorcycle or
 14 quadricycle is designed to carry more than one person, in
 15 which event a passenger may ride upon the permanent and
 16 regular seat if designed for two persons or upon another
 17 seat firmly attached to the rear or side of the operator.

18 (2) No passenger shall be carried in a position that
 19 will interfere with the operation of the motorcycle or
 20 quadricycle or the view of the operator.

21 (3) No person operating a motorcycle or quadricycle
 22 shall carry any packages, bundles, or articles which would
 23 interfere with the operation of said vehicle in a safe and
 24 prudent manner.

25 (4) "Sidesaddle" riding on a motorcycle or quadricycle

1 is prohibited.

2 (5) Motorcycles and quadricycles are to be operated
 3 with lights on at all times when operated on any public
 4 highway or street, except that if the motorcycle is
 5 registered under 61-3-411 as a collector's item, it may be
 6 operated without lights from one-half hour before sunrise to
 7 one-half hour after sunset if persons and vehicles are
 8 clearly discernible at a distance of 500 feet.

9 (6) Not more than two motorcycles shall be operated
 10 side by side in a single traffic lane.

11 (7) All motor vehicles, including motorcycles and
 12 quadricycles, are entitled to the full use of a traffic
 13 lane, and no vehicle shall be driven or operated in such a
 14 manner so as to deprive any other vehicle of the full use of
 15 a traffic lane, except that motorcycles may, with the
 16 consent of both drivers, be operated not more than two
 17 abreast in a single traffic lane.

18 (8) Every person riding a motorcycle or quadricycle
 19 upon a roadway shall be granted all of the rights and shall
 20 be subject to all of the duties applicable to the driver of
 21 a motor vehicle except as to those provisions which, by
 22 their nature, can have no application."

23 Section 36. Section 61-9-203, MCA, is amended to read:

24 "61-9-203. Headlamps on motor vehicles. (1) Every
 25 motor vehicle other than a motorcycle, quadricycle, or

1 motor-driven cycle shall be equipped with at least two
2 headlamps, with at least one on each side of the front of
3 the motor vehicle, which headlamps shall comply with the
4 requirements and limitations set forth in this chapter.

5 (2) Every motorcycle, quadricycle, and every
6 motor-driven cycle shall be equipped with at least one and
7 not more than two headlamps which shall comply with the
8 requirements and limitations of this chapter. If a
9 motorcycle is registered under 61-3-411 as a collector's
10 item, it need not be equipped with headlamps, but if it is
11 not so equipped it may not be operated upon a highway or
12 street from one-half hour after sunset to one-half hour
13 before sunrise or if persons and vehicles are not clearly
14 discernible at a distance of 500 feet.

15 (3) Every headlamp upon every motor vehicle, including
16 every motorcycle, quadricycle, and every motor-driven cycle,
17 shall be located at a height, measured from the center of
18 the headlamp, of not more than 54 inches or less than 24
19 inches, to be measured as set forth in 61-9-202(2)."

20 Section 37. Section 61-9-205, MCA, is amended to read:

21 "61-9-205. New motor vehicles to be equipped with
22 reflectors. (1) Every new motor vehicle hereafter sold and
23 operated upon a highway, other than a truck tractor, shall
24 carry on the rear, either as a part of the taillamps or
25 separately, two red reflectors, except that every

1 motorcycle, quadricycle, and motor-driven cycle shall carry
2 at least one reflector meeting the requirements of this
3 section, and except that vehicles of the type mentioned in
4 61-9-208 shall be equipped with reflectors as required in
5 those sections applicable thereto.

6 (2) Every such reflector shall be mounted on the
7 vehicle at a height not less than 15 inches or more than 60
8 inches measured as set forth in 61-9-202(2) and shall be of
9 such size and characteristics and so mounted as to be
10 visible at night from all distances within 300 feet to 50
11 feet from such vehicle when directly in front of lawful
12 upper beams of headlamps, except that visibility from a
13 greater distance may be required of reflectors on certain
14 types of vehicles."

15 Section 38. Section 61-9-206, MCA, is amended to read:

16 "61-9-206. Stop lamps -- when required. From and after
17 January 1, 1956, it shall be unlawful for any person to sell
18 any new motor vehicle, including any motorcycle,
19 quadricycle, or motor-driven cycle, in this state or for any
20 person to drive such vehicle on the highways unless it is
21 equipped with at least one stop lamp meeting the
22 requirements of 61-9-218."

23 Section 39. Section 61-9-220, MCA, is amended to read:

24 "61-9-220. Multiple-beam road-lighting equipment.
25 Except as hereinafter provided, the headlamps or the

1 auxiliary driving lamp or the auxiliary passing lamp or
 2 combination thereof on motor vehicles other than
 3 motorcycles, quadricycles, or motor-driven cycles shall be
 4 so arranged that the driver may select at will between
 5 distributions of light projected to different elevations and
 6 such lamps may, in addition, be so arranged that such
 7 selection can be made automatically, subject to the
 8 following limitations:

9 (1) There shall be an uppermost distribution of light,
 10 or composite beam, so aimed and of such intensity as to
 11 reveal persons and vehicles at a distance of at least 350
 12 feet ahead for all conditions of loading.

13 (2) There shall be a lowermost distribution of light,
 14 or composite beam, so aimed and of sufficient intensity to
 15 reveal persons and vehicles at a distance of at least 100
 16 feet ahead; and on a straight level road under any condition
 17 of loading none of the high-intensity portion of the beam
 18 shall be directed to strike the eyes of an approaching
 19 driver.

20 (3) Every new motor vehicle, other than a motorcycle,
 21 quadricycle, or motor-driven cycle, registered in this state
 22 after January 1, 1956, which has multiple-beam road-lighting
 23 equipment shall be equipped with a beam indicator, which
 24 shall be lighted whenever the uppermost distribution of
 25 light from the headlamps is in use, and shall not otherwise

1 be lighted. Said indicator shall be so designed and located
 2 that when lighted it will be readily visible without glare
 3 to the driver of the vehicle so equipped."

4 Section 40. Section 61-9-225, MCA, is amended to read:

5 "61-9-225. Number of driving lamps required or
 6 permitted. (1) At all times specified in 61-9-201, at least
 7 two lighted lamps shall be displayed, one on each side at
 8 the front of every motor vehicle other than a motorcycle,
 9 quadricycle, or motor-driven cycle, except when such vehicle
 10 is parked, subject to the regulations governing lights on
 11 parked vehicles.

12 (2) Whenever a motor vehicle equipped with headlamps
 13 as herein required is also equipped with any auxiliary lamps
 14 or a spot lamp or any other lamp on the front thereof
 15 projecting a beam of intensity greater than 300 candlepower,
 16 not more than a total of four of any such lamps on the front
 17 of a vehicle shall be lighted at any one time when upon a
 18 highway."

19 Section 41. Section 61-9-303, MCA, is amended to read:

20 "61-9-303. Parking brakes -- adequacy. Every such
 21 vehicle and combination of vehicles, except motorcycles,
 22 quadricycles, and motor-driven cycles, shall be equipped
 23 with parking brakes adequate to hold the vehicle on any
 24 grade on which it is operated, under all conditions of
 25 loading, on a surface free from snow, ice, or loose

1 material. The parking brakes shall be capable of being
 2 applied in conformance with the foregoing requirements by
 3 the driver's muscular effort or by spring action or by
 4 equivalent means. Their operation may be assisted by the
 5 service brakes or other source of power provided that
 6 failure of the service brake actuation system or other power
 7 assisting mechanism will not prevent the parking brakes from
 8 being applied in conformance with the foregoing
 9 requirements. The parking brakes shall be so designed that
 10 when once applied they shall remain applied with the
 11 required effectiveness despite exhaustion of any source of
 12 energy or leakage of any kind. The same brake drums, brake
 13 shoes and lining assemblies, brake shoe anchors and
 14 mechanical brake shoe actuation mechanism normally
 15 associated with the wheel brake assemblies may be used for
 16 both the service brakes and the parking brakes. If the means
 17 of applying the parking brakes and the service brakes are
 18 connected in any way, they shall be so constructed that
 19 failure of any one part shall not leave the vehicle without
 20 operative brakes."

21 Section 42. Section 61-9-304, MCA, is amended to read:

22 "61-9-304. Brakes required on all wheels --
 23 exceptions. Every vehicle shall be equipped with brakes
 24 acting on all wheels except:

25 (1) trailers, semitrailers, pole trailers of a gross

1 weight not exceeding 3,000 pounds, provided that:

2 (a) the total weight on and including the wheels of
 3 the trailer or trailers shall not exceed 40% of the gross
 4 weight of the towing vehicle when connected to the trailer
 5 or trailers; and

6 (b) the combination of vehicles consisting of the
 7 towing vehicle and its total towed load is capable of
 8 complying with the performance requirements of 61-9-312;

9 (2) any vehicle being towed in driveway or towaway
 10 operations, provided the combination of vehicles is capable
 11 of complying with the performance requirements of 61-9-312;

12 (3) trucks and truck tractors having three or more
 13 axles need not have brakes on the front wheels, except that
 14 when such vehicles are equipped with at least two steerable
 15 axles, the wheels of one steerable axle need not have
 16 brakes. However, such trucks and truck tractors must be
 17 capable of complying with the performance requirements of
 18 61-9-312.

19 (4) special mobile equipment as defined in 61-1-104;

20 (5) the wheel of a sidecar attached to a motorcycle or
 21 to a motor-driven cycle, or the front wheel of a
 22 motor-driven cycle need not be equipped with brakes,
 23 ~~provided that such~~ However, a quadricycle, motorcycle, or
 24 motor-driven cycle ~~is~~ must be capable of complying with the
 25 performance requirements of 61-9-312."

1 Section 43. Section 61-9-309, MCA, is amended to read:
 2 "61-9-309. Single control to operate all brakes. After
 3 January 1, 1966, every motor vehicle, trailer, semitrailer,
 4 and pole trailer, and every combination of such vehicles,
 5 except motorcycles, quadricycles, and motor-driven cycles,
 6 equipped with brakes shall have the braking system so
 7 arranged that one control device can be used to operate all
 8 service brakes. This requirement does not prohibit vehicles
 9 from being equipped with an additional control device to be
 10 used to operate brakes on the towed vehicles. This
 11 regulation does not apply to driveaway or towaway operations
 12 unless the brakes on the individual vehicles are designed to
 13 be operated by a single control on the towing vehicle."

14 Section 44. Section 61-9-312, MCA, is amended to read:
 15 "61-9-312. Performance ability of brakes. (1) Every
 16 motor vehicle and combination of vehicles, at all times and
 17 under all conditions of loading, upon application of the
 18 service brake, shall be capable of:

- 19 (a) developing a braking force that is not less than
- 20 the percentage of its gross weight tabulated in subsection
- 21 (3) for its classification;
- 22 (b) decelerating to a stop from not more than 20 miles
- 23 per hour at not less than the feet per second per second
- 24 tabulated in subsection (3) for its classification; and
- 25 (c) stopping from a speed of 20 miles per hour in not

1 more than the distance tabulated in subsection (3) for its
 2 classification, such distance to be measured from the point
 3 at which movement of the service brake pedal or control
 4 begins.

5 (2) Tests for deceleration and stopping distance shall
 6 be made on a substantially level (not to exceed plus or
 7 minus 1% grade), dry, smooth, hard surface that is free from
 8 loose material.

9 (3)

10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
		Braking force	Deceleration	Brake system				application and							
		as a percentage	in feet	braking distance				in feet from an							
		of gross vehicle	per second	initial speed of				twenty (20)							
		or combination	per second	miles per hour											
		weight	per second												
		Classification of Vehicles													
	A	Passenger vehicles with a seating capacity of ten (10)													
		people or less including driver, not having a													
		manufacturer's gross vehicle weight rating.....													
			52.8%	17	25										
	B-1	All motorcycles, <u>quadricycles</u> , and motor-driven cycles..													
			43.5%	14	30										
	B-2	Single unit vehicles with a manufacturer's gross vehicle													
		weight rating of than ten thousand (10,000) pounds or													

1	less.....	43.5%	14	30
2	C-1 Single unit vehicles with a manufacturer's gross weight			
3	rating of more than ten thousand (10,000) pounds.....			
4	.....	43.5%	14	40
5	C-2 Combination of a two-axle towing vehicle and a trailer			
6	with a gross trailer weight of three thousand (3,000)			
7	pounds or less.....	43.5%	14	40
8	C-3 Buses, regardless of the number of axles, not having a			
9	manufacturer's gross weight rating.....			
10	.....	43.5%	14	40
11	C-4 All combinations of vehicles in driveaway-towaway			
12	operations.....	43.5%	14	40
13	D All other vehicles and combinations of vehicles.....			
14	.....	43.5%	14	50"

15 Section 45. Section 61-9-417, MCA, is amended to read:
 16 "61-9-417. Headgear required for minor motorcycle
 17 riders. An operator and passenger under 18 years of age of
 18 any motorcycle or quadricycle operated upon the streets or
 19 highways of this state shall wear protective headgear upon
 20 the head. The headgear shall meet standards established by
 21 the department of justice."

22 Section 46. Section 61-9-418, MCA, is amended to read:
 23 "61-9-418. Motorcycle noise suppression devices. All
 24 motorcycles or quadricycles operated on the streets and
 25 highways of this state shall be equipped at all times with

1 noise suppression devices, including an exhaust muffler, in
 2 good working order and in constant operation. In addition,
 3 all motorcycles and quadricycles operating on streets and
 4 highways shall meet the following noise decibel limitations,
 5 on the standard A scale, such decibel limitations to be
 6 measured at 50 feet distant from the closest point to the
 7 motorcycle or quadricycle:

- 8 (1) any motorcycle cycle manufactured prior to 1970
 9 92 db(A)
- 10 (2) any motorcycle cycle manufactured after 1969
 11 but prior to 1973 88 db(A)
- 12 (3) any motorcycle cycle manufactured after 1972
 13 but prior to 1975 86 db(A)
- 14 (4) any motorcycle cycle manufactured after 1974
 15 but prior to 1978 80 db(A)
- 16 (5) any motorcycle cycle manufactured after 1977
 17 but prior to 1988 75 db(A)
- 18 (6) any motorcycle cycle manufactured after 1987
 19 70 db(A)"

20 Section 47. Section 61-9-421, MCA, is amended to read:
 21 "61-9-421. Certain vehicles excepted. Section 61-9-420
 22 is not applicable to a vehicle that:

- 23 (1) is a motorbus, schoolbus, taxicab, moped,
 24 quadricycle, or motorcycle or is not required to be equipped
 25 with safety belts under 49 CFR 571 as it reads on January 1,

1 1984; or

2 (2) has a seating capacity as designated by the
3 manufacturer of two persons and there are two persons 4
4 years of age or older in the vehicle."

5 NEW SECTION. Section 48. Codification instruction.

6 (1) Section 1 is intended to be codified as an integral part
7 of Title 61, chapter 1, part 1, and the provisions of Title
8 61 apply to section 1.

9 (2) Sections 2 and 3 are intended to be codified as an
10 integral part of Title 61, chapter 3, part 5, and the
11 provisions of Title 61 apply to sections 2 and 3.

12 NEW SECTION. Section 49. Extension of authority. Any
13 existing authority of the departments of revenue, highways,
14 or justice to make rules on the subject of the provisions of
15 this act is extended to the provisions of this act.

16 NEW SECTION. Section 50. Effective date. This act is
17 effective January 1, 1986.

-End-

STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNN071-85

Form **BD-15**

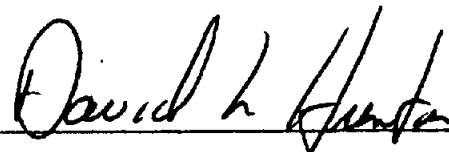
In compliance with a written request received January 11, 19 85, there is hereby submitted a Fiscal Note for H.B. 101 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION

An act to generally revise the laws relating to motorcycles; replacing the present taxation of motorcycles with a fee in lieu of tax; defining "quadricycle"; making motorcycle laws applicable to quadricycles and providing an effective date.

ASSUMPTIONS

1. There are 18,589 (6,951 under 5 years old) tax paid motorcycles registered in Montana as reported by the Division of Motor Vehicles (DMV).
2. The distribution by age of quadricycles would be proportional to that of motorcycles as reported by DMV.
3. There are approximately 1,200 nonexempt golf carts and 100 4 wheel ATV's in Montana; the market value of each is \$900.
4. The taxable value of motorcycles in FY1984 was \$1,811,383.
5. University mill levy is 6 mills; School Foundation Program mill levy is 45 mills; the average mill levy in a Montana city in FY1984 was 275 mills.
6. Class eight property which includes ATV's, motorcycles, and golf carts is taxed at 11% of market value.
7. Motorcycle and quadricycle fees are distributed on the basis of relative mill levies.
8. Number of motorcycles and quadricycles assumed constant over 1986 - 1987 biennium.
9. The proposed fee system will effect all motorcycles and quadricycles during FY1986 and FY1987.



BUDGET DIRECTOR
Office of Budget and Program Planning

Date:

Jan 14 1985

Request No. FNN071-85

Form BD-15

Page 2

H.B. 101

EFFECT ON REVENUE

	<u>Under</u> <u>Current Law</u>	<u>FY86</u> <u>Under</u> <u>Proposed Law</u>	<u>Estimated</u> <u>(Decrease)</u>	<u>Under</u> <u>Current Law</u>	<u>FY87</u> <u>Under</u> <u>Proposed Law</u>	<u>Estimated</u> <u>(Decrease)</u>
School Foundation Program (45 mills)	\$87,304	\$55,294	(\$32,010)	\$87,304	\$55,294	(\$32,010)
University System (6 mills)	<u>\$11,640</u>	<u>\$ 7,373</u>	<u>(\$ 4,267)</u>	<u>\$11,640</u>	<u>\$ 7,373</u>	<u>(\$ 4,267)</u>
TOTAL REVENUE	<u>\$98,944</u>	<u>\$62,667</u>	<u>(\$36,277)</u>	<u>\$98,944</u>	<u>\$62,667</u>	<u>(\$36,277)</u>

EFFECT ON COUNTY REVENUE

Revenue from Motorcycles and Quadricycles

	<u>FY 86</u>	<u>FY 87</u>
Property Tax under current law	<u>\$434,579</u>	<u>\$434,579</u>
Registration under proposed law	<u>\$275,243</u>	<u>\$275,243</u>
Estimated Decrease	<u>\$159,336</u>	<u>\$159,336</u>

LONG-RANGE EFFECTS

Future revenue will depend on the number and distribution by age of motorcycles and quadricycles.

FISCAL NOTE

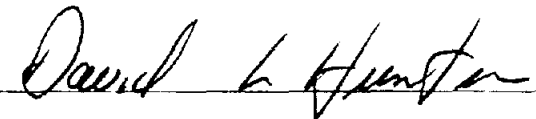
In compliance with a written request received February 2 19 85, there is hereby submitted a Fiscal Note for H.B. 101 (Amended) pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION:

An act to generally revise the laws relating to motorcycles; replacing the present taxation of motorcycles with a fee in lieu of tax; defining "quadricycle"; making motorcycle laws applicable to quadricycles and providing an effective date.

ASSUMPTIONS:

1. There are 18,589 (6,497 under 5 years old) tax paid motorcycles registered in Montana as reported by the Division of Motor Vehicles (DMV).
2. 54% of all motorcycles are 500cc in size or less; 46% are over 500cc. (Motor Vehicle Division)
3. The distribution by age of quadricycles would be proportional to that of motorcycles as reported by DMV.
4. 100% of quadricycles are less than 500cc in size.
5. There are approximately 300 4 wheel ATVs in Montana (revised estimate from Department of Revenue); the market value of each is \$900.
6. The taxable value of motorcycles in FY1984 is \$1,811,383 (held constant in FY1986 and FY1987).
7. The University mill levy is 6 mills; School Foundation Program mill levy is 45 mills; the average levy for a Montana city is 275 mills.
8. Class eight property, which includes motorcycles and quadricycles, is taxed at 11% of market value.
9. Motorcycle and quadricycle fees are distributed on the basis of relative mill levies.
10. The proposed fee system will effect all motorcycles and quadricycles during FY1986 and FY1987.



BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Feb 7, 1985

EXPENDITURES

	<u>Under Current Law</u>	<u>FY86 Under Proposed Law</u>	<u>Estimated Increase</u>	<u>Under Current Law</u>	<u>FY87 Under Proposed Law</u>	<u>Estimated Increase</u>
School Foundation Program (45 mills)	\$ 82,849	\$ 89,180	\$ 6,331	\$ 82,849	\$ 89,180	\$ 6,331
University System (6 mills)	<u>11,046</u>	<u>11,891</u>	<u>845</u>	<u>11,046</u>	<u>11,891</u>	<u>845</u>
TOTAL REVENUE	\$ 93,895	\$101,071	\$ 7,176	\$ 93,895	\$101,071	\$ 7,176
NET EFFECT	\$ 93,895	\$101,071	\$ 7,176	\$ 93,895	\$101,071	\$ 7,176

EFFECT ON COUNTY REVENUE:

Revenue from Motorcycles and Quadricycles

	<u>FY 1986</u>	<u>FY1987</u>
Property Tax under current law	\$412, 03	\$412,403
Fees under proposed law	<u>443,918</u>	<u>443,918</u>
Estimated Increase	\$ 31,515	\$ 31,515

LONG-RANGE EFFECTS:

Future revenue will depend on the number and distribution by age and size of motorcycles and quadricycles.

STATE OF MONTANA

Second Amended
REQUEST NO. FNN 071-85

FISCAL NOTE

Form BD-15

In compliance with a written request received March 23, 19 85, there is hereby submitted a Fiscal Note for H.B. 101 Amended 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 OF PROPOSED LEGISLATION:

An act to generally revise the laws relating to motorcycles; replacing the present taxation of motorcycles with a fee in lieu of tax; defining "quadricycle"; making motorcycle laws applicable to quadricycles and providing an effective date.

ASSUMPTIONS:

1. There are 18,589 tax paid motorcycles registered in Montana as reported by the Division of Motor Vehicles.
2. 33 1/3% of all motorcycles are less than four years old; 33 1/3% of all motorcycles are between 4 and 8 years old; 33 1/3 of all motorcycles are over 8 years old. ((Department of Revenue (DOR) estimate))
3. 20% of all motorcycles are under 200cc in size; 60% of all motorcycles are between 200cc and 750cc in size; 20% of all motorcycles are over 750cc in size. (DOR estimates)
4. 66 2/3% of all quadricycles are smaller than 200cc; 33 1/3% of all quadricycles are larger than 200cc in size. (DOR estimate)
5. There are approximately 300 ATV quadricycles in Montana, all are under 4 years old; the market value of each is \$900.
6. The taxable value of motorcycles in FY1984 is \$1,811,383 (held constant in FY1986 and FY1987).
7. The University Mill levy is 6 mills; the School Foundation mill levy is 45 mills; the average levy for a Montana city is 275 mills.
8. Class eight property, which includes motorcycles and quadricycles, is taxed at 11% of market value.
9. Fees are distributed on the basis of relative mill levies.
10. The proposed system will affect all motorcycles and quadricycles during FY1986 and FY1987.

David L. Hunter

BUDGET DIRECTOR
Office of Budget and Program Planning

Date: March 25, 1985
HB 101 Amend

FISCAL IMPACT:

	<u>FY86</u>			<u>FY87</u>		
	<u>Under Current Law</u>	<u>Under Proposed Law</u>	<u>Estimated (Decrease)</u>	<u>Under Current Law</u>	<u>Under Proposed Law</u>	<u>Estimated (Decrease)</u>
School Foundation Program (45 mills)	\$82,849	\$77,827	(\$5,022)	\$82,849	\$77,827	(\$5,022)
University System (6 mills)	\$11,046	\$10,377	(\$ 669)	\$11,046	\$10,377	(\$ 669)
TOTAL REVENUE	\$93,895	\$88,204	(\$5,691)	\$93,895	\$88,204	(\$5,691)

EFFECT ON COUNTY OR OTHER LOCAL REVENUE:

Revenue from Motorcycles and Quadricycles

	<u>FY 86</u>	<u>FY 87</u>
Property Tax under current law	\$412,403	\$412,403
Fees under proposed law	\$387,408	\$387,408
Estimated Increase (Decrease)	(\$ 24,995)	(\$ 24,995)

LONG-RANGE EFFECTS:

Future revenue will depend on the number and distribution by age and size, of motorcycles and quadricycles and the effects of inflation on the flat fee schedule.

Taxation Committee recommend do not pass-objection to adverse committee report

1 HOUSE BILL NO. 101
 2 INTRODUCED BY D. BROWN, MARKS
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE
 5 LAWS RELATING TO MOTORCYCLES; REPLACING THE PRESENT TAXATION
 6 OF MOTORCYCLES WITH A FEE IN LIEU OF TAX; DEFINING
 7 "QUADRICYCLE"; MAKING MOTORCYCLE LAWS APPLICABLE TO
 8 QUADRICYCLES; AMENDING SECTIONS 15-6-138, 15-6-201,
 9 15-8-111, 15-8-201, 15-8-202, 15-24-301, 15-30-121,
 10 15-31-114, 15-50-207, 31-1-202, 45-6-308, 61-3-301,
 11 61-3-303, 61-3-313, 61-3-321, 61-3-332, 61-3-402, 61-3-403,
 12 61-3-501, 61-3-503, 61-3-504, 61-3-509, 61-3-701, 61-4-101
 13 THROUGH 61-4-103, 61-5-106, 61-5-107, 61-5-110, 61-5-111,
 14 61-6-303, 61-8-359, 61-9-203, 61-9-205, 61-9-206, 61-9-220,
 15 61-9-225, 61-9-303, 61-9-304, 61-9-309, 61-9-312, 61-9-417,
 16 61-9-418, AND 61-9-421, MCA; AND PROVIDING AN EFFECTIVE
 17 DATE."

18
 19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 20 NEW SECTION. Section 1. Quadricycle. "Quadricycle"
 21 means a four-wheeled motor vehicle, designed for on-road or
 22 off-road use, having a seat or saddle upon which the
 23 operator sits and a motor of less than 300 cubic centimeters
 24 capable of producing not more than 35 horsepower. THE TERM
 25 DOES NOT INCLUDE GOLF CARTS.

1 NEW SECTION. Section 2. Fee in lieu of tax for
 2 motorcycles and quadricycles. (1) There is a fee in lieu of
 3 property tax imposed on motorcycles and quadricycles. The
 4 fee is in addition to annual registration fees.

5 (2) The fee imposed by subsection (1) need not be paid
 6 by a dealer for vehicles that constitute inventory of the
 7 dealership.

8 NEW SECTION. Section 3. Schedule of fees for
 9 motorcycles and quadricycles. (1) The owner of a motorcycle
 10 or quadricycle shall pay a fee based on the age AND ENGINE
 11 SIZE of the vehicle as follows:

12	less-than-5-years-old-----	\$30
13	5-years-old-and-older-----	\$10
14		<u>500CC</u> <u>MORE THAN</u>
15		<u>OR LESS</u> <u>500CC</u>
16	<u>LESS THAN 5 YEARS OLD</u>	<u>\$32.50</u> <u>\$52.50</u>
17	<u>5 YEARS OLD OR OVER</u>	<u>17.50</u> <u>27.50</u>

18 (2) The age of a motorcycle or quadricycle is
 19 determined by subtracting the manufacturer's designated
 20 model year from the current calendar year.

21 Section 4. Section 15-6-138, MCA, is amended to read:
 22 "15-6-138. Class eight property -- description --
 23 taxable percentage. (1) Class eight property includes:

- 24 (a) all agricultural implements and equipment;
- 25 (b) all mining machinery, fixtures, equipment, tools,



1 and supplies except:

2 (i) those included in class five; and

3 (ii) coal and ore haulers;

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

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

6 ~~(d) motorcycles;~~

7 ~~(e)~~(d) watercraft;

8 ~~(f)~~(e) all trailers up to and including 18,000 pounds

9 maximum gross loaded weight, except those subject to a fee

10 in lieu of property tax;

11 ~~(g)~~(f) aircraft;

12 ~~(h)~~(g) all-terrain vehicles not registered under

13 61-3-301;

14 ~~(i)~~(h) harness, saddlery, and other tack equipment;

15 ~~(j)~~(i) all goods and equipment intended for rent or

16 lease, except goods and equipment specifically included and

17 taxed in another class; and

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

19 included in another class.

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

21 value."

22 Section 5. Section 15-6-201, MCA, is amended to read:

23 "15-6-201. Exempt categories. (1) The following

24 categories of property are exempt from taxation:

25 (a) the property of:

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

2 towns, school districts;

3 (ii) irrigation districts organized under the laws of

4 Montana and not operating for profit;

5 (iii) municipal corporations; and

6 (iv) public libraries;

7 (b) buildings, with land they occupy and furnishings

8 therein, owned by a church and used for actual religious

9 worship or for residences of the clergy, together with

10 adjacent land reasonably necessary for convenient use of

11 such buildings;

12 (c) property used exclusively for agricultural and

13 horticultural societies, for educational purposes, and for

14 hospitals;

15 (d) property that meets the following conditions:

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

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

18 21;

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

20 cemetery or cemeteries for which a permanent care and

21 improvement fund has been established as provided for in

22 Title 35, chapter 20, part 3; and

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

24 corporate profit;

25 (e) institutions of purely public charity;

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

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

5 (h) all household goods and furniture, including but
6 not limited to clocks, musical instruments, sewing machines,
7 and wearing apparel of members of the family, used by the
8 owner for personal and domestic purposes or for furnishing
9 or equipping the family residence;

10 (i) a truck canopy cover or topper weighing less than
11 300 pounds and having no accommodations attached. Such
12 property is also exempt from the fee in lieu of tax.

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

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

17 (l) motorcycles and quadricycles;

18 ~~(m)~~ fixtures, buildings, and improvements owned by
19 a cooperative association or nonprofit corporation organized
20 to furnish potable water to its members or customers for
21 uses other than the irrigation of agricultural land;

22 ~~(n)~~ 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; and

2 ~~(o)~~ property owned and used by a corporation or
3 association organized and operated exclusively for the care
4 of the developmentally disabled, mentally ill, or
5 vocationally handicapped as defined in 18-5-101, which is
6 not operated for gain or profit.

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

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

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

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

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

25 Section 6. Section 15-8-111, MCA, is amended to read:

1 "15-8-111. Assessment -- market value standard --
 2 exceptions. (1) All taxable property must be assessed at
 3 100% of its market value except as provided in subsection
 4 (5) of this section and in 15-7-111 through 15-7-114.

5 (2) (a) Market value is the value at which property
 6 would change hands between a willing buyer and a willing
 7 seller, neither being under any compulsion to buy or to sell
 8 and both having reasonable knowledge of relevant facts.

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

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

24 (4) The taxable value for all property in classes four
 25 through eleven is the percentage of market value established

1 for each class of property in 15-6-134 through 15-6-141.

2 (5) The assessed value of properties in 15-6-131
 3 through 15-6-133 is as follows:

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

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

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

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

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

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

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

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

24 Section 7. Section 15-8-201, MCA, is amended to read:

25 "15-8-201. General assessment day. (1) The department

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

12 (2) The procedure provided by this section may not
 13 apply to:

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

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

19 (c) motor homes and travel trailers subject to a fee
 20 in lieu of property tax;

21 (d) motorcycles and quadricycles;

22 (d)(e) livestock;

23 (e)(f) property defined in 61-1-104(2) as "special
 24 mobile equipment" that is subject to assessment for personal
 25 property taxes on the date that application is made for a

1 special mobile equipment plate; and

2 (f)(g) mobile homes held by a distributor or dealer of
 3 mobile homes as a part of his stock in trade.

4 (3) Credits must be assessed as provided in
 5 15-1-101(1)(c)."

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

7 "15-8-202. Motor vehicle assessment. (1) (a) The
 8 department or its agent must, in each year, ascertain and
 9 assess all motor vehicles other than automobiles, trucks
 10 having a rated capacity of three-quarters of a ton or less,
 11 motorcycles, quadricycles, motor homes, travel trailers, or
 12 mobile homes in each county subject to taxation as of
 13 January 1 or as of the anniversary registration date of
 14 those vehicles subject to 61-3-313 through 61-3-316 and
 15 61-3-501. The assessment for all motor vehicles will be made
 16 using the market value as of January 1 of the year of
 17 assessment of the vehicle as contained in the most recent
 18 volume of the Mountain States Edition of the National
 19 Automobile Dealers Association Official Used Car Guide. The
 20 motor vehicles shall be assessed in each year to the persons
 21 by whom owned or claimed or in whose possession or control
 22 they were at midnight of January 1 or the anniversary
 23 registration date thereof, whichever is applicable.

24 (b) No tax may be assessed against motor vehicles
 25 subject to taxation that constitute inventory of motor

1 vehicle dealers as of January 1. These vehicles and all
2 other motor vehicles subject to taxation brought into the
3 state subsequent to January 1 as motor vehicle dealers'
4 inventories shall be assessed to their respective purchasers
5 as of the dates the vehicles are registered by the
6 purchasers.

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

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

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

19 Section 9. Section 15-24-301, MCA, is amended to read:
20 "15-24-301. Personal property brought into the state
21 -- assessment -- exceptions -- custom combine equipment. (1)
22 Except as provided in subsections (2) through (6), property
23 in the following cases is subject to taxation and assessment
24 for all taxes levied that year in the county in which it is
25 located:

1 (a) any personal property (including livestock)
2 brought, driven, or coming into this state at any time
3 during the year that is used in the state for hire,
4 compensation, or profit;

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

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

9 (2) The taxes on this property are levied in the same
10 manner and to the same extent, except as otherwise provided,
11 as though the property had been in the county on the regular
12 assessment date, provided that the property has not been
13 regularly assessed for the year in some other county of the
14 state.

15 (3) Nothing in this section shall be construed to levy
16 a tax against a merchant or dealer within this state on
17 goods, wares, or merchandise brought into the county to
18 replenish the stock of the merchant or dealer.

19 (4) Any motor vehicle not subject to the light vehicle
20 license fee or a fee in lieu of tax brought, driven, or
21 coming into this state by any nonresident person temporarily
22 employed in Montana and used exclusively for transportation
23 of such person is subject to taxation and assessment for
24 taxes as follows:

25 (a) The motor vehicle is taxed by the county in which

1 it is located.

2 (b) One-fourth of the annual tax liability of the
3 motor vehicle must be paid for each quarter or portion of a
4 quarter of the year that the motor vehicle is located in
5 Montana.

6 (c) The quarterly taxes are due the first day of the
7 quarter.

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

15 (6) The provisions of this part do not apply to
16 automobiles and trucks having a rated capacity of
17 three-quarters of a ton or less, motorcycles, or
18 quadricycles. These vehicles are subject to the fee provided
19 for in 61-3-532 or [section 2]."

20 Section 10. Section 15-30-121, MCA, is amended to
21 read:

22 "15-30-121. Deductions allowed in computing net
23 income. In computing net income, there are allowed as
24 deductions:

25 (1) the items referred to in sections 161 and 211 of

1 the Internal Revenue Code of 1954, or as sections 161 and
2 211 shall be labeled or amended, subject to the following
3 exceptions which are not deductible:

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

5 (b) state income tax paid;

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

7 (3) child and dependent care expenses determined in
8 accordance with the provisions of section 214 of the
9 Internal Revenue Code of 1954 that were in effect for the
10 taxable year that began January 1, 1974, except that:

11 (a) the limitation set forth in section 214(e)(4) of
12 the Internal Revenue Code of 1954 as that section was in
13 effect for the taxable year that began January 1, 1974,
14 applies only to payments made to a child of the taxpayer who
15 is under 19 years of age at the close of the taxable year
16 and to payments made to an individual with respect to whom a
17 deduction is allowable under 15-30-112(5) to the taxpayer or
18 the taxpayer's spouse;

19 (b) the limitation set forth in section 214(e)(1) of
20 the Internal Revenue Code of 1954 as that section was in
21 effect for the taxable year that began January 1, 1974, does
22 not apply when the taxpayers file separately on the same
23 form; and

24 (c) the deduction for child and dependent care
25 expenses shall be divided equally between the taxpayers;

1 (4) in the case of an individual, political
 2 contributions determined in accordance with the provisions
 3 of section 218(a) and (b) of the Internal Revenue Code that
 4 were in effect for the taxable year ended December 31, 1978;

5 (5) that portion of expenses for organic fertilizer
 6 allowed as a deduction under 15-32-303 which was not
 7 otherwise deducted in computing taxable income;

8 (6) light vehicle license fees, as provided by
 9 61-3-532, paid during the taxable year;

10 (7) fees in lieu of taxes on motorcycles and
 11 quadracycles, as provided by [section 2], paid during the
 12 taxable year."

13 Section 11. Section 15-31-114, MCA, is amended to
 14 read:

15 "15-31-114. Deductions allowed in computing income. In
 16 computing the net income, the following deductions shall be
 17 allowed from the gross income received by such corporation
 18 within the year from all sources:

19 (1) All the ordinary and necessary expenses paid or
 20 incurred during the taxable year in the maintenance and
 21 operation of its business and properties, including
 22 reasonable allowance for salaries for personal services
 23 actually rendered, subject to the limitation hereinafter
 24 contained, rentals or other payments required to be made as
 25 a condition to the continued use or possession of property

1 to which the corporation has not taken or is not taking
 2 title or in which it has no equity. No deduction shall be
 3 allowed for salaries paid upon which the recipient thereof
 4 has not paid Montana state income tax; provided, however,
 5 that where domestic corporations are taxed on income derived
 6 from without the state, salaries of officers paid in
 7 connection with securing such income shall be deductible.

8 (2) (a) All losses actually sustained and charged off
 9 within the year and not compensated by insurance or
 10 otherwise, including a reasonable allowance for the wear and
 11 tear and obsolescence of property used in the trade or
 12 business, such allowance to be determined according to the
 13 provisions of section 167 of the Internal Revenue Code in
 14 effect with respect to the taxable year. All elections for
 15 depreciation shall be the same as the elections made for
 16 federal income tax purposes. No deduction shall be allowed
 17 for any amount paid out for any buildings, permanent
 18 improvements, or betterments made to increase the value of
 19 any property or estate, and no deduction shall be made for
 20 any amount of expense of restoring property or making good
 21 the exhaustion thereof for which an allowance is or has been
 22 made.

23 (b) (i) There shall be allowed as a deduction for the
 24 taxable period a net operating loss deduction determined
 25 according to the provisions of this subsection. The net

1 operating loss deduction is the aggregate of net operating
 2 loss carryovers to such taxable period plus the net
 3 operating loss carrybacks to such taxable period. The term
 4 "net operating loss" means the excess of the deductions
 5 allowed by this section, 15-31-114, over the gross income,
 6 with the modifications specified in (ii) of this subsection.
 7 If for any taxable period beginning after December 31, 1970,
 8 a net operating loss is sustained, such loss shall be a net
 9 operating loss carryback to each of the three taxable
 10 periods preceding the taxable period of such loss and shall
 11 be a net operating loss carryover to each of the five
 12 taxable periods following the taxable period of such loss. A
 13 net operating loss for any taxable period ending after
 14 December 31, 1975, in addition to being a net operating loss
 15 carryback to each of the three preceding taxable periods,
 16 shall be a net operating loss carryover to each of the seven
 17 taxable periods following the taxable period of such loss.
 18 The portion of such loss which shall be carried to each of
 19 the other taxable years shall be the excess, if any, of the
 20 amount of such loss over the sum of the net income for each
 21 of the prior taxable periods to which such loss was carried.
 22 For purposes of the preceding sentence, the net income for
 23 such prior taxable period shall be computed with the
 24 modifications specified in (ii)(B) of this subsection and by
 25 determining the amount of the net operating loss deduction

1 without regard to the net operating loss for the loss period
 2 or any taxable period thereafter, and the net income so
 3 computed shall not be considered to be less than zero.

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

6 (A) No net operating loss deduction shall be allowed.
 7 (B) The deduction for depletion shall not exceed the
 8 amount which would be allowable if computed under the cost
 9 method.

10 (C) Any net operating loss carried over to any taxable
 11 years beginning after December 31, 1978, must be calculated
 12 under the provisions of this section effective for the
 13 taxable year for which the return claiming the net operating
 14 loss carryover is filed.

15 (iii) A net operating loss deduction shall be allowed
 16 only with regard to losses attributable to the business
 17 carried on within the state of Montana.

18 (iv) In the case of a merger of corporations, the
 19 surviving corporation shall not be allowed a net operating
 20 loss deduction for net operating losses sustained by the
 21 merged corporations prior to the date of merger. In the case
 22 of a consolidation of corporations, the new corporate entity
 23 shall not be allowed a deduction for net operating losses
 24 sustained by the consolidated corporations prior to the date
 25 of consolidation.

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

4 (vi) The net operating loss deduction shall not be
5 allowed with respect to taxable periods which ended on or
6 before December 31, 1970, but shall be allowed only with
7 respect to taxable periods beginning on or after January 1,
8 1971.

9 (3) In the case of mines, other natural deposits, oil
10 and gas wells, and timber, a reasonable allowance for
11 depletion and for depreciation of improvements; such
12 reasonable allowance to be determined according to the
13 provisions of the Internal Revenue Code in effect for the
14 taxable year. All elections made under the Internal Revenue
15 Code with respect to capitalizing or expensing exploration
16 and development costs and intangible drilling expenses for
17 corporation license tax purposes shall be the same as the
18 elections made for federal income tax purposes.

19 (4) The amount of interest paid within the year on its
20 indebtedness incurred in the operation of the business from
21 which its income is derived; but no interest shall be
22 allowed as a deduction if paid on an indebtedness created
23 for the purchase, maintenance, or improvement of property or
24 for the conduct of business unless the income from such
25 property or business would be taxable under this part.

1 (5) (a) Taxes paid within the year, except the
2 following:

3 (i) Taxes imposed by this part.

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

6 (iii) Taxes on or according to or measured by net
7 income or profits imposed by authority of the government of
8 the United States.

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

11 (b) Taxes deductible under this part shall be
12 construed to include taxes imposed by any county, school
13 district, or municipality of this state.

14 (6) Light vehicle license fees, as provided by
15 61-3-532, and fees in lieu of taxes for motorcycles and
16 quadricycles, as provided by [section 2], paid within the
17 year.

18 (7) That portion of an energy-related investment
19 allowed as a deduction under 15-32-103.

20 (8) (a) Except as provided in subsection (b),
21 charitable contributions and gifts that qualify for
22 deduction under section 170 of the Internal Revenue Code, as
23 amended.

24 (b) The public service commission shall not allow in
25 the rate base of a regulated corporation the inclusion of

1 contributions made under this subsection.

2 (9) In lieu of the deduction allowed under subsection
3 (8), the taxpayer may deduct the fair market value, not to
4 exceed 30% of the taxpayer's net income, of a computer or
5 other sophisticated technological equipment or apparatus
6 intended for use with the computer donated to an elementary,
7 secondary, or accredited postsecondary school located in
8 Montana if:

9 (a) the contribution is made no later than 5 years
10 after the manufacture of the donated property is
11 substantially completed;

12 (b) the property is not transferred by the donee in
13 exchange for money, other property, or services; and

14 (c) the taxpayer receives a written statement from the
15 donee in which the donee agrees to accept the property and
16 representing that the use and disposition of the property
17 will be in accordance with the provisions of (b) of this
18 subsection (9)."

19 Section 12. Section 15-50-207, MCA, is amended to
20 read:

21 "15-50-207. Credit against other taxes -- credit for
22 personal property taxes and certain fees. (1) The additional
23 license fees withheld or otherwise paid as provided herein
24 may be used as a credit on the contractor's corporation
25 license tax provided for in chapter 31 of this title or on

1 the contractor's income tax provided for in chapter 30,
2 depending upon the type of tax the contractor is required to
3 pay under the laws of the state.

4 (2) Personal property taxes, fees in lieu of taxes on
5 motorcycles or quadricycles, or light vehicle license fees,
6 as provided by 61-3-532, paid in Montana on any personal
7 property of the contractor which is used in the business of
8 the contractor and is located within this state may be
9 credited against the license fees required under this
10 chapter. However, in computing the tax credit allowed by
11 this section against the contractor's corporation license
12 tax or income tax, the personal property tax or light
13 vehicle license fee credit against the license fees herein
14 required shall not be considered as license fees paid for
15 the purpose of such income tax or corporation license tax
16 credit."

17 Section 13. Section 31-1-202, MCA, is amended to read:

18 "31-1-202. Definitions. (1) Unless the context
19 requires otherwise, in this part the following definitions
20 apply:

21 (a) "Cash sale price" means the price stated in a
22 retail installment contract or in a sales slip or other
23 memorandum furnished by a retail seller to a retail buyer
24 under or in connection with a retail charge account
25 agreement for which the seller would have sold or furnished

1 to the buyer and the buyer would have bought or obtained
 2 from the seller the goods or services which are the subject
 3 matter of the retail installment transaction, if the sale
 4 had been a sale for cash. The cash sale price may include
 5 any taxes, registration, certificate of title, license, and
 6 official fees and cash sale prices for services, if any, and
 7 for accessories and their installation and for delivering,
 8 servicing, repairing, or improving the goods.

9 (b) "Department" means the department of commerce
 10 provided for in Title 2, chapter 15, part 18.

11 (c) "Finance charge" means the amount, as limited by
 12 31-1-241, in addition to the principal balance, agreed upon
 13 between the buyer and the seller, to be paid by the buyer
 14 for the privilege of purchasing goods or services to be paid
 15 for by the buyer in one or more deferred installments.

16 (d) "Goods" means all chattels personal, including
 17 motor vehicles and merchandise certificates or coupons
 18 exchangeable for chattels personal but not including money
 19 or things in action. The term includes goods which, at the
 20 time of the sale or subsequently, are to be so affixed to
 21 realty as to become a part thereof, whether or not severable
 22 from it.

23 (e) "Holder" means the retail seller of the goods or
 24 services under the retail installment contract or retail
 25 charge account agreement or a person who establishes and

1 administers retail charge account agreements with retail
 2 buyers; the assignee, if the retail installment contract or
 3 the retail charge account agreement or the balance in the
 4 account under either has been sold or otherwise transferred;
 5 or any other person entitled to the rights of the retail
 6 seller under any retail installment contract or any retail
 7 charge account agreement.

8 (f) "Manufactured structure" means any structure,
 9 transportable in one or more sections, designed to be used
 10 as a single-family dwelling or commercial building with or
 11 without a permanent foundation when connected to the
 12 required utilities and includes the plumbing, heating, air
 13 conditioning, and electrical systems contained therein.

14 (g) "Motor vehicle" means any new or used automobile,
 15 motorcycle, quadricycle, truck, trailer, semitrailer, truck
 16 tractor, and all vehicles with any power, other than
 17 muscular power, primarily designed or used to transport
 18 persons or property on a public highway, excepting, however,
 19 any vehicle which runs only on rails or tracks or in the
 20 air.

21 (h) "Official fees" means the fees prescribed by law
 22 for filing, recording, or otherwise perfecting and releasing
 23 or satisfying any title or lien retained or taken by a
 24 seller in connection with a retail installment transaction.

25 (i) "Person" means an individual, partnership,

1 corporation, association, and any other group, however
2 organized.

3 (j) "Principal balance" means the cash sale price of
4 the goods or services which are the subject matter of a
5 retail installment transaction plus the amounts, if any,
6 included in the sale, if a separate identified charge is
7 made therefor and stated in the contract, for insurance and
8 other benefits and official fees, minus the amount of the
9 buyer's down payment in money or goods.

10 (k) "Recreational vehicle" means a vehicular type unit
11 that either has its own motor power or is mounted on or
12 drawn by another vehicle, primarily designed as temporary
13 living quarters for recreational, camping, or travel use.

14 (l) "Retail buyer" or "buyer" means a person who buys
15 goods or obtains services from a retail seller in a retail
16 installment transaction and not for the purpose of resale.

17 (m) "Retail charge account agreement" means an
18 instrument in writing prescribing the terms of retail
19 installment transactions which may be made under it from
20 time to time under which a retail seller gives to a retail
21 buyer the privilege of using a credit card issued by the
22 retail seller or any other person or other credit
23 confirmation or identification for the purpose of purchasing
24 goods or services from the retail seller, from the retail
25 seller and any other person, or from a person licensed or

1 franchised by the retail seller and under the terms of which
2 a finance charge as defined in this section may be computed
3 in relation to the buyer's balance in the account from time
4 to time.

5 (n) "Retail installment contract" or "contract" means
6 an agreement evidencing a retail installment transaction
7 entered into in this state under which a buyer promises to
8 pay in one or more deferred installments the time sale price
9 of goods or services, or both. The term includes a chattel
10 mortgage, conditional sales contract, and a contract for the
11 bailment or leasing of goods by which the bailee or lessee
12 contracts to pay as compensation for its use a sum
13 substantially equivalent to or in excess of its value and by
14 which it is agreed that the bailee or lessee is bound to
15 become, or for no further or a merely nominal consideration
16 has the option of becoming, the owner of the goods upon full
17 compliance with the provisions of the contract.

18 (o) "Retail installment transaction" means a written
19 contract to sell or furnish, or the sale or furnishing of,
20 goods or services by a retail seller to a retail buyer
21 pursuant to a retail charge account agreement or under a
22 retail installment contract.

23 (p) "Retail seller" or "seller" means a person who
24 sells goods or furnishes services to a retail buyer in a
25 written retail installment contract or written retail

1 installment transaction.

2 (q) "Sales finance company" means a person engaged, in
3 whole or in part, in the business of purchasing retail
4 installment contracts from one or more sellers. The term
5 includes but is not limited to a bank, trust company,
6 investment company, or savings and loan association, if so
7 engaged. The term does not include a person who makes only
8 isolated purchases of retail installment contracts, which
9 purchases are not being made in the course of repeated and
10 successive purchases of retail installment contracts from
11 the same seller.

12 (r) "Services" means work, labor, and services
13 furnished in the delivery, installation, servicing, repair,
14 or improvement of goods.

15 (s) "Time sale price" means the total of the cash sale
16 price of the goods or services and the amount, if any,
17 included for insurance and other benefits, if a separate
18 identified charge is made therefor, and the amounts of the
19 official fees and the finance charge.

20 (2) This part does not apply to the lending of money
21 by banks or other lending institutions and securing loans by
22 chattel mortgages of goods in the ordinary course of lending
23 by those banks or other lending institutions. However, this
24 part pertains to the extension of credit by those banks or
25 other lending institutions under retail installment

1 contracts or credit cards issued by those banks or other
2 lending institutions."

3 Section 14. Section 45-6-308, MCA, is amended to read:

4 "45-6-308. Unauthorized use of motor vehicles. (1) A
5 person commits the offense of unauthorized use of motor
6 vehicles if he knowingly operates the automobile, airplane,
7 motorcycle, quadricycle, motorboat, or other motor-propelled
8 vehicle of another without his consent.

9 (2) A person convicted of unauthorized use of motor
10 vehicles shall be fined not to exceed \$500 or be imprisoned
11 in the county jail for any term not to exceed 6 months, or
12 both. It is an affirmative defense that the offender
13 reasonably believed that the owner would have consented to
14 the operation had he known of it."

15 Section 15. Section 61-3-301, MCA, is amended to read:

16 "61-3-301. Registration -- license plate required --
17 display. (1) Except as otherwise provided herein, no person
18 shall operate a motor vehicle upon the public highways of
19 this state unless such vehicle is properly registered and
20 has the proper number plates conspicuously displayed, one on
21 the front and one on the rear of the vehicle, each securely
22 fastened to prevent it from swinging and unobstructed from
23 plain view, except that trailers, semitrailers,
24 quadricycles, and motorcycles shall have but one number
25 plate conspicuously displayed on the rear. No person shall

1 display on such vehicle at the same time any number assigned
 2 to it under any motor vehicle law except as provided in this
 3 chapter. A junk vehicle, as defined in part 5, chapter 10,
 4 Title 75, being driven or towed to an auto wrecking
 5 graveyard for disposal is exempt from the provisions of this
 6 section.

7 (2) No person shall purchase or display on a vehicle
 8 any license plate bearing the number assigned to any county
 9 as provided in 61-3-332 other than the county of his
 10 permanent residence at the time of application for
 11 registration. However, the owner of any motor vehicle
 12 requiring a license plate on any motor vehicle used in the
 13 public transportation of persons or property may make
 14 application therefor in any county through which the motor
 15 vehicle passes in its regularly scheduled route, and the
 16 license plate so issued bearing the number assigned to said
 17 county may be displayed on the motor vehicle in any other
 18 county of the state.

19 (3) It is unlawful to use license plates issued to one
 20 vehicle on any other vehicle, trailer, or semitrailer unless
 21 legally transferred as provided by statute, or to repaint
 22 old license plates to resemble current license plates.

23 (4) Any person violating these provisions is guilty of
 24 a misdemeanor and subject to the penalty set out in
 25 61-3-601."

1 Section 16. Section 61-3-303, MCA, is amended to read:
 2 "61-3-303. Application for registration. (1) Every
 3 owner of a motor vehicle operated or driven upon the public
 4 highways of this state shall for each motor vehicle owned,
 5 except as herein otherwise expressly provided, file or cause
 6 to be filed in the office of the county treasurer where the
 7 motor vehicle is owned or taxable an application for
 8 registration or reregistration upon a blank form to be
 9 prepared and furnished by the division. The application
 10 shall contain:

11 (a) name and address of owner, giving county, school
 12 district, and town or city within whose corporate limits the
 13 motor vehicle is taxable, if taxable, or within whose
 14 corporate limits the owner's residence is located if the
 15 motor vehicle is not taxable;

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

18 (c) description of motor vehicle, including make, year
 19 model, engine or serial number, manufacturer's model or
 20 letter, gross weight, type of body, and if truck, the rated
 21 capacity;

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

24 (e) such other information as the division may
 25 require.

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

5 (a) the registration fee, as provided in 61-3-311 and
6 61-3-321; and

7 (b) unless it has been previously paid:

8 (i) the personal property taxes assessed;

9 (ii) the new motor vehicle sales tax against the
10 vehicle for the current year of registration and/or the
11 license fee imposed by 61-3-532; or

12 (iii) in the case of a motorcycle, quadricycle, motor
13 home, travel trailer, or camper, the fee in lieu of property
14 tax for the current year of registration.

15 (3) The application may not be accepted by the county
16 treasurer unless the payments required by subsection (2)
17 accompany the application.

18 (4) The county treasurer may make full and complete
19 investigation of the tax status of the vehicle. Any
20 applicant for registration or reregistration must submit
21 proof from the tax or other appropriate records of the
22 proper county at the request of the county treasurer."

23 Section 17. Section 61-3-313, MCA, is amended to read:
24 "61-3-313. Vehicles subject to staggered registration.
25 For purposes of 61-3-313 through 61-3-316 "vehicle" means

1 any motor vehicle as defined in 61-1-102(7) subject to
2 annual registration in this state except:

3 (1) vehicles owned or leased and operated by the
4 government of the United States, of the state of Montana, or
5 its political subdivisions;

6 (2) mobile homes and motor homes;

7 (3) vehicles that are registered in accordance with or
8 subject to 10-2-301, 61-3-411, or 61-3-421;

9 (4) trucks exceeding a licensed gross vehicle weight
10 of 10,000 pounds;

11 (5) trailers, semitrailers, tractors, buses,
12 motorcycles, quadricycles, and cycle--motors motor-driven
13 cycles;

14 (6) special mobile equipment as defined in
15 61-1-104(2)."

16 Section 18. Section 61-3-321, MCA, is amended to read:

17 "61-3-321. Registration fees of vehicles --
18 public-owned vehicles exempt from license or registration
19 fees -- disposition of fees. (1) Registration or license
20 fees shall be paid upon registration or reregistration of
21 motor vehicles, trailers, housetrailers, and semitrailers,
22 in accordance with this chapter, as follows:

23 (a) motor vehicles weighing 2,850 pounds or under
24 (other than motortrucks), \$5;

25 (b) motor vehicles weighing over 2,850 pounds (other

1 than motortrucks), \$10;

2 (c) electrically driven passenger vehicles, \$10;

3 (d) all motorcycles and quadricycles, \$2;

4 (e) tractors and/or trucks, \$10;

5 (f) buses shall be classed as motortrucks and licensed
6 accordingly;

7 (g) trailers and semitrailers less than 2,500 pounds
8 maximum gross loaded weight and housetrailers of all
9 weights, \$2;

10 (h) trailers and semitrailers over 2,500 up to 6,000
11 pounds maximum gross loaded weight (except housetrailers),
12 \$5;

13 (i) trailers and semitrailers over 6,000 pounds
14 maximum gross loaded weight, \$10;

15 (j) trailers used exclusively in the transportation of
16 logs in the forest or in the transportation of oil and gas
17 well machinery, road machinery, or bridge materials, new and
18 secondhand, shall pay a fee of \$15 annually, regardless of
19 size or capacity.

20 (2) All rates shall be 25% higher for motor vehicles,
21 trailers, and semitrailers not equipped with pneumatic
22 tires.

23 (3) "Tractor", as specified in this section, means any
24 motor vehicle except passenger cars used for towing a
25 trailer or semitrailer.

1 (4) If any motor vehicle, housetrailer, trailer, or
2 semitrailer is originally registered 6 months after the time
3 of registration as set by law, the registration or license
4 fee for the remainder of the year shall be one-half of the
5 regular fee.

6 (5) An additional fee of \$2 per year for each
7 registration of a vehicle shall be collected as a
8 registration fee. Revenue from this fee shall be forwarded
9 by the respective county treasurers to the state treasurer
10 for deposit in the motor vehicle recording account of the
11 state special revenue fund.

12 (6) The provisions of this part with respect to the
13 payment of registration fees shall not apply to or be
14 binding upon motor vehicles, trailers or semitrailers, or
15 tractors owned or controlled by the United States of America
16 or any state, county, or city.

17 (7) The provisions of this section relating to the
18 payment of registration fees do not apply when number plates
19 are transferred to a replacement vehicle under 61-3-317,
20 61-3-332(7), or 61-3-335."

21 Section 19. Section 61-3-332, MCA, is amended to read:

22 "61-3-332. Number plates. (1) Every motor vehicle
23 which shall be driven upon the streets or highways of this
24 state shall display both front and rear a number plate,
25 bearing the distinctive number assigned such vehicle. Such

1 number plate shall be in eight series: one series for owners
 2 of motorcars, one for owners of motor vehicles of the
 3 motorcycle or quadricycle type, one for trailers, one for
 4 trucks, one for dealers in vehicles of the motorcycle or
 5 quadricycle type which shall bear the distinctive letters
 6 "MCD" or the letters "MC" and the word "DEALER", one for
 7 franchised dealers in new motorcars (including trucks and
 8 trailers) or new and used motorcars (including trucks and
 9 trailers) which shall bear the distinctive letter "D" or the
 10 word "DEALER", one for dealers in used motorcars only
 11 (including used trucks and trailers) which shall bear the
 12 distinctive letters "UD" or the letter "U" and the word
 13 "DEALER", and one for dealers in trailers and/or
 14 semitrailers (new or used) which shall bear the distinctive
 15 letters "DTR" or the letters "TR" and the word "DEALER". All
 16 such markings for the aforementioned kinds of dealers'
 17 plates shall be placed on the number plates assigned thereto
 18 in such position thereon as the division may designate.

19 (2) All number plates for motor vehicles shall be
 20 issued for a minimum period of 4 years, shall bear a
 21 distinctive marking, and shall be furnished by the state.
 22 In years when number plates are not issued, the division
 23 shall provide nonremovable stickers bearing appropriate
 24 registration numbers which shall be affixed to the license
 25 plates in use.

1 (3) In the case of motorcars and trucks, number plates
 2 shall be of metal 6 inches wide and 12 inches in length. For
 3 number plates issued after 1976, the outline of the state
 4 of Montana shall be used as a distinctive border on such
 5 license plates, and the word "Montana" with the year shall
 6 be placed across the bottom of the plate. Such registration
 7 plate shall be treated with a reflectorized background
 8 material according to specifications prescribed by the
 9 division.

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

24 (5) For the use of tax-exempt motor vehicles that are
 25 also exempt from the light vehicle license fee as provided

1 in subsection (2)(a) of 61-3-532, in addition to the
2 markings herein provided, number plates shall have thereon
3 the following distinctive markings:

4 (a) For vehicles owned by the state the division may
5 designate the prefix number for the various state
6 departments, and all numbered plates issued to state
7 departments shall bear the words "State Owned" and no year
8 number will be indicated thereon as these numbered plates
9 will be of a permanent nature and will be replaced by the
10 division at such time when the physical condition of
11 numbered plates requires same.

12 (b) For vehicles owned by the counties,
13 municipalities, irrigation districts organized under the
14 laws of Montana and not operating for profit, and school
15 districts and used and operated by officials and employees
16 thereof in line of duty as such, and for vehicles on loan
17 from the United States government or the state of Montana,
18 to, or owned by, the civil air patrol and used and operated
19 by officials and employees thereof in the line of duty as
20 such, there shall be placed on the number plates assigned
21 thereto, in such position thereon as the division may
22 designate, the letter "X" or the word "EXEMPT". Distinctive
23 registration numbers for plates assigned to motor vehicles
24 of each of the counties in the state and those of the
25 municipalities and school districts situated within each of

1 said counties and those of the irrigation districts which
2 obtain plates within each county shall begin with number one
3 and be numbered consecutively.

4 (6) On all number plates assigned to motor vehicles of
5 the truck and trailer type, other than tax-exempt trucks
6 that are also exempt from the light vehicle license fee as
7 provided in subsection (2)(a) of 61-3-532 and tax exempt
8 trailers, there shall appear the letter "T" or the word
9 "TRUCK" for plates assigned to trucks and the letters "TR"
10 or the word "TRAILER" for plates assigned to trailers and
11 housetrailers. The letters "MC" or the word "CYCLE" shall
12 appear for plates assigned to vehicles of the motorcycle or
13 quadricycle type.

14 (7) Number plates issued to a passenger car, truck,
15 trailer, or vehicle of the motorcycle or quadricycle type
16 may be transferred only to a replacement passenger car,
17 truck, trailer, or ~~motorcycle- or quadricycle-~~type vehicle.
18 No registration or license fee may be assessed upon a
19 transfer of a number plate under 61-3-317 and 61-3-335.

20 (8) For the purpose of this chapter, the several
21 counties of the state shall be assigned numbers as follows:
22 Silver Bow, 1; Cascade, 2; Yellowstone, 3; Missoula, 4;
23 Lewis and Clark, 5; Gallatin, 6; Flathead, 7; Fergus, 8;
24 Powder River, 9; Carbon, 10; Phillips, 11; Hill, 12;
25 Ravalli, 13; Custer, 14; Lake, 15; Dawson, 16; Roosevelt,

1 17; Beaverhead, 18; Chouteau, 19; Valley, 20; Toole, 21; Big
 2 Horn, 22; Musselshell, 23; Blaine, 24; Madison, 25; Pondera,
 3 26; Richland, 27; Powell, 28; Rosebud, 29; Deer Lodge, 30;
 4 Teton, 31; Stillwater, 32; Treasure, 33; Sheridan, 34;
 5 Sanders, 35; Judith Basin, 36; Daniels, 37; Glacier, 38;
 6 Fallon, 39; Sweet Grass, 40; McCone, 41; Carter, 42;
 7 Broadwater, 43; Wheatland, 44; Prairie, 45; Granite, 46;
 8 Meagher, 47; Liberty, 48; Park, 49; Garfield, 50; Jefferson,
 9 51; Wibaux, 52; Golden Valley, 53; Mineral, 54; Petroleum,
 10 55; Lincoln, 56. Any new counties shall be assigned numbers
 11 by the division as they may be formed, beginning with the
 12 number 57."

13 Section 20. Section 61-3-402, MCA, is amended to read:

14 "61-3-402. Personalized license plates authorized. Any
 15 person who is the registered owner of a motor vehicle, a
 16 truck, motor home, camping trailer, motorcycle, quadricycle,
 17 or other vehicle for the owner's personal use registered
 18 with the division or who makes application for original
 19 registration of a motor vehicle may upon payment of the fee
 20 prescribed in 61-3-406 apply to the division for
 21 personalized license plates in the manner prescribed in
 22 61-3-405, which plates shall be affixed to the motor vehicle
 23 for which registration is sought in lieu of the regular
 24 license plates provided for in this chapter."

25 Section 21. Section 61-3-403, MCA, is amended to read:

1 "61-3-403. Color and design of personalized plates --
 2 county designation. (1) The personalized license plates
 3 shall be the same color and design as regular passenger
 4 motor vehicle license plates and shall consist of numbers or
 5 letters, or any combination thereof not exceeding eight
 6 positions and not less than two positions, provided that
 7 there are no conflicts with existing passenger, commercial,
 8 trailer, motorcycle, quadricycle, or special license plate
 9 series under this title.

10 (2) Upon the issuance of personalized license plates
 11 or upon the reregistration of any motor vehicle assigned
 12 personalized license plates that do not bear a county
 13 designation or no longer bear the correct county
 14 designation, the division shall provide nonremovable
 15 stickers bearing the appropriate county designation which
 16 must be affixed to the license plates in use in accordance
 17 with instructions by the division."

18 Section 22. Section 61-3-501, MCA, is amended to read:

19 "61-3-501. When vehicle taxes and fees are due. (1)
 20 Property taxes, new car taxes, light vehicle license fees,
 21 and fees in lieu of tax on a motorcycle, quadricycle, motor
 22 home, or travel trailer must be paid on the date of
 23 registration or reregistration of the vehicle.

24 (2) If the anniversary date for reregistration of a
 25 vehicle passes while the vehicle is owned and held for sale

1 by a licensed new or used car dealer, property taxes, light
 2 vehicle license fees, or the fee in lieu of property taxes
 3 abate on such vehicle properly reported with the department
 4 of revenue until the vehicle is sold and thereafter the
 5 purchaser shall pay the pro rata balance of the taxes or the
 6 fee in lieu of tax due and owing on the vehicle.

7 (3) In the event a vehicle's registration period is
 8 changed under 61-3-315, all taxes and other fees due thereon
 9 shall be prorated and paid from the last day of the old
 10 period until the first day of the new period in which the
 11 vehicle shall be registered. Thereafter taxes and other fees
 12 must be paid from the first day of the new period for a
 13 minimum period of 1 year. When the change is to a later
 14 registration period, taxes and fees shall be prorated and
 15 paid based on the same tax year as the original registration
 16 period. Thereafter, during the appropriate anniversary
 17 registration period, each vehicle shall again register or
 18 reregister and shall pay all taxes and fees due thereon for
 19 a 12-month period."

20 Section 23. Section 61-3-503, MCA, is amended to read:

21 "61-3-503. Assessment. (1) Except as provided in
 22 subsection (2), the following apply to the taxation of motor
 23 vehicles:

24 (a) Except as provided in subsection (1)(c), a person
 25 who files an application for registration or reregistration

1 of a motor vehicle shall before filing such application with
 2 the county treasurer submit the application to the county
 3 assessor. The county assessor shall enter on the
 4 application in a space to be provided for that purpose the
 5 market value and taxable value of the vehicle as of January
 6 1 of the year for which the application for registration is
 7 made.

8 (b) Except as provided in subsection (1)(c), motor
 9 vehicles are assessed for taxes on January 1 in each year
 10 irrespective of the time fixed by law for the assessment of
 11 other classes of personal property and irrespective of
 12 whether the levy and tax may be a lien upon real property
 13 within the state. In no event may any motor vehicle be
 14 subject to assessment, levy, and taxation more than once in
 15 each year.

16 (c) Vehicles subject to the provisions of 61-3-313
 17 through 61-3-316 shall be assessed as of the first day of
 18 the registration period, using the market value as of
 19 January 1 of the year of assessment of the vehicle as
 20 contained in the most recent volume of the Mountain States
 21 Edition of the National Automobile Dealers Association
 22 Official Used Car Guide; and a lien for taxes and fees due
 23 thereon shall occur on the anniversary date of the
 24 registration and shall continue until such fees and taxes
 25 have been paid.

1 (2) The provisions of subsections (1)(a) through
 2 (1)(c) do not apply to automobiles and trucks having a rated
 3 capacity of three-quarters of a ton or less, motorcycles,
 4 quadricycles, motor homes, travel trailers, or mobile homes
 5 as defined in 15-1-101(1)."

6 Section 24. Section 61-3-504, MCA, is amended to read:

7 "61-3-504. Computation of tax. The amount of taxes on
 8 a motor vehicle, other than an automobile, truck having a
 9 rated capacity of three-quarters of a ton or less,
 10 motorcycle, quadricycle, motor home, travel trailer, or
 11 mobile home as defined in 15-1-101(1), is computed and
 12 determined by the county treasurer on the basis of the levy
 13 of the year preceding the current year of application for
 14 registration or reregistration. The determination is entered
 15 on the application form in a space provided therefor."

16 Section 25. Section 61-3-509, MCA, is amended to read:

17 "61-3-509. Disposition of taxes and fees in lieu of
 18 tax. The county treasurer shall credit all taxes on motor
 19 vehicles, light vehicle license fees provided for in
 20 61-3-532, and fees in lieu of tax on motorcycles,
 21 quadricycles, motor homes, and travel trailers collected to
 22 a motor vehicle suspense fund, and at some time between
 23 March 1 and March 10 of each year and every 60 days
 24 thereafter, the county treasurer shall distribute the money
 25 in the motor vehicle suspense fund in the relative

1 proportions required by the levies for state, county, school
 2 district, and municipal purposes in the same manner as
 3 personal property taxes are distributed."

4 Section 26. Section 61-3-701, MCA, is amended to read:

5 "61-3-701. Foreign vehicles used in gainful occupation
 6 to be registered -- reciprocity. (1) Before any foreign
 7 licensed motor vehicle may be operated on the highways of
 8 this state for hire, compensation, or profit or before the
 9 owner and/or user thereof uses the vehicle if such owner
 10 and/or user is engaged in gainful occupation or business
 11 enterprise in the state, including highway work, the owner
 12 of the vehicle shall make application to a county treasurer
 13 for registration upon an application form furnished by the
 14 division. Upon satisfactory evidence of ownership submitted
 15 to the county treasurer and the payment of property taxes,
 16 if appropriate, as required by 15-8-201 through 15-8-203 or
 17 15-24-301, or the payment of the light vehicle license fee
 18 as provided by 61-3-532, or the fee in lieu of tax as
 19 provided by [section 2], the treasurer shall accept the
 20 application for registration and shall collect the regular
 21 license fee required for the vehicle.

22 (2) The treasurer shall thereupon issue to the
 23 applicant a copy of the application entitled "Owner's
 24 Certificate of Registration and Payment Receipt" and forward
 25 a duplicate copy of the certificate to the division. The

1 treasurer shall at the same time issue to the applicant the
 2 proper license plates or other identification markers, which
 3 shall at all times be displayed upon the vehicle when
 4 operated or driven upon roads and highways of this state
 5 during the period of the life of the license.

6 (3) The registration receipt shall not constitute
 7 evidence of ownership but shall be used only for
 8 registration purposes. No Montana certificate of ownership
 9 shall be issued for this type of registration.

10 (4) This section is not applicable to any vehicle
 11 covered by a valid and existing reciprocal agreement or
 12 declaration entered into under the provisions of the laws of
 13 Montana."

14 Section 27. Section 61-4-101, MCA, is amended to read:

15 "61-4-101. Application for dealer's license. (1) Every
 16 person, firm, corporation, or association which, for
 17 commission or profit, engages in the business of buying,
 18 selling, exchanging, or acting as a broker of new motor
 19 vehicles, recreational vehicles, used motor vehicles,
 20 trailers (except trailers having an unloaded weight of less
 21 than 500 pounds), semitrailers, or special mobile equipment
 22 as defined in 61-1-104 shall file, by mail or otherwise, in
 23 the office of the division a verified application for
 24 licensure as a dealer, on a blank to be furnished by the
 25 division for that purpose and containing the information

1 required. The application and all of the information
 2 contained in it shall be verified by the Montana highway
 3 patrol. Each application must be accompanied by the license
 4 fee hereinafter specified. A dealer's license must be
 5 renewed and paid for annually, and an application for
 6 relicensure must be filed not later than January 1 of each
 7 year. If an application for renewal of a license has been
 8 received by the division prior to the expiration of the
 9 license, the dealer may operate his business and display
 10 dealer plates under the expired license between January 1
 11 and February 15 following expiration.

12 (2) To qualify for licensure and the issuance and use
 13 of "D", "UD", "RV", "DTR", or "MCD" plates as hereinafter
 14 provided, the applicant must furnish the following
 15 information and qualify under the following provisions:

16 (a) To qualify as a new motor vehicle dealer and for
 17 the use of "D" plates, the applicant must:

18 (i) state the name under which the business is to be
 19 conducted and the location of the premises (street address,
 20 city, county, and state) where records are kept, sales are
 21 made, and stock of motor vehicles is displayed;

22 (ii) state the name and address of all owners or
 23 persons having an interest in the business, provided that in
 24 the case of a corporation, the names and addresses of the
 25 president and secretary are sufficient;

1 (iii) state the name and make of all motor vehicles
2 handled and the name and address of the manufacturer,
3 importer, or distributor with whom the applicant has a
4 written new motor vehicle franchise or sales agreement;

5 (iv) execute a certificate to the effect that the
6 applicant has a permanent building for the display and sale
7 of new motor vehicles at the location of the premises where
8 sales are conducted;

9 (v) execute a certificate to the effect that the
10 applicant has a bona fide service department for the repair,
11 service, and maintenance of motor vehicles; and

12 (vi) execute a certificate to the effect that the
13 applicant is a bona fide dealer in new motor vehicles and
14 that he is recognized by a manufacturer, importer, or
15 distributor as a dealer in new motor vehicles.

16 (b) To qualify as a used motor vehicle dealer and for
17 the use of "UD" plates or as a recreational vehicle,
18 trailer, semitrailer, or special mobile equipment dealer and
19 for the use of "DTR" plates or as a motorcycle or
20 quadricycle dealer and for the use of "MCD" plates, the
21 applicant must, in addition to the matters set forth in
22 subsections (i) and (ii) of subsection (2)(a) above,
23 provide:

24 (i) a statement that the applicant has a building or
25 lot and a sign readable at a minimum distance of 150 feet

1 and indicating the firm name and headquarters as the
2 principal place of business; and

3 (ii) a certificate to the effect that the applicant is
4 a bona fide dealer in used motor vehicles, recreational
5 vehicles, trailers, semitrailers, special mobile equipment,
6 or motorcycles, or quadricycles. An applicant for a
7 recreational vehicle dealer license must also indicate on
8 the same certificate that he is recognized by a
9 manufacturer, importer, or distributor as a dealer in
10 recreational vehicles.

11 (c) To qualify for a used motor vehicle dealer's
12 license, a person must submit an annual application for that
13 license and comply with the provisions of 61-4-102(5) in
14 addition to fulfilling the requirements of subsection (2)(b)
15 above.

16 (d) The provisions of subsection (2)(c) above do not
17 apply to an applicant who is licensed as a motor vehicle
18 wrecking facility under the provisions of Title 75, chapter
19 10, part 5.

20 (3) The applicant for a dealer's license shall also
21 file with his application a good and sufficient bond in the
22 sum of \$5,000, and the bond shall be conditioned that the
23 applicant shall conduct his business in accordance with the
24 requirements of the law. All bonds shall run to the state of
25 Montana and shall be approved by the division and filed in

1 its office and shall be renewed annually."

2 Section 28. Section 61-4-102, MCA, is amended to read:

3 "61-4-102. Fees. (1) Upon making such application, the
4 applicant shall pay to the division, in addition to the fees
5 required of dealers under the provisions of subsection (2),
6 a fee of \$5. Upon receipt of the application, fee, and bond,
7 as provided above, the division shall examine the
8 application, and may, prior to issuing a license, make
9 individual investigation of the truth of the statements
10 contained in the application. If the division is satisfied
11 that the applicant qualifies for the issuance of a dealer's
12 license under the provisions of this chapter, it may
13 thereupon issue the same.

14 (2) Registration or license fees shall be paid upon
15 registration or reregistration of dealers in motor
16 vehicles, recreational vehicles, or trailers as follows:

17 (a) (i) all dealers in motor vehicles and recreational
18 vehicles, a fee of \$25, which shall entitle such dealer to
19 one set of number plates, and \$25 additional fee for each
20 additional set of number plates, subject to the following
21 limitations on the number of additional sets allowed a
22 dealer:

23 (A) 5% of the first 100 vehicle sales for the previous
24 year; plus

25 (B) 3% of the next 100 vehicle sales for the previous

1 year; plus

2 (C) 2% of vehicle sales in excess of 200 for the
3 previous year; and

4 (D) any additional sets upon a showing of good cause
5 by the applicant dealer to the division.

6 (ii) in addition to the dealer plates allowed under
7 subsection (2)(a)(i), a dealer who has purchased one or more
8 sets of dealer plates is entitled to purchase demonstrator
9 plates at a cost determined by the division to offset the
10 cost of production. Demonstrator plates shall be used in
11 lieu of a dealer plate but only as set forth in subsection
12 (6) and must be distinguished from dealer plates in a manner
13 determined by the division.

14 (b) dealers in motorcycles, quadricycles, and
15 trailers, including housetrailer, \$45.

16 (3) If any dealer is originally registered 6 months
17 after the time of registration as set by law, the
18 registration or license fee for the remainder of such year
19 shall be one-half of the regular fee above given.

20 (4) A dealer in motor vehicles, recreational vehicles,
21 or trailers who shall maintain more than one place of
22 business or who shall maintain any branch establishment or
23 establishments must register and pay a registration or
24 license fee for each such place of business or
25 establishment.

1 (5) A new applicant for a used motor vehicle dealer
 2 license shall pay \$300 to the division in addition to any
 3 other sums required by this section or other provisions of
 4 the law. An applicant for a renewal of a used motor vehicle
 5 dealer license shall certify under oath that he has sold
 6 more than five used motor vehicles during the preceding
 7 calendar year or pay an additional \$300 before he may be
 8 licensed.

9 (6) Demonstrator plates provided for in subsection
 10 (2)(a)(ii) may be used only as follows:

11 (a) New and used motor vehicle or recreational vehicle
 12 demonstrator plates may be used:

13 (i) to demonstrate, for no more than 72 hours, an
 14 authorized vehicle held for sale, when operated by an
 15 individual holding a valid operator's license;

16 (ii) on authorized vehicles owned by the firm when
 17 operated by an officer or bona fide full-time employee of
 18 the dealer and used to transport the dealer's own tools,
 19 parts, and equipment;

20 (iii) on authorized vehicles being tested for repair;

21 (iv) on authorized vehicles being moved to or from a
 22 dealer's place of business for sale;

23 (v) on authorized vehicles being moved to or from
 24 service and repair facilities before sale;

25 (vi) on authorized vehicles being moved to or from

1 exhibitions within the state, provided any such exhibition
 2 does not exceed a period of 20 days.

3 (b) Mobile home and trailer dealer demonstrator plates
 4 may be used:

5 (i) on units hauled to or from the place of business
 6 of the manufacturer and the place of business of the dealer
 7 or to and from places of business of the dealer;

8 (ii) on mobile homes hauled to a customer's location
 9 for setup after sale;

10 (iii) on travel trailers held for sale to demonstrate
 11 the towing capability of the vehicle provided that a dated
 12 demonstration permit, valid for not more than 72 hours, is
 13 carried with the vehicle at all times;

14 (iv) on any motor vehicle owned by the dealer that is
 15 used only to move vehicles legally bearing mobile home and
 16 travel trailer dealer license plates of the dealer owning
 17 any such motor vehicle;

18 (v) on vehicles being moved to or from vehicle
 19 exhibitions within the state, provided any such exhibition
 20 does not exceed a period of 20 days."

21 Section 29. Section 61-4-103, MCA, is amended to read:

22 "61-4-103. Assignment of dealer plates. (1) Upon the
 23 licensing of a dealer as a new motor vehicle dealer, used
 24 motor vehicle dealer, recreational vehicle dealer, or
 25 trailer, semitrailer, or special mobile equipment dealer, or

1 a dealer of the motorcycle- or quadricycle-type vehicle, the
 2 division shall assign to such dealer a distinctive serial
 3 license number as a dealer and after payment of fees furnish
 4 every qualified dealer in motor vehicles with such sets of
 5 number plates as required according to need, which need
 6 shall be justified by the dealer with the initial
 7 application for license and each renewal. Assigned number
 8 plates shall be similar to number plates furnished to owners
 9 of motor vehicles but shall bear thereon, in addition to the
 10 serial number assigned such dealer, the letter "D" if the
 11 dealer is authorized to sell new motor vehicles (including
 12 trucks and truck trailers); the letters "RV" if the dealer
 13 is authorized to sell recreational vehicles; the letters
 14 "UD" if the dealer is authorized to sell used motor vehicles
 15 (including used trucks and used truck trailers); the letters
 16 "DTR" if the dealer is authorized to sell trailers,
 17 semitrailers, or special mobile equipment (new or used); and
 18 the letters "MCD" if the dealer is authorized to sell
 19 vehicles of the motorcycle or quadricycle type (new or
 20 used).

21 (2) With the exception of a dealer authorized to sell
 22 new motor vehicles (including trucks and truck trailers) and
 23 to use the "D" plate or demonstrator plate, no dealer
 24 authorized to transact business under the provisions of this
 25 section may offer for sale or trade any vehicle described in

1 this section except such vehicles as are authorized by the
 2 plates assigned to him. If an applicant wishes to sell more
 3 than one type of vehicle, he shall make application for each
 4 separate authorization. No plate assigned to a dealer may be
 5 used on any vehicle other than the type described in this
 6 section. A dealer authorized to sell new motor vehicles and
 7 assigned a "D" plate or demonstrator plate is authorized to
 8 sell both new and used motor vehicles (including trucks and
 9 truck trailers), and such plates may be displayed on either
 10 new or used motor vehicles by a licensed dealer in new
 11 vehicles.

12 (3) The division shall cause to be placed on each set
 13 of license plates issued to a dealer a serial number
 14 assigned to each dealer and the actual number of license
 15 plates issued to each dealer. The number of the dealer shall
 16 follow the prefix of the county, and the number of plates
 17 issued the dealer shall follow the prefix of the county and
 18 the number of the dealer, the dealer's number to be
 19 separated from the county prefix by a dash, and the number
 20 of plates issued to a dealer to be separated from the
 21 dealer's number by a dash, as follows: dealer number 4 in
 22 Lewis and Clark County would be numbered 5-4, and if the
 23 dealer were issued three sets of plates, they would be
 24 numbered consecutively as follows, 5-4-1, 5-4-2, and 5-4-3.

25 (4) Dealers properly licensed under this section are

1 authorized to use and display dealer's license plates on any
 2 motor vehicle held for bona fide sale or used in the conduct
 3 of the dealer's business in selling or demonstrating motor
 4 vehicles and operated by or under the control of the dealer,
 5 his officers or employees. For purposes of this provision,
 6 "officers and employees" include only such persons listed on
 7 the manufacturer's franchise agreement or the importer's
 8 distribution agreement and their spouses or such other
 9 persons upon whom the dealer has paid social security taxes
 10 as a full-time employee. No dealer's license plate shall be
 11 used or displayed on vehicles normally used for hire, lease,
 12 or rental or for purposes not incident to the business of a
 13 motor vehicle dealer. Each dealer is accountable for each
 14 plate issued and shall certify quarterly to the division the
 15 disposition of each dealer plate assigned to the dealer,
 16 including the name, address, and occupation of the person
 17 primarily using each plate.

18 (5) If it shall appear to the satisfaction of the
 19 division, from information furnished to it by the sheriff or
 20 any other law enforcement officer, that any such dealer has
 21 been improperly licensed, has used the dealer's license in a
 22 manner other than the one herein authorized, or is not
 23 qualified as a dealer under the requirements of this
 24 section, the division may revoke such dealer's license. No
 25 person, firm, corporation, or association shall, for

1 commission or profit, engage in the business of buying,
 2 selling, exchanging, or acting as a broker of new motor
 3 vehicles, trailers, or semitrailers unless duly licensed in
 4 compliance with this section (except trailers having an
 5 unladen weight of less than 500 pounds)."

6 Section 30. Section 61-5-106, MCA, is amended to read:

7 "61-5-106. Instruction and traffic education permits
 8 and temporary licenses. (1) Any person satisfying the age
 9 requirements specified in 61-5-105(1) may apply to the
 10 division for an instruction permit. The division may in its
 11 discretion, after the applicant has successfully passed all
 12 parts of the examination other than the driving test, issue
 13 to the applicant an instruction permit which shall entitle
 14 the applicant, while having such permit in his immediate
 15 possession, to drive a motor vehicle upon the public
 16 highways for a period of 6 months when accompanied by a
 17 licensed operator or chauffeur who is occupying a seat
 18 beside the driver. In addition, the division may issue such
 19 an instruction permit to any person who is at least 14 1/2
 20 years of age and who has successfully completed or is
 21 successfully participating in a traffic education course
 22 approved by the division and the superintendent of public
 23 instruction. Any instruction permit so issued shall be
 24 restricted to the operation of a motor vehicle only when
 25 accompanied by an approved instructor or licensed parent or

1 guardian and may be further restricted to specific times
2 and/or areas.

3 (2) The division upon receiving proper application may
4 in its discretion issue a traffic education permit effective
5 for a school year or more restricted period to an applicant
6 who is enrolled in a traffic education program approved by
7 the division even though the applicant has not reached the
8 legal age to be eligible for an operator's license. Such
9 permit shall entitle the permittee when he has such a permit
10 in his immediate possession to operate only on a designated
11 highway or within a designated area a motor vehicle only
12 when an approved instructor is occupying a seat beside the
13 permittee or a motorcycle or quadricycle only when under the
14 immediate and proximate supervision of an approved
15 instructor.

16 (3) The division may in its discretion issue a
17 temporary driver's permit to an applicant for an operator's
18 license permitting him to operate a motor vehicle while the
19 division is completing its investigation and determination
20 of all facts relative to such applicant's right to receive
21 an operator's license. Such permit must be in his immediate
22 possession while operating a motor vehicle, and it shall be
23 invalid when the applicant's license has been issued or for
24 good cause has been refused."

25 Section 31. Section 61-5-107, MCA, is amended to read:

1 "61-5-107. Application for license, instruction
2 permit, or motorcycle endorsement. (1) Every application for
3 an instruction permit, operator's or chauffeur's license, or
4 motorcycle endorsement shall be made upon a form furnished
5 by the division. A motorcycle endorsement is required for
6 the operation of a quadricycle. Every application shall be
7 accompanied by the proper fee and payment of such fee shall
8 entitle the applicant to not more than three attempts to
9 pass the examination within a period of 6 months from the
10 date of application.

11 (2) Every such application shall state the full name,
12 date of birth, sex, and residence address of the applicant,
13 and briefly describe the applicant, and shall state whether
14 the applicant has theretofore been licensed as an operator
15 or chauffeur, and, if so, when and by what state or country,
16 and whether any such license has ever been suspended or
17 revoked, or whether an application has ever been refused,
18 and, if so, the date of and reason for such suspension,
19 revocation, or refusal.

20 (3) Whenever application is received from an applicant
21 previously licensed by any other jurisdiction, the division
22 shall request a copy of such applicant's driving record from
23 such previous licensing jurisdiction. When received, such
24 driving records shall become a part of the driver's record
25 in this state with the same force and effect as though

1 entered on the driver's record in this state in the original
2 instance."

3 Section 32. Section 61-5-110, MCA, is amended to read:

4 "61-5-110. Examination of applicants. The division
5 shall examine every applicant for an operator's or
6 chauffeur's license or motorcycle endorsement, except as
7 otherwise provided in this section. Such examination shall
8 include a test of the applicant's eyesight, his ability to
9 read and understand highway signs regulating, warning, and
10 directing traffic, his knowledge of the traffic laws of this
11 state, and shall include an actual demonstration of ability
12 to exercise ordinary and reasonable control in the operation
13 of a motor vehicle, quadricycle, or motorcycle. The division
14 shall make provision for giving an examination either in the
15 county where the applicant resides or at a place adjacent
16 thereto reasonably convenient to the applicant within not
17 more than 30 days from the date the application is
18 received."

19 Section 33. Section 61-5-111, MCA, is amended to read:

20 "61-5-111. Licenses issued to operators and chauffeurs
21 -- renewals and expiration -- fees -- disposition. (1) The
22 division shall have authority to appoint county treasurers
23 and other qualified officers to act as its agents for the
24 sale of driver's licenses receipts and shall make necessary
25 rules governing such sales. In those areas where the

1 division provides driver licensing services 3 days or more a
2 week the division is responsible for sale of receipts and
3 may not appoint an agent. The division, upon receipt of
4 payment of the fees specified in this section, shall issue
5 to every applicant qualifying therefor an operator's or
6 chauffeur's license as applied for. Such licenses shall
7 contain a photograph of the licensee in the size and form as
8 prescribed by the division, a distinguishing number issued
9 to the licensee; the full name, date of birth, residence
10 address, and a brief description of the licensee; and either
11 a facsimile of the signature of the licensee or a space upon
12 which he shall write his signature in pen and ink
13 immediately upon receipt of the license. No license shall be
14 valid until it has been so signed by the licensee. Five
15 percent of the license fees collected by the county
16 treasurer shall be deposited by the county treasurer for the
17 use of the county general fund. In the event no agent is
18 appointed under this section, 5% of the license fees
19 collected by the division shall be retained by the division
20 to defray the cost of handling.

21 (2) The division shall, when any person applies for
22 renewal of an operator's or chauffeur's license, test the
23 applicant's eyesight and may also in the division's
24 discretion have the applicant demonstrate his physical
25 ability to operate and to exercise ordinary and reasonable

1 care in the operation of a motor vehicle. A person shall be
 2 considered to have applied for renewal of a Montana
 3 operator's or chauffeur's license if the application is made
 4 within 3 months of the expiration of his license.

5 (3) Licenses shall expire on the anniversary of the
 6 date of birth of the licensee 4 years or less after the date
 7 of issue.

8 (4) Whenever the division issues an original license
 9 to a person under the age of 18 years, the license shall be
 10 designated and clearly marked as a "provisional license".
 11 Any license so designated and marked may be suspended by the
 12 division for a period of not more than 12 months, when its
 13 records disclose that the licensee, subsequent to the
 14 issuance of such license, has been guilty of careless or
 15 negligent driving. Upon renewal as applicable to operator's
 16 licenses, the division may, for any reasonable cause as
 17 shown by its records, designate the renewal of the license
 18 as provisional; otherwise, a license in usual form shall be
 19 issued subject to other provisions of the laws of Montana.

20 (5) It shall be unlawful for any person to have in his
 21 possession or under his control more than one Montana
 22 operator's or chauffeur's license at any one time. A license
 23 is not valid for the operation of a motorcycle or
 24 quadricycle until the holder thereof has completed the
 25 requirements of 61-5-110 and the license has been clearly

1 marked with the words "motorcycle endorsement".

2 (6) Fees for driver's licenses shall be as follows:

3 (a) driver's license -- \$2 per year or fraction
 4 thereof;

5 (b) motorcycle endorsement -- 50 cents per year or
 6 fraction thereof.

7 (7) The county treasurer or other agent of the
 8 division collecting such fees shall retain 5% of each fee
 9 for the use of the county general fund and shall transmit
 10 the remainder to the state treasurer, who shall deposit to
 11 the credit of the state general fund all money received by
 12 him from the collection of the fees."

13 Section 34. Section 61-6-303, MCA, is amended to read:

14 "61-6-303. Exempt vehicles. The following vehicles and
 15 their drivers are exempt from the provisions of 61-6-301:

16 (1) a vehicle owned by the United States government or
 17 any state or political subdivision;

18 (2) a vehicle for which cash, securities, or a bond
 19 has been deposited or filed with the division upon such
 20 terms and conditions providing the same benefits available
 21 under a required motor vehicle liability insurance policy;

22 (3) a vehicle owned by a self-insurer certified as
 23 provided in 61-6-143;

24 (4) an implement of husbandry or special mobile
 25 equipment that is only incidentally operated on a highway or

1 property open to use by the public;

2 (5) a vehicle operated upon a highway only for the
3 purpose of crossing such highway from one property to
4 another;

5 (6) a commercial vehicle registered or proportionally
6 registered in this and any other jurisdiction provided that
7 vehicle is covered by a motor vehicle liability insurance
8 policy complying with the laws of another jurisdiction in
9 which it is registered;

10 (7) a motorcycle or quadricycle;

11 (8) a vehicle moved solely by human or animal power."

12 Section 35. Section 61-8-359, MCA, is amended to read:

13 "61-8-359. Riding on motorcycles. (1) A person
14 operating a motorcycle or quadricycle on public streets or
15 highways shall ride only upon the permanent and regular seat
16 attached thereto, and such operator shall not carry any
17 other person; nor shall any other person ride on a
18 motorcycle or quadricycle unless such motorcycle or
19 quadricycle is designed to carry more than one person, in
20 which event a passenger may ride upon the permanent and
21 regular seat if designed for two persons or upon another
22 seat firmly attached to the rear or side of the operator.

23 (2) No passenger shall be carried in a position that
24 will interfere with the operation of the motorcycle or
25 quadricycle or the view of the operator.

1 (3) No person operating a motorcycle or quadricycle
2 shall carry any packages, bundles, or articles which would
3 interfere with the operation of said vehicle in a safe and
4 prudent manner.

5 (4) "Sidesaddle" riding on a motorcycle or quadricycle
6 is prohibited.

7 (5) Motorcycles and quadricycles are to be operated
8 with lights on at all times when operated on any public
9 highway or street, except that if the motorcycle is
10 registered under 61-3-411 as a collector's item, it may be
11 operated without lights from one-half hour before sunrise to
12 one-half hour after sunset if persons and vehicles are
13 clearly discernible at a distance of 500 feet.

14 (6) Not more than two motorcycles shall be operated
15 side by side in a single traffic lane.

16 (7) All motor vehicles, including motorcycles and
17 quadricycles, are entitled to the full use of a traffic
18 lane, and no vehicle shall be driven or operated in such a
19 manner so as to deprive any other vehicle of the full use of
20 a traffic lane, except that motorcycles may, with the
21 consent of both drivers, be operated not more than two
22 abreast in a single traffic lane.

23 (8) Every person riding a motorcycle or quadricycle
24 upon a roadway shall be granted all of the rights and shall
25 be subject to all of the duties applicable to the driver of

1 a motor vehicle except as to those provisions which, by
2 their nature, can have no application."

3 Section 36. Section 61-9-203, MCA, is amended to read:

4 "61-9-203. Headlamps on motor vehicles. (1) Every
5 motor vehicle other than a motorcycle, quadricycle, or
6 motor-driven cycle shall be equipped with at least two
7 headlamps, with at least one on each side of the front of
8 the motor vehicle, which headlamps shall comply with the
9 requirements and limitations set forth in this chapter.

10 (2) Every motorcycle, quadricycle, and every
11 motor-driven cycle shall be equipped with at least one and
12 not more than two headlamps which shall comply with the
13 requirements and limitations of this chapter. If a
14 motorcycle is registered under 61-3-411 as a collector's
15 item, it need not be equipped with headlamps, but if it is
16 not so equipped it may not be operated upon a highway or
17 street from one-half hour after sunset to one-half hour
18 before sunrise or if persons and vehicles are not clearly
19 discernible at a distance of 500 feet.

20 (3) Every headlamp upon every motor vehicle, including
21 every motorcycle, quadricycle, and every motor-driven cycle,
22 shall be located at a height, measured from the center of
23 the headlamp, of not more than 54 inches or less than 24
24 inches, to be measured as set forth in 61-9-202(2)."

25 Section 37. Section 61-9-205, MCA, is amended to read:

1 "61-9-205. New motor vehicles to be equipped with
2 reflectors. (1) Every new motor vehicle hereafter sold and
3 operated upon a highway, other than a truck tractor, shall
4 carry on the rear, either as a part of the taillamps or
5 separately, two red reflectors, except that every
6 motorcycle, quadricycle, and motor-driven cycle shall carry
7 at least one reflector meeting the requirements of this
8 section, and except that vehicles of the type mentioned in
9 61-9-208 shall be equipped with reflectors as required in
10 those sections applicable thereto.

11 (2) Every such reflector shall be mounted on the
12 vehicle at a height not less than 15 inches or more than 60
13 inches measured as set forth in 61-9-202(2) and shall be of
14 such size and characteristics and so mounted as to be
15 visible at night from all distances within 300 feet to 50
16 feet from such vehicle when directly in front of lawful
17 upper beams of headlamps, except that visibility from a
18 greater distance may be required of reflectors on certain
19 types of vehicles."

20 Section 38. Section 61-9-206, MCA, is amended to read:

21 "61-9-206. Stop lamps -- when required. From and after
22 January 1, 1956, it shall be unlawful for any person to sell
23 any new motor vehicle, including any motorcycle,
24 quadricycle, or motor-driven cycle, in this state or for any
25 person to drive such vehicle on the highways unless it is

1 equipped with at least one stop lamp meeting the
2 requirements of 61-9-218."

3 Section 39. Section 61-9-220, MCA, is amended to read:

4 "61-9-220. Multiple-beam road-lighting equipment.
5 Except as hereinafter provided, the headlamps or the
6 auxiliary driving lamp or the auxiliary passing lamp or
7 combination thereof on motor vehicles other than
8 motorcycles, quadricycles, or motor-driven cycles shall be
9 so arranged that the driver may select at will between
10 distributions of light projected to different elevations and
11 such lamps may, in addition, be so arranged that such
12 selection can be made automatically, subject to the
13 following limitations:

14 (1) There shall be an uppermost distribution of light,
15 or composite beam, so aimed and of such intensity as to
16 reveal persons and vehicles at a distance of at least 350
17 feet ahead for all conditions of loading.

18 (2) There shall be a lowermost distribution of light,
19 or composite beam, so aimed and of sufficient intensity to
20 reveal persons and vehicles at a distance of at least 100
21 feet ahead; and on a straight level road under any condition
22 of loading none of the high-intensity portion of the beam
23 shall be directed to strike the eyes of an approaching
24 driver.

25 (3) Every new motor vehicle, other than a motorcycle,

1 quadricycle, or motor-driven cycle, registered in this state
2 after January 1, 1956, which has multiple-beam road-lighting
3 equipment shall be equipped with a beam indicator, which
4 shall be lighted whenever the uppermost distribution of
5 light from the headlamps is in use, and shall not otherwise
6 be lighted. Said indicator shall be so designed and located
7 that when lighted it will be readily visible without glare
8 to the driver of the vehicle so equipped."

9 Section 40. Section 61-9-225, MCA, is amended to read:

10 "61-9-225. Number of driving lamps required or
11 permitted. (1) At all times specified in 61-9-201, at least
12 two lighted lamps shall be displayed, one on each side at
13 the front of every motor vehicle other than a motorcycle,
14 quadricycle, or motor-driven cycle, except when such vehicle
15 is parked, subject to the regulations governing lights on
16 parked vehicles.

17 (2) Whenever a motor vehicle equipped with headlamps
18 as herein required is also equipped with any auxiliary lamps
19 or a spot lamp or any other lamp on the front thereof
20 projecting a beam of intensity greater than 300 candlepower,
21 not more than a total of four of any such lamps on the front
22 of a vehicle shall be lighted at any one time when upon a
23 highway."

24 Section 41. Section 61-9-303, MCA, is amended to read:

25 "61-9-303. Parking brakes -- adequacy. Every such

1 vehicle and combination of vehicles, except motorcycles,
 2 quadricycles, and motor-driven cycles, shall be equipped
 3 with parking brakes adequate to hold the vehicle on any
 4 grade on which it is operated, under all conditions of
 5 loading, on a surface free from snow, ice, or loose
 6 material. The parking brakes shall be capable of being
 7 applied in conformance with the foregoing requirements by
 8 the driver's muscular effort or by spring action or by
 9 equivalent means. Their operation may be assisted by the
 10 service brakes or other source of power provided that
 11 failure of the service brake actuation system or other power
 12 assisting mechanism will not prevent the parking brakes from
 13 being applied in conformance with the foregoing
 14 requirements. The parking brakes shall be so designed that
 15 when once applied they shall remain applied with the
 16 required effectiveness despite exhaustion of any source of
 17 energy or leakage of any kind. The same brake drums, brake
 18 shoes and lining assemblies, brake shoe anchors and
 19 mechanical brake shoe actuation mechanism normally
 20 associated with the wheel brake assemblies may be used for
 21 both the service brakes and the parking brakes. If the means
 22 of applying the parking brakes and the service brakes are
 23 connected in any way, they shall be so constructed that
 24 failure of any one part shall not leave the vehicle without
 25 operative brakes."

1 Section 42. Section 61-9-304, MCA, is amended to read:
 2 "61-9-304. Brakes required on all wheels --
 3 exceptions. Every vehicle shall be equipped with brakes
 4 acting on all wheels except:
 5 (1) trailers, semitrailers, pole trailers of a gross
 6 weight not exceeding 3,000 pounds, provided that:
 7 (a) the total weight on and including the wheels of
 8 the trailer or trailers shall not exceed 40% of the gross
 9 weight of the towing vehicle when connected to the trailer
 10 or trailers; and
 11 (b) the combination of vehicles consisting of the
 12 towing vehicle and its total towed load is capable of
 13 complying with the performance requirements of 61-9-312;
 14 (2) any vehicle being towed in driveway or towaway
 15 operations, provided the combination of vehicles is capable
 16 of complying with the performance requirements of 61-9-312;
 17 (3) trucks and truck tractors having three or more
 18 axles need not have brakes on the front wheels, except that
 19 when such vehicles are equipped with at least two steerable
 20 axles, the wheels of one steerable axle need not have
 21 brakes. However, such trucks and truck tractors must be
 22 capable of complying with the performance requirements of
 23 61-9-312.
 24 (4) special mobile equipment as defined in 61-1-104;
 25 (5) the wheel of a sidecar attached to a motorcycle or

1 to a motor-driven cycle, or the front wheel of a
 2 motor-driven cycle need not be equipped with brakes,
 3 provided--that--such However, a quadricycle, motorcycle, or
 4 motor-driven cycle is must be capable of complying with the
 5 performance requirements of 61-9-312."

6 Section 43. Section 61-9-309, MCA, is amended to read:

7 "61-9-309. Single control to operate all brakes. After
 8 January 1, 1966, every motor vehicle, trailer, semitrailer,
 9 and pole trailer, and every combination of such vehicles,
 10 except motorcycles, quadricycles, and motor-driven cycles,
 11 equipped with brakes shall have the braking system so
 12 arranged that one control device can be used to operate all
 13 service brakes. This requirement does not prohibit vehicles
 14 from being equipped with an additional control device to be
 15 used to operate brakes on the towed vehicles. This
 16 regulation does not apply to driveaway or towaway operations
 17 unless the brakes on the individual vehicles are designed to
 18 be operated by a single control on the towing vehicle."

19 Section 44. Section 61-9-312, MCA, is amended to read:

20 "61-9-312. Performance ability of brakes. (1) Every
 21 motor vehicle and combination of vehicles, at all times and
 22 under all conditions of loading, upon application of the
 23 service brake, shall be capable of:

24 (a) developing a braking force that is not less than
 25 the percentage of its gross weight tabulated in subsection

1 (3) for its classification;

2 (b) decelerating to a stop from not more than 20 miles
 3 per hour at not less than the feet per second per second
 4 tabulated in subsection (3) for its classification; and

5 (c) stopping from a speed of 20 miles per hour in not
 6 more than the distance tabulated in subsection (3) for its
 7 classification, such distance to be measured from the point
 8 at which movement of the service brake pedal or control
 9 begins.

10 (2) Tests for deceleration and stopping distance shall
 11 be made on a substantially level (not to exceed plus or
 12 minus 1% grade), dry, smooth, hard surface that is free from
 13 loose material.

14 (3)

			Brake system
			application and
	Braking force		braking distance
	as a percentage	Deceleration	in feet from an
	of gross vehicle	in feet	initial speed of
	or combination	per second	twenty (20)
	weight	per second	miles per hour.
	Classification of Vehicles		
A	Passenger vehicles with a seating capacity of ten (10)		
	people or less including driver, not having a		
	manufacturer's gross vehicle weight rating.....		

1	.....52.8%	17	25
2	B-1 All motorcycles, <u>quadricycles</u> , and motor-driven cycles..		
3	.....43.5%	14	30
4	B-2 Single unit vehicles with a manufacturer's gross vehicle		
5	weight rating of than ten thousand (10,000) pounds or		
6	less.....43.5%	14	30
7	C-1 Single unit vehicles with a manufacturer's gross weight		
8	rating of more than ten thousand (10,000) pounds.....		
9	.....43.5%	14	40
10	C-2 Combination of a two-axle towing vehicle and a trailer		
11	with a gross trailer weight of three thousand (3,000)		
12	pounds or less.....43.5%	14	40
13	C-3 Buses, regardless of the number of axles, not having a		
14	manufacturer's gross weight rating.....		
15	.....43.5%	14	40
16	C-4 All combinations of vehicles in driveway-towaway		
17	operations.....43.5%	14	40
18	D All other vehicles and combinations of vehicles.....		
19	.....43.5%	14	50"

20 Section 45. Section 61-9-417, MCA, is amended to read:
21 "61-9-417. Headgear required for minor motorcycle
22 riders. An operator and passenger under 18 years of age of
23 any motorcycle or quadricycle operated upon the streets or
24 highways of this state shall wear protective headgear upon
25 the head. The headgear shall meet standards established by

1 the department of justice."

2 Section 46. Section 61-9-418, MCA, is amended to read:
3 "61-9-418. Motorcycle noise suppression devices. All
4 motorcycles or quadricycles operated on the streets and
5 highways of this state shall be equipped at all times with
6 noise suppression devices, including an exhaust muffler, in
7 good working order and in constant operation. In addition,
8 all motorcycles and quadricycles operating on streets and
9 highways shall meet the following noise decibel limitations,
10 on the standard A scale, such decibel limitations to be
11 measured at 50 feet distant from the closest point to the
12 motorcycle or quadricycle:

- 13 (1) any motorcycle cycle manufactured prior to 1970
14 92 db(A)
- 15 (2) any motorcycle cycle manufactured after 1969
16 but prior to 1973 88 db(A)
- 17 (3) any motorcycle cycle manufactured after 1972
18 but prior to 1975 86 db(A)
- 19 (4) any motorcycle cycle manufactured after 1974
20 but prior to 1978 80 db(A)
- 21 (5) any motorcycle cycle manufactured after 1977
22 but prior to 1988 75 db(A)
- 23 (6) any motorcycle cycle manufactured after 1987
24 70 db(A)"

25 Section 47. Section 61-9-421, MCA, is amended to read:

1 "61-9-421. Certain vehicles excepted. Section 61-9-420
2 is not applicable to a vehicle that:

3 (1) is a motorbus, schoolbus, taxicab, moped,
4 quadricycle, or motorcycle or is not required to be equipped
5 with safety belts under 49 CFR 571 as it reads on January 1,
6 1984; or

7 (2) has a seating capacity as designated by the
8 manufacturer of two persons and there are two persons 4
9 years of age or older in the vehicle."

10 NEW SECTION. Section 48. Codification instruction.

11 (1) Section 1 is intended to be codified as an integral part
12 of Title 61, chapter 1, part 1, and the provisions of Title
13 61 apply to section 1.

14 (2) Sections 2 and 3 are intended to be codified as an
15 integral part of Title 61, chapter 3, part 5, and the
16 provisions of Title 61 apply to sections 2 and 3.

17 NEW SECTION. Section 49. Extension of authority. Any
18 existing authority of the departments of revenue, highways,
19 or justice to make rules on the subject of the provisions of
20 this act is extended to the provisions of this act.

21 NEW SECTION. Section 50. Effective date. This act is
22 effective January 1, 1986.

-End-

1 HOUSE BILL NO. 101
 2 INTRODUCED BY D. BROWN, MARKS
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE
 5 LAWS RELATING TO MOTORCYCLES; REPLACING THE PRESENT TAXATION
 6 OF MOTORCYCLES WITH A FEE IN LIEU OF TAX; DEFINING
 7 "QUADRICYCLE"; MAKING MOTORCYCLE LAWS APPLICABLE TO
 8 QUADRICYCLES; AMENDING SECTIONS 15-6-138, 15-6-201,
 9 15-8-111, 15-8-201, 15-8-202, 15-24-301, 15-30-121,
 10 15-31-114, 15-50-207, 31-1-202, 45-6-308, 61-3-301,
 11 61-3-303, 61-3-313, 61-3-321, 61-3-332, 61-3-402, 61-3-403,
 12 61-3-501, 61-3-503, 61-3-504, 61-3-509, 61-3-701, 61-4-101
 13 THROUGH 61-4-103, 61-5-106, 61-5-107, 61-5-110, 61-5-111,
 14 61-6-303, 61-8-359, 61-9-203, 61-9-205, 61-9-206, 61-9-220,
 15 61-9-225, 61-9-303, 61-9-304, 61-9-309, 61-9-312, 61-9-417,
 16 61-9-418, AND 61-9-421, MCA; AND PROVIDING AN EFFECTIVE
 17 DATE."

18
 19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 20 NEW SECTION. Section 1. Quadricycle. "Quadricycle"
 21 means a four-wheeled motor vehicle, designed for on-road or
 22 off-road use, having a seat or saddle upon which the
 23 operator sits and a motor of less than 300 cubic centimeters
 24 capable of producing not more than 35 horsepower. THE TERM
 25 DOES NOT INCLUDE GOLF CARTS.

1 NEW SECTION. Section 2. Fee in lieu of tax for
 2 motorcycles and quadricycles. (1) There is a fee in lieu of
 3 property tax imposed on motorcycles and quadricycles. The
 4 fee is in addition to annual registration fees.

5 (2) The fee imposed by subsection (1) need not be paid
 6 by a dealer for vehicles that constitute inventory of the
 7 dealership.

8 NEW SECTION. Section 3. Schedule of fees for
 9 motorcycles and quadricycles. (1) The owner of a motorcycle
 10 or quadricycle shall pay a fee based on the age AND ENGINE
 11 SIZE of the vehicle as follows:

12	less-than-5-years-old	-----	\$38
13	5-years-old-and-older	-----	\$18
14		<u>500CC</u> <u>MORE THAN</u>	
15		<u>OR LESS</u> <u>500CC</u>	
16	<u>LESS THAN 5 YEARS OLD</u>	<u>\$32.50</u>	<u>\$52.50</u>
17	<u>5 YEARS OLD OR OVER</u>	<u>17.50</u>	<u>27.50</u>

18 (2) The age of a motorcycle or quadricycle is
 19 determined by subtracting the manufacturer's designated
 20 model year from the current calendar year.

21 Section 4. Section 15-6-138, MCA, is amended to read:
 22 "15-6-138. Class eight property -- description --
 23 taxable percentage. (1) Class eight property includes:
 24 (a) all agricultural implements and equipment;
 25 (b) all mining machinery, fixtures, equipment, tools,

1 and supplies except:

2 (i) those included in class five; and

3 (ii) coal and ore haulers;

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

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

6 ~~fd~~--motorcycles;

7 ~~fe~~(d) watercraft;

8 ~~fg~~(e) all trailers up to and including 18,000 pounds

9 maximum gross loaded weight, except those subject to a fee

10 in lieu of property tax;

11 ~~fh~~(f) aircraft;

12 ~~fi~~(g) all-terrain vehicles not registered under

13 61-3-301;

14 ~~fk~~(h) harness, saddlery, and other tack equipment;

15 ~~fl~~(i) all goods and equipment intended for rent or

16 lease, except goods and equipment specifically included and

17 taxed in another class; and

18 ~~fm~~(j) all other machinery except that specifically

19 included in another class.

20 (2) Class eight property is taxed at 11½ of its market

21 value."

22 Section 5. Section 15-6-201, MCA, is amended to read:

23 "15-6-201. Exempt categories. (1) The following

24 categories of property are exempt from taxation:

25 (a) the property of:

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

2 towns, school districts;

3 (ii) irrigation districts organized under the laws of

4 Montana and not operating for profit;

5 (iii) municipal corporations; and

6 (iv) public libraries;

7 (b) buildings, with land they occupy and furnishings

8 therein, owned by a church and used for actual religious

9 worship or for residences of the clergy, together with

10 adjacent land reasonably necessary for convenient use of

11 such buildings;

12 (c) property used exclusively for agricultural and

13 horticultural societies, for educational purposes, and for

14 hospitals;

15 (d) property that meets the following conditions:

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

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

18 21;

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

20 cemetery or cemeteries for which a permanent care and

21 improvement fund has been established as provided for in

22 Title 35, chapter 20, part 3; and

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

24 corporate profit;

25 (e) institutions of purely public charity;

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

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

5 (h) all household goods and furniture, including but
6 not limited to clocks, musical instruments, sewing machines,
7 and wearing apparel of members of the family, used by the
8 owner for personal and domestic purposes or for furnishing
9 or equipping the family residence;

10 (i) a truck canopy cover or topper weighing less than
11 300 pounds and having no accommodations attached. Such
12 property is also exempt from the fee in lieu of tax.

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

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

17 (l) motorcycles and quadricycles;

18 ~~††~~(m) fixtures, buildings, and improvements owned by
19 a cooperative association or nonprofit corporation organized
20 to furnish potable water to its members or customers for
21 uses other than the irrigation of agricultural land;

22 ~~††~~(n) 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; and

2 ~~††~~(o) property owned and used by a corporation or
3 association organized and operated exclusively for the care
4 of the developmentally disabled, mentally ill, or
5 vocationally handicapped as defined in 18-5-101, which is
6 not operated for gain or profit.

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

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

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

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

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

25 Section 6. Section 15-8-111, MCA, is amended to read:

1 "15-8-111. Assessment -- market value standard --
 2 exceptions. (1) All taxable property must be assessed at
 3 100% of its market value except as provided in subsection
 4 (5) of this section and in 15-7-111 through 15-7-114.

5 (2) (a) Market value is the value at which property
 6 would change hands between a willing buyer and a willing
 7 seller, neither being under any compulsion to buy or to sell
 8 and both having reasonable knowledge of relevant facts.

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

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

24 (4) The taxable value for all property in classes four
 25 through eleven is the percentage of market value established

1 for each class of property in 15-6-134 through 15-6-141.

2 (5) The assessed value of properties in 15-6-131
 3 through 15-6-133 is as follows:

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

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

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

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

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

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

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

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

24 Section 7. Section 15-8-201, MCA, is amended to read:

25 "15-8-201. General assessment day. (1) The department

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

12 (2) The procedure provided by this section may not
 13 apply to:

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

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

19 (c) motor homes and travel trailers subject to a fee
 20 in lieu of property tax;

21 (d) motorcycles and quadricycles;

22 ~~(d)~~(e) livestock;

23 ~~(e)~~(f) property defined in 61-1-104(2) as "special
 24 mobile equipment" that is subject to assessment for personal
 25 property taxes on the date that application is made for a

1 special mobile equipment plate; and

2 ~~(f)~~(g) mobile homes held by a distributor or dealer of
 3 mobile homes as a part of his stock in trade.

4 (3) Credits must be assessed as provided in
 5 15-1-101(1)(c)."

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

7 "15-8-202. Motor vehicle assessment. (1) (a) The
 8 department or its agent must, in each year, ascertain and
 9 assess all motor vehicles other than automobiles, trucks
 10 having a rated capacity of three-quarters of a ton or less,
 11 motorcycles, quadricycles, motor homes, travel trailers, or
 12 mobile homes in each county subject to taxation as of
 13 January 1 or as of the anniversary registration date of
 14 those vehicles subject to 61-3-313 through 61-3-316 and
 15 61-3-501. The assessment for all motor vehicles will be made
 16 using the market value as of January 1 of the year of
 17 assessment of the vehicle as contained in the most recent
 18 volume of the Mountain States Edition of the National
 19 Automobile Dealers Association Official Used Car Guide. The
 20 motor vehicles shall be assessed in each year to the persons
 21 by whom owned or claimed or in whose possession or control
 22 they were at midnight of January 1 or the anniversary
 23 registration date thereof, whichever is applicable.

24 (b) No tax may be assessed against motor vehicles
 25 subject to taxation that constitute inventory of motor

1 vehicle dealers as of January 1. These vehicles and all
 2 other motor vehicles subject to taxation brought into the
 3 state subsequent to January 1 as motor vehicle dealers'
 4 inventories shall be assessed to their respective purchasers
 5 as of the dates the vehicles are registered by the
 6 purchasers.

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

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

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

19 Section 9. Section 15-24-301, MCA, is amended to read:

20 "15-24-301. Personal property brought into the state
 21 -- assessment -- exceptions -- custom combine equipment. (1)
 22 Except as provided in subsections (2) through (6), property
 23 in the following cases is subject to taxation and assessment
 24 for all taxes levied that year in the county in which it is
 25 located:

1 (a) any personal property (including livestock)
 2 brought, driven, or coming into this state at any time
 3 during the year that is used in the state for hire,
 4 compensation, or profit;

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

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

9 (2) The taxes on this property are levied in the same
 10 manner and to the same extent, except as otherwise provided,
 11 as though the property had been in the county on the regular
 12 assessment date, provided that the property has not been
 13 regularly assessed for the year in some other county of the
 14 state.

15 (3) Nothing in this section shall be construed to levy
 16 a tax against a merchant or dealer within this state on
 17 goods, wares, or merchandise brought into the county to
 18 replenish the stock of the merchant or dealer.

19 (4) Any motor vehicle not subject to the light vehicle
 20 license fee or a fee in lieu of tax brought, driven, or
 21 coming into this state by any nonresident person temporarily
 22 employed in Montana and used exclusively for transportation
 23 of such person is subject to taxation and assessment for
 24 taxes as follows:

25 (a) The motor vehicle is taxed by the county in which

1 it is located.

2 (b) One-fourth of the annual tax liability of the
3 motor vehicle must be paid for each quarter or portion of a
4 quarter of the year that the motor vehicle is located in
5 Montana.

6 (c) The quarterly taxes are due the first day of the
7 quarter.

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

15 (6) The provisions of this part do not apply to
16 automobiles and trucks having a rated capacity of
17 three-quarters of a ton or less, motorcycles, or
18 quadricycles. These vehicles are subject to the fee provided
19 for in 61-3-532 or [section 2]."

20 Section 10. Section 15-30-121, MCA, is amended to
21 read:

22 "15-30-121. Deductions allowed in computing net
23 income. In computing net income, there are allowed as
24 deductions:

25 (1) the items referred to in sections 161 and 211 of

1 the Internal Revenue Code of 1954, or as sections 161 and
2 211 shall be labeled or amended, subject to the following
3 exceptions which are not deductible:

4 (a) items provided for in 15-30-123;
5 (b) state income tax paid;
6 (2) federal income tax paid within the taxable year;
7 (3) child and dependent care expenses determined in
8 accordance with the provisions of section 214 of the
9 Internal Revenue Code of 1954 that were in effect for the
10 taxable year that began January 1, 1974, except that:

11 (a) the limitation set forth in section 214(e)(4) of
12 the Internal Revenue Code of 1954 as that section was in
13 effect for the taxable year that began January 1, 1974,
14 applies only to payments made to a child of the taxpayer who
15 is under 19 years of age at the close of the taxable year
16 and to payments made to an individual with respect to whom a
17 deduction is allowable under 15-30-112(5) to the taxpayer or
18 the taxpayer's spouse;

19 (b) the limitation set forth in section 214(e)(1) of
20 the Internal Revenue Code of 1954 as that section was in
21 effect for the taxable year that began January 1, 1974, does
22 not apply when the taxpayers file separately on the same
23 form; and

24 (c) the deduction for child and dependent care
25 expenses shall be divided equally between the taxpayers;

1 (4) in the case of an individual, political
 2 contributions determined in accordance with the provisions
 3 of section 218(a) and (b) of the Internal Revenue Code that
 4 were in effect for the taxable year ended December 31, 1978;

5 (5) that portion of expenses for organic fertilizer
 6 allowed as a deduction under 15-32-303 which was not
 7 otherwise deducted in computing taxable income;

8 (6) light vehicle license fees, as provided by
 9 61-3-532, paid during the taxable year;

10 (7) fees in lieu of taxes on motorcycles and
 11 quadricycles, as provided by [section 2], paid during the
 12 taxable year."

13 Section 11. Section 15-31-114, MCA, is amended to
 14 read:

15 "15-31-114. Deductions allowed in computing income. In
 16 computing the net income, the following deductions shall be
 17 allowed from the gross income received by such corporation
 18 within the year from all sources:

19 (1) All the ordinary and necessary expenses paid or
 20 incurred during the taxable year in the maintenance and
 21 operation of its business and properties, including
 22 reasonable allowance for salaries for personal services
 23 actually rendered, subject to the limitation hereinafter
 24 contained, rentals or other payments required to be made as
 25 a condition to the continued use or possession of property

1 to which the corporation has not taken or is not taking
 2 title or in which it has no equity. No deduction shall be
 3 allowed for salaries paid upon which the recipient thereof
 4 has not paid Montana state income tax; provided, however,
 5 that where domestic corporations are taxed on income derived
 6 from without the state, salaries of officers paid in
 7 connection with securing such income shall be deductible.

8 (2) (a) All losses actually sustained and charged off
 9 within the year and not compensated by insurance or
 10 otherwise, including a reasonable allowance for the wear and
 11 tear and obsolescence of property used in the trade or
 12 business, such allowance to be determined according to the
 13 provisions of section 167 of the Internal Revenue Code in
 14 effect with respect to the taxable year. All elections for
 15 depreciation shall be the same as the elections made for
 16 federal income tax purposes. No deduction shall be allowed
 17 for any amount paid out for any buildings, permanent
 18 improvements, or betterments made to increase the value of
 19 any property or estate, and no deduction shall be made for
 20 any amount of expense of restoring property or making good
 21 the exhaustion thereof for which an allowance is or has been
 22 made.

23 (b) (i) There shall be allowed as a deduction for the
 24 taxable period a net operating loss deduction determined
 25 according to the provisions of this subsection. The net

1 operating loss deduction is the aggregate of net operating
 2 loss carryovers to such taxable period plus the net
 3 operating loss carrybacks to such taxable period. The term
 4 "net operating loss" means the excess of the deductions
 5 allowed by this section, 15-31-114, over the gross income,
 6 with the modifications specified in (ii) of this subsection.
 7 If for any taxable period beginning after December 31, 1970,
 8 a net operating loss is sustained, such loss shall be a net
 9 operating loss carryback to each of the three taxable
 10 periods preceding the taxable period of such loss and shall
 11 be a net operating loss carryover to each of the five
 12 taxable periods following the taxable period of such loss. A
 13 net operating loss for any taxable period ending after
 14 December 31, 1975, in addition to being a net operating loss
 15 carryback to each of the three preceding taxable periods,
 16 shall be a net operating loss carryover to each of the seven
 17 taxable periods following the taxable period of such loss.
 18 The portion of such loss which shall be carried to each of
 19 the other taxable years shall be the excess, if any, of the
 20 amount of such loss over the sum of the net income for each
 21 of the prior taxable periods to which such loss was carried.
 22 For purposes of the preceding sentence, the net income for
 23 such prior taxable period shall be computed with the
 24 modifications specified in (ii)(B) of this subsection and by
 25 determining the amount of the net operating loss deduction

1 without regard to the net operating loss for the loss period
 2 or any taxable period thereafter, and the net income so
 3 computed shall not be considered to be less than zero.

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

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

7 (B) The deduction for depletion shall not exceed the
 8 amount which would be allowable if computed under the cost
 9 method.

10 (C) Any net operating loss carried over to any taxable
 11 years beginning after December 31, 1978, must be calculated
 12 under the provisions of this section effective for the
 13 taxable year for which the return claiming the net operating
 14 loss carryover is filed.

15 (iii) A net operating loss deduction shall be allowed
 16 only with regard to losses attributable to the business
 17 carried on within the state of Montana.

18 (iv) In the case of a merger of corporations, the
 19 surviving corporation shall not be allowed a net operating
 20 loss deduction for net operating losses sustained by the
 21 merged corporations prior to the date of merger. In the case
 22 of a consolidation of corporations, the new corporate entity
 23 shall not be allowed a deduction for net operating losses
 24 sustained by the consolidated corporations prior to the date
 25 of consolidation.

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

4 (vi) The net operating loss deduction shall not be
5 allowed with respect to taxable periods which ended on or
6 before December 31, 1970, but shall be allowed only with
7 respect to taxable periods beginning on or after January 1,
8 1971.

9 (3) In the case of mines, other natural deposits, oil
10 and gas wells, and timber, a reasonable allowance for
11 depletion and for depreciation of improvements; such
12 reasonable allowance to be determined according to the
13 provisions of the Internal Revenue Code in effect for the
14 taxable year. All elections made under the Internal Revenue
15 Code with respect to capitalizing or expensing exploration
16 and development costs and intangible drilling expenses for
17 corporation license tax purposes shall be the same as the
18 elections made for federal income tax purposes.

19 (4) The amount of interest paid within the year on its
20 indebtedness incurred in the operation of the business from
21 which its income is derived; but no interest shall be
22 allowed as a deduction if paid on an indebtedness created
23 for the purchase, maintenance, or improvement of property or
24 for the conduct of business unless the income from such
25 property or business would be taxable under this part.

1 (5) (a) Taxes paid within the year, except the
2 following:

- 3 (i) Taxes imposed by this part.
- 4 (ii) Taxes assessed against local benefits of a kind
5 tending to increase the value of the property assessed.
- 6 (iii) Taxes on or according to or measured by net
7 income or profits imposed by authority of the government of
8 the United States.

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

11 (b) Taxes deductible under this part shall be
12 construed to include taxes imposed by any county, school
13 district, or municipality of this state.

14 (6) Light vehicle license fees, as provided by
15 61-3-532, and fees in lieu of taxes for motorcycles and
16 quadricycles, as provided by [section 2], paid within the
17 year.

18 (7) That portion of an energy-related investment
19 allowed as a deduction under 15-32-103.

20 (8) (a) Except as provided in subsection (b),
21 charitable contributions and gifts that qualify for
22 deduction under section 170 of the Internal Revenue Code, as
23 amended.

24 (b) The public service commission shall not allow in
25 the rate base of a regulated corporation the inclusion of

1 contributions made under this subsection.

2 (9) In lieu of the deduction allowed under subsection
 3 (8), the taxpayer may deduct the fair market value, not to
 4 exceed 30% of the taxpayer's net income, of a computer or
 5 other sophisticated technological equipment or apparatus
 6 intended for use with the computer donated to an elementary,
 7 secondary, or accredited postsecondary school located in
 8 Montana if:

9 (a) the contribution is made no later than 5 years
 10 after the manufacture of the donated property is
 11 substantially completed;

12 (b) the property is not transferred by the donee in
 13 exchange for money, other property, or services; and

14 (c) the taxpayer receives a written statement from the
 15 donee in which the donee agrees to accept the property and
 16 representing that the use and disposition of the property
 17 will be in accordance with the provisions of (b) of this
 18 subsection (9)."

19 Section 12. Section 15-50-207, MCA, is amended to
 20 read:

21 "15-50-207. Credit against other taxes -- credit for
 22 personal property taxes and certain fees. (1) The additional
 23 license fees withheld or otherwise paid as provided herein
 24 may be used as a credit on the contractor's corporation
 25 license tax provided for in chapter 31 of this title or on

1 the contractor's income tax provided for in chapter 30,
 2 depending upon the type of tax the contractor is required to
 3 pay under the laws of the state.

4 (2) Personal property taxes, fees in lieu of taxes on
 5 motorcycles or quadricycles, or light vehicle license fees,
 6 as provided by 61-3-532, paid in Montana on any personal
 7 property of the contractor which is used in the business of
 8 the contractor and is located within this state may be
 9 credited against the license fees required under this
 10 chapter. However, in computing the tax credit allowed by
 11 this section against the contractor's corporation license
 12 tax or income tax, the personal property tax or light
 13 vehicle license fee credit against the license fees herein
 14 required shall not be considered as license fees paid for
 15 the purpose of such income tax or corporation license tax
 16 credit."

17 Section 13. Section 31-1-202, MCA, is amended to read:

18 "31-1-202. Definitions. (1) Unless the context
 19 requires otherwise, in this part the following definitions
 20 apply:

21 (a) "Cash sale price" means the price stated in a
 22 retail installment contract or in a sales slip or other
 23 memorandum furnished by a retail seller to a retail buyer
 24 under or in connection with a retail charge account
 25 agreement for which the seller would have sold or furnished

1 to the buyer and the buyer would have bought or obtained
 2 from the seller the goods or services which are the subject
 3 matter of the retail installment transaction, if the sale
 4 had been a sale for cash. The cash sale price may include
 5 any taxes, registration, certificate of title, license, and
 6 official fees and cash sale prices for services, if any, and
 7 for accessories and their installation and for delivering,
 8 servicing, repairing, or improving the goods.

9 (b) "Department" means the department of commerce
 10 provided for in Title 2, chapter 15, part 18.

11 (c) "Finance charge" means the amount, as limited by
 12 31-1-241, in addition to the principal balance, agreed upon
 13 between the buyer and the seller, to be paid by the buyer
 14 for the privilege of purchasing goods or services to be paid
 15 for by the buyer in one or more deferred installments.

16 (d) "Goods" means all chattels personal, including
 17 motor vehicles and merchandise certificates or coupons
 18 exchangeable for chattels personal but not including money
 19 or things in action. The term includes goods which, at the
 20 time of the sale or subsequently, are to be so affixed to
 21 realty as to become a part thereof, whether or not severable
 22 from it.

23 (e) "Holder" means the retail seller of the goods or
 24 services under the retail installment contract or retail
 25 charge account agreement or a person who establishes and

1 administers retail charge account agreements with retail
 2 buyers; the assignee, if the retail installment contract or
 3 the retail charge account agreement or the balance in the
 4 account under either has been sold or otherwise transferred;
 5 or any other person entitled to the rights of the retail
 6 seller under any retail installment contract or any retail
 7 charge account agreement.

8 (f) "Manufactured structure" means any structure,
 9 transportable in one or more sections, designed to be used
 10 as a single-family dwelling or commercial building with or
 11 without a permanent foundation when connected to the
 12 required utilities and includes the plumbing, heating, air
 13 conditioning, and electrical systems contained therein.

14 (g) "Motor vehicle" means any new or used automobile,
 15 motorcycle, quadricycle, truck, trailer, semitrailer, truck
 16 tractor, and all vehicles with any power, other than
 17 muscular power, primarily designed or used to transport
 18 persons or property on a public highway, excepting, however,
 19 any vehicle which runs only on rails or tracks or in the
 20 air.

21 (h) "Official fees" means the fees prescribed by law
 22 for filing, recording, or otherwise perfecting and releasing
 23 or satisfying any title or lien retained or taken by a
 24 seller in connection with a retail installment transaction.

25 (i) "Person" means an individual, partnership,

1 corporation, association, and any other group, however
2 organized.

3 (j) "Principal balance" means the cash sale price of
4 the goods or services which are the subject matter of a
5 retail installment transaction plus the amounts, if any,
6 included in the sale, if a separate identified charge is
7 made therefor and stated in the contract, for insurance and
8 other benefits and official fees, minus the amount of the
9 buyer's down payment in money or goods.

10 (k) "Recreational vehicle" means a vehicular type unit
11 that either has its own motor power or is mounted on or
12 drawn by another vehicle, primarily designed as temporary
13 living quarters for recreational, camping, or travel use.

14 (l) "Retail buyer" or "buyer" means a person who buys
15 goods or obtains services from a retail seller in a retail
16 installment transaction and not for the purpose of resale.

17 (m) "Retail charge account agreement" means an
18 instrument in writing prescribing the terms of retail
19 installment transactions which may be made under it from
20 time to time under which a retail seller gives to a retail
21 buyer the privilege of using a credit card issued by the
22 retail seller or any other person or other credit
23 confirmation or identification for the purpose of purchasing
24 goods or services from the retail seller, from the retail
25 seller and any other person, or from a person licensed or

1 franchised by the retail seller and under the terms of which
2 a finance charge as defined in this section may be computed
3 in relation to the buyer's balance in the account from time
4 to time.

5 (n) "Retail installment contract" or "contract" means
6 an agreement evidencing a retail installment transaction
7 entered into in this state under which a buyer promises to
8 pay in one or more deferred installments the time sale price
9 of goods or services, or both. The term includes a chattel
10 mortgage, conditional sales contract, and a contract for the
11 bailment or leasing of goods by which the bailee or lessee
12 contracts to pay as compensation for its use a sum
13 substantially equivalent to or in excess of its value and by
14 which it is agreed that the bailee or lessee is bound to
15 become, or for no further or a merely nominal consideration
16 has the option of becoming, the owner of the goods upon full
17 compliance with the provisions of the contract.

18 (o) "Retail installment transaction" means a written
19 contract to sell or furnish, or the sale or furnishing of,
20 goods or services by a retail seller to a retail buyer
21 pursuant to a retail charge account agreement or under a
22 retail installment contract.

23 (p) "Retail seller" or "seller" means a person who
24 sells goods or furnishes services to a retail buyer in a
25 written retail installment contract or written retail

1 installment transaction.

2 (q) "Sales finance company" means a person engaged, in
3 whole or in part, in the business of purchasing retail
4 installment contracts from one or more sellers. The term
5 includes but is not limited to a bank, trust company,
6 investment company, or savings and loan association, if so
7 engaged. The term does not include a person who makes only
8 isolated purchases of retail installment contracts, which
9 purchases are not being made in the course of repeated and
10 successive purchases of retail installment contracts from
11 the same seller.

12 (r) "Services" means work, labor, and services
13 furnished in the delivery, installation, servicing, repair,
14 or improvement of goods.

15 (s) "Time sale price" means the total of the cash sale
16 price of the goods or services and the amount, if any,
17 included for insurance and other benefits, if a separate
18 identified charge is made therefor, and the amounts of the
19 official fees and the finance charge.

20 (2) This part does not apply to the lending of money
21 by banks or other lending institutions and securing loans by
22 chattel mortgages of goods in the ordinary course of lending
23 by those banks or other lending institutions. However, this
24 part pertains to the extension of credit by those banks or
25 other lending institutions under retail installment

1 contracts or credit cards issued by those banks or other
2 lending institutions."

3 Section 14. Section 45-6-308, MCA, is amended to read:
4 "45-6-308. Unauthorized use of motor vehicles. (1) A
5 person commits the offense of unauthorized use of motor
6 vehicles if he knowingly operates the automobile, airplane,
7 motorcycle, quadricycle, motorboat, or other motor-propelled
8 vehicle of another without his consent.

9 (2) A person convicted of unauthorized use of motor
10 vehicles shall be fined not to exceed \$500 or be imprisoned
11 in the county jail for any term not to exceed 6 months, or
12 both. It is an affirmative defense that the offender
13 reasonably believed that the owner would have consented to
14 the operation had he known of it."

15 Section 15. Section 61-3-301, MCA, is amended to read:
16 "61-3-301. Registration -- license plate required --
17 display. (1) Except as otherwise provided herein, no person
18 shall operate a motor vehicle upon the public highways of
19 this state unless such vehicle is properly registered and
20 has the proper number plates conspicuously displayed, one on
21 the front and one on the rear of the vehicle, each securely
22 fastened to prevent it from swinging and unobstructed from
23 plain view, except that trailers, semitrailers,
24 quadricycles, and motorcycles shall have but one number
25 plate conspicuously displayed on the rear. No person shall

1 display on such vehicle at the same time any number assigned
 2 to it under any motor vehicle law except as provided in this
 3 chapter. A junk vehicle, as defined in part 5, chapter 10,
 4 Title 75, being driven or towed to an auto wrecking
 5 graveyard for disposal is exempt from the provisions of this
 6 section.

7 (2) No person shall purchase or display on a vehicle
 8 any license plate bearing the number assigned to any county
 9 as provided in 61-3-332 other than the county of his
 10 permanent residence at the time of application for
 11 registration. However, the owner of any motor vehicle
 12 requiring a license plate on any motor vehicle used in the
 13 public transportation of persons or property may make
 14 application therefor in any county through which the motor
 15 vehicle passes in its regularly scheduled route, and the
 16 license plate so issued bearing the number assigned to said
 17 county may be displayed on the motor vehicle in any other
 18 county of the state.

19 (3) It is unlawful to use license plates issued to one
 20 vehicle on any other vehicle, trailer, or semitrailer unless
 21 legally transferred as provided by statute, or to repaint
 22 old license plates to resemble current license plates.

23 (4) Any person violating these provisions is guilty of
 24 a misdemeanor and subject to the penalty set out in
 25 61-3-601."

1 Section 16. Section 61-3-303, MCA, is amended to read:

2 "61-3-303. Application for registration. (1) Every
 3 owner of a motor vehicle operated or driven upon the public
 4 highways of this state shall for each motor vehicle owned,
 5 except as herein otherwise expressly provided, file or cause
 6 to be filed in the office of the county treasurer where the
 7 motor vehicle is owned or taxable an application for
 8 registration or reregistration upon a blank form to be
 9 prepared and furnished by the division. The application
 10 shall contain:

11 (a) name and address of owner, giving county, school
 12 district, and town or city within whose corporate limits the
 13 motor vehicle is taxable, if taxable, or within whose
 14 corporate limits the owner's residence is located if the
 15 motor vehicle is not taxable;

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

18 (c) description of motor vehicle, including make, year
 19 model, engine or serial number, manufacturer's model or
 20 letter, gross weight, type of body, and if truck, the rated
 21 capacity;

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

24 (e) such other information as the division may
 25 require.

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

5 (a) the registration fee, as provided in 61-3-311 and
 6 61-3-321; and

7 (b) unless it has been previously paid:

8 (i) the personal property taxes assessed;

9 (ii) the new motor vehicle sales tax against the
 10 vehicle for the current year of registration and/or the
 11 license fee imposed by 61-3-532; or

12 (iii) in the case of a motorcycle, quadricycle, motor
 13 home, travel trailer, or camper, the fee in lieu of property
 14 tax for the current year of registration.

15 (3) The application may not be accepted by the county
 16 treasurer unless the payments required by subsection (2)
 17 accompany the application.

18 (4) The county treasurer may make full and complete
 19 investigation of the tax status of the vehicle. Any
 20 applicant for registration or reregistration must submit
 21 proof from the tax or other appropriate records of the
 22 proper county at the request of the county treasurer."

23 Section 17. Section 61-3-313, MCA, is amended to read:

24 "61-3-313. Vehicles subject to staggered registration.

25 For purposes of 61-3-313 through 61-3-316 "vehicle" means

1 any motor vehicle as defined in 61-1-102(7) subject to
 2 annual registration in this state except:

3 (1) vehicles owned or leased and operated by the
 4 government of the United States, of the state of Montana, or
 5 its political subdivisions;

6 (2) mobile homes and motor homes;

7 (3) vehicles that are registered in accordance with or
 8 subject to 10-2-301, 61-3-411, or 61-3-421;

9 (4) trucks exceeding a licensed gross vehicle weight
 10 of 10,000 pounds;

11 (5) trailers, semitrailers, tractors, buses,
 12 motorcycles, quadricycles, and cycle--motors motor-driven
 13 cycles;

14 (6) special mobile equipment as defined in
 15 61-1-104(2)."

16 Section 18. Section 61-3-321, MCA, is amended to read:

17 "61-3-321. Registration fees of vehicles --
 18 public-owned vehicles exempt from license or registration
 19 fees -- disposition of fees. (1) Registration or license
 20 fees shall be paid upon registration or reregistration of
 21 motor vehicles, trailers, housetrailers, and semitrailers,
 22 in accordance with this chapter, as follows:

23 (a) motor vehicles weighing 2,850 pounds or under
 24 (other than motortrucks), \$5;

25 (b) motor vehicles weighing over 2,850 pounds (other

1 than motortrucks), \$10;

2 (c) electrically driven passenger vehicles, \$10;

3 (d) all motorcycles and quadricycles, \$2;

4 (e) tractors and/or trucks, \$10;

5 (f) buses shall be classed as motortrucks and licensed

6 accordingly;

7 (g) trailers and semitrailers less than 2,500 pounds

8 maximum gross loaded weight and housetrailers of all

9 weights, \$2;

10 (h) trailers and semitrailers over 2,500 up to 6,000

11 pounds maximum gross loaded weight (except housetrailers),

12 \$5;

13 (i) trailers and semitrailers over 6,000 pounds

14 maximum gross loaded weight, \$10;

15 (j) trailers used exclusively in the transportation of

16 logs in the forest or in the transportation of oil and gas

17 well machinery, road machinery, or bridge materials, new and

18 secondhand, shall pay a fee of \$15 annually, regardless of

19 size or capacity.

20 (2) All rates shall be 25% higher for motor vehicles,

21 trailers, and semitrailers not equipped with pneumatic

22 tires.

23 (3) "Tractor", as specified in this section, means any

24 motor vehicle except passenger cars used for towing a

25 trailer or semitrailer.

1 (4) If any motor vehicle, housetrailer, trailer, or

2 semitrailer is originally registered 6 months after the time

3 of registration as set by law, the registration or license

4 fee for the remainder of the year shall be one-half of the

5 regular fee.

6 (5) An additional fee of \$2 per year for each

7 registration of a vehicle shall be collected as a

8 registration fee. Revenue from this fee shall be forwarded

9 by the respective county treasurers to the state treasurer

10 for deposit in the motor vehicle recording account of the

11 state special revenue fund.

12 (6) The provisions of this part with respect to the

13 payment of registration fees shall not apply to or be

14 binding upon motor vehicles, trailers or semitrailers, or

15 tractors owned or controlled by the United States of America

16 or any state, county, or city.

17 (7) The provisions of this section relating to the

18 payment of registration fees do not apply when number plates

19 are transferred to a replacement vehicle under 61-3-317,

20 61-3-332(7), or 61-3-335."

21 Section 19. Section 61-3-332, MCA, is amended to read:

22 "61-3-332. Number plates. (1) Every motor vehicle

23 which shall be driven upon the streets or highways of this

24 state shall display both front and rear a number plate,

25 bearing the distinctive number assigned such vehicle. Such

1 number plate shall be in eight series: one series for owners
 2 of motorcars, one for owners of motor vehicles of the
 3 motorcycle or quadricycle type, one for trailers, one for
 4 trucks, one for dealers in vehicles of the motorcycle or
 5 quadricycle type which shall bear the distinctive letters
 6 "MCD" or the letters "MC" and the word "DEALER", one for
 7 franchised dealers in new motorcars (including trucks and
 8 trailers) or new and used motorcars (including trucks and
 9 trailers) which shall bear the distinctive letter "D" or the
 10 word "DEALER", one for dealers in used motorcars only
 11 (including used trucks and trailers) which shall bear the
 12 distinctive letters "UD" or the letter "U" and the word
 13 "DEALER", and one for dealers in trailers and/or
 14 semitrailers (new or used) which shall bear the distinctive
 15 letters "DTR" or the letters "TR" and the word "DEALER". All
 16 such markings for the aforementioned kinds of dealers'
 17 plates shall be placed on the number plates assigned thereto
 18 in such position thereon as the division may designate.

19 (2) All number plates for motor vehicles shall be
 20 issued for a minimum period of 4 years, shall bear a
 21 distinctive marking, and shall be furnished by the state.
 22 In years when number plates are not issued, the division
 23 shall provide nonremovable stickers bearing appropriate
 24 registration numbers which shall be affixed to the license
 25 plates in use.

1 (3) In the case of motorcars and trucks, number plates
 2 shall be of metal 6 inches wide and 12 inches in length. For
 3 number plates issued after 1976, the outline of the state
 4 of Montana shall be used as a distinctive border on such
 5 license plates, and the word "Montana" with the year shall
 6 be placed across the bottom of the plate. Such registration
 7 plate shall be treated with a reflectorized background
 8 material according to specifications prescribed by the
 9 division.

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

24 (5) For the use of tax-exempt motor vehicles that are
 25 also exempt from the light vehicle license fee as provided

1 in subsection (2)(a) of 61-3-532, in addition to the
2 markings herein provided, number plates shall have thereon
3 the following distinctive markings:

4 (a) For vehicles owned by the state the division may
5 designate the prefix number for the various state
6 departments, and all numbered plates issued to state
7 departments shall bear the words "State Owned" and no year
8 number will be indicated thereon as these numbered plates
9 will be of a permanent nature and will be replaced by the
10 division at such time when the physical condition of
11 numbered plates requires same.

12 (b) For vehicles owned by the counties,
13 municipalities, irrigation districts organized under the
14 laws of Montana and not operating for profit, and school
15 districts and used and operated by officials and employees
16 thereof in line of duty as such, and for vehicles on loan
17 from the United States government or the state of Montana,
18 to, or owned by, the civil air patrol and used and operated
19 by officials and employees thereof in the line of duty as
20 such, there shall be placed on the number plates assigned
21 thereto, in such position thereon as the division may
22 designate, the letter "X" or the word "EXEMPT". Distinctive
23 registration numbers for plates assigned to motor vehicles
24 of each of the counties in the state and those of the
25 municipalities and school districts situated within each of

1 said counties and those of the irrigation districts which
2 obtain plates within each county shall begin with number one
3 and be numbered consecutively.

4 (6) On all number plates assigned to motor vehicles of
5 the truck and trailer type, other than tax-exempt trucks
6 that are also exempt from the light vehicle license fee as
7 provided in subsection (2)(a) of 61-3-532 and tax exempt
8 trailers, there shall appear the letter "T" or the word
9 "TRUCK" for plates assigned to trucks and the letters "TR"
10 or the word "TRAILER" for plates assigned to trailers and
11 housetrailers. The letters "MC" or the word "CYCLE" shall
12 appear for plates assigned to vehicles of the motorcycle or
13 quadricycle type.

14 (7) Number plates issued to a passenger car, truck,
15 trailer, or vehicle of the motorcycle or quadricycle type
16 may be transferred only to a replacement passenger car,
17 truck, trailer, or motorcycle- or quadricycle-type vehicle.
18 No registration or license fee may be assessed upon a
19 transfer of a number plate under 61-3-317 and 61-3-335.

20 (8) For the purpose of this chapter, the several
21 counties of the state shall be assigned numbers as follows:
22 Silver Bow, 1; Cascade, 2; Yellowstone, 3; Missoula, 4;
23 Lewis and Clark, 5; Gallatin, 6; Flathead, 7; Fergus, 8;
24 Powder River, 9; Carbon, 10; Phillips, 11; Hill, 12;
25 Ravalli, 13; Custer, 14; Lake, 15; Dawson, 16; Roosevelt,

1 17; Beaverhead, 18; Chouteau, 19; Valley, 20; Toole, 21; Big
 2 Horn, 22; Musselshell, 23; Blaine, 24; Madison, 25; Pondera,
 3 26; Richland, 27; Powell, 28; Rosebud, 29; Deer Lodge, 30;
 4 Teton, 31; Stillwater, 32; Treasure, 33; Sheridan, 34;
 5 Sanders, 35; Judith Basin, 36; Daniels, 37; Glacier, 38;
 6 Fallon, 39; Sweet Grass, 40; McCone, 41; Carter, 42;
 7 Broadwater, 43; Wheatland, 44; Prairie, 45; Granite, 46;
 8 Meagher, 47; Liberty, 48; Park, 49; Garfield, 50; Jefferson,
 9 51; Wibaux, 52; Golden Valley, 53; Mineral, 54; Petroleum,
 10 55; Lincoln, 56. Any new counties shall be assigned numbers
 11 by the division as they may be formed, beginning with the
 12 number 57."

13 Section 20. Section 61-3-402, MCA, is amended to read:

14 "61-3-402. Personalized license plates authorized. Any
 15 person who is the registered owner of a motor vehicle, a
 16 truck, motor home, camping trailer, motorcycle, quadricycle,
 17 or other vehicle for the owner's personal use registered
 18 with the division or who makes application for original
 19 registration of a motor vehicle may upon payment of the fee
 20 prescribed in 61-3-406 apply to the division for
 21 personalized license plates in the manner prescribed in
 22 61-3-405, which plates shall be affixed to the motor vehicle
 23 for which registration is sought in lieu of the regular
 24 license plates provided for in this chapter."

25 Section 21. Section 61-3-403, MCA, is amended to read:

1 "61-3-403. Color and design of personalized plates --
 2 county designation. (1) The personalized license plates
 3 shall be the same color and design as regular passenger
 4 motor vehicle license plates and shall consist of numbers or
 5 letters, or any combination thereof not exceeding eight
 6 positions and not less than two positions, provided that
 7 there are no conflicts with existing passenger, commercial,
 8 trailer, motorcycle, quadricycle, or special license plate
 9 series under this title.

10 (2) Upon the issuance of personalized license plates
 11 or upon the reregistration of any motor vehicle assigned
 12 personalized license plates that do not bear a county
 13 designation or no longer bear the correct county
 14 designation, the division shall provide nonremovable
 15 stickers bearing the appropriate county designation which
 16 must be affixed to the license plates in use in accordance
 17 with instructions by the division."

18 Section 22. Section 61-3-501, MCA, is amended to read:

19 "61-3-501. When vehicle taxes and fees are due. (1)
 20 Property taxes, new car taxes, light vehicle license fees,
 21 and fees in lieu of tax on a motorcycle, quadricycle, motor
 22 home, or travel trailer must be paid on the date of
 23 registration or reregistration of the vehicle.

24 (2) If the anniversary date for reregistration of a
 25 vehicle passes while the vehicle is owned and held for sale

1 by a licensed new or used car dealer, property taxes, light
 2 vehicle license fees, or the fee in lieu of property taxes
 3 abate on such vehicle properly reported with the department
 4 of revenue until the vehicle is sold and thereafter the
 5 purchaser shall pay the pro rata balance of the taxes or the
 6 fee in lieu of tax due and owing on the vehicle.

7 (3) In the event a vehicle's registration period is
 8 changed under 61-3-315, all taxes and other fees due thereon
 9 shall be prorated and paid from the last day of the old
 10 period until the first day of the new period in which the
 11 vehicle shall be registered. Thereafter taxes and other fees
 12 must be paid from the first day of the new period for a
 13 minimum period of 1 year. When the change is to a later
 14 registration period, taxes and fees shall be prorated and
 15 paid based on the same tax year as the original registration
 16 period. Thereafter, during the appropriate anniversary
 17 registration period, each vehicle shall again register or
 18 reregister and shall pay all taxes and fees due thereon for
 19 a 12-month period."

20 Section 23. Section 61-3-503, MCA, is amended to read:

21 "61-3-503. Assessment. (1) Except as provided in
 22 subsection (2), the following apply to the taxation of motor
 23 vehicles:

24 (a) Except as provided in subsection (1)(c), a person
 25 who files an application for registration or reregistration

1 of a motor vehicle shall before filing such application with
 2 the county treasurer submit the application to the county
 3 assessor. The county assessor shall enter on the
 4 application in a space to be provided for that purpose the
 5 market value and taxable value of the vehicle as of January
 6 1 of the year for which the application for registration is
 7 made.

8 (b) Except as provided in subsection (1)(c), motor
 9 vehicles are assessed for taxes on January 1 in each year
 10 irrespective of the time fixed by law for the assessment of
 11 other classes of personal property and irrespective of
 12 whether the levy and tax may be a lien upon real property
 13 within the state. In no event may any motor vehicle be
 14 subject to assessment, levy, and taxation more than once in
 15 each year.

16 (c) Vehicles subject to the provisions of 61-3-313
 17 through 61-3-316 shall be assessed as of the first day of
 18 the registration period, using the market value as of
 19 January 1 of the year of assessment of the vehicle as
 20 contained in the most recent volume of the Mountain States
 21 Edition of the National Automobile Dealers Association
 22 Official Used Car Guide; and a lien for taxes and fees due
 23 thereon shall occur on the anniversary date of the
 24 registration and shall continue until such fees and taxes
 25 have been paid.

1 (2) The provisions of subsections (1)(a) through
 2 (1)(c) do not apply to automobiles and trucks having a rated
 3 capacity of three-quarters of a ton or less, motorcycles,
 4 quadricycles, motor homes, travel trailers, or mobile homes
 5 as defined in 15-1-101(1)."

6 Section 24. Section 61-3-504, MCA, is amended to read:

7 "61-3-504. Computation of tax. The amount of taxes on
 8 a motor vehicle, other than an automobile, truck having a
 9 rated capacity of three-quarters of a ton or less,
 10 motorcycle, quadricycle, motor home, travel trailer, or
 11 mobile home as defined in 15-1-101(1), is computed and
 12 determined by the county treasurer on the basis of the levy
 13 of the year preceding the current year of application for
 14 registration or reregistration. The determination is entered
 15 on the application form in a space provided therefor."

16 Section 25. Section 61-3-509, MCA, is amended to read:

17 "61-3-509. Disposition of taxes and fees in lieu of
 18 tax. The county treasurer shall credit all taxes on motor
 19 vehicles, light vehicle license fees provided for in
 20 61-3-532, and fees in lieu of tax on motorcycles,
 21 quadricycles, motor homes, and travel trailers collected to
 22 a motor vehicle suspense fund, and at some time between
 23 March 1 and March 10 of each year and every 60 days
 24 thereafter, the county treasurer shall distribute the money
 25 in the motor vehicle suspense fund in the relative

1 proportions required by the levies for state, county, school
 2 district, and municipal purposes in the same manner as
 3 personal property taxes are distributed."

4 Section 26. Section 61-3-701, MCA, is amended to read:

5 "61-3-701. Foreign vehicles used in gainful occupation
 6 to be registered -- reciprocity. (1) Before any foreign
 7 licensed motor vehicle may be operated on the highways of
 8 this state for hire, compensation, or profit or before the
 9 owner and/or user thereof uses the vehicle if such owner
 10 and/or user is engaged in gainful occupation or business
 11 enterprise in the state, including highway work, the owner
 12 of the vehicle shall make application to a county treasurer
 13 for registration upon an application form furnished by the
 14 division. Upon satisfactory evidence of ownership submitted
 15 to the county treasurer and the payment of property taxes,
 16 if appropriate, as required by 15-8-201 through 15-8-203 or
 17 15-24-301, or the payment of the light vehicle license fee
 18 as provided by 61-3-532, or the fee in lieu of tax as
 19 provided by [section 2], the treasurer shall accept the
 20 application for registration and shall collect the regular
 21 license fee required for the vehicle.

22 (2) The treasurer shall thereupon issue to the
 23 applicant a copy of the application entitled "Owner's
 24 Certificate of Registration and Payment Receipt" and forward
 25 a duplicate copy of the certificate to the division. The

1 treasurer shall at the same time issue to the applicant the
2 proper license plates or other identification markers, which
3 shall at all times be displayed upon the vehicle when
4 operated or driven upon roads and highways of this state
5 during the period of the life of the license.

6 (3) The registration receipt shall not constitute
7 evidence of ownership but shall be used only for
8 registration purposes. No Montana certificate of ownership
9 shall be issued for this type of registration.

10 (4) This section is not applicable to any vehicle
11 covered by a valid and existing reciprocal agreement or
12 declaration entered into under the provisions of the laws of
13 Montana."

14 Section 27. Section 61-4-101, MCA, is amended to read:

15 "61-4-101. Application for dealer's license. (1) Every
16 person, firm, corporation, or association which, for
17 commission or profit, engages in the business of buying,
18 selling, exchanging, or acting as a broker of new motor
19 vehicles, recreational vehicles, used motor vehicles,
20 trailers (except trailers having an unloaded weight of less
21 than 500 pounds), semitrailers, or special mobile equipment
22 as defined in 61-1-104 shall file, by mail or otherwise, in
23 the office of the division a verified application for
24 licensure as a dealer, on a blank to be furnished by the
25 division for that purpose and containing the information

1 required. The application and all of the information
2 contained in it shall be verified by the Montana highway
3 patrol. Each application must be accompanied by the license
4 fee hereinafter specified. A dealer's license must be
5 renewed and paid for annually, and an application for
6 relicensure must be filed not later than January 1 of each
7 year. If an application for renewal of a license has been
8 received by the division prior to the expiration of the
9 license, the dealer may operate his business and display
10 dealer plates under the expired license between January 1
11 and February 15 following expiration.

12 (2) To qualify for licensure and the issuance and use
13 of "D", "UD", "RV", "DTR", or "MCD" plates as hereinafter
14 provided, the applicant must furnish the following
15 information and qualify under the following provisions:

16 (a) To qualify as a new motor vehicle dealer and for
17 the use of "D" plates, the applicant must:

18 (i) state the name under which the business is to be
19 conducted and the location of the premises (street address,
20 city, county, and state) where records are kept, sales are
21 made, and stock of motor vehicles is displayed;

22 (ii) state the name and address of all owners or
23 persons having an interest in the business, provided that in
24 the case of a corporation, the names and addresses of the
25 president and secretary are sufficient;

1 (iii) state the name and make of all motor vehicles
2 handled and the name and address of the manufacturer,
3 importer, or distributor with whom the applicant has a
4 written new motor vehicle franchise or sales agreement;

5 (iv) execute a certificate to the effect that the
6 applicant has a permanent building for the display and sale
7 of new motor vehicles at the location of the premises where
8 sales are conducted;

9 (v) execute a certificate to the effect that the
10 applicant has a bona fide service department for the repair,
11 service, and maintenance of motor vehicles; and

12 (vi) execute a certificate to the effect that the
13 applicant is a bona fide dealer in new motor vehicles and
14 that he is recognized by a manufacturer, importer, or
15 distributor as a dealer in new motor vehicles.

16 (b) To qualify as a used motor vehicle dealer and for
17 the use of "UD" plates or as a recreational vehicle,
18 trailer, semitrailer, or special mobile equipment dealer and
19 for the use of "DTR" plates or as a motorcycle or
20 quadricycle dealer and for the use of "MCD" plates, the
21 applicant must, in addition to the matters set forth in
22 subsections (i) and (ii) of subsection (2)(a) above,
23 provide:

24 (i) a statement that the applicant has a building or
25 lot and a sign readable at a minimum distance of 150 feet

1 and indicating the firm name and headquarters as the
2 principal place of business; and

3 (ii) a certificate to the effect that the applicant is
4 a bona fide dealer in used motor vehicles, recreational
5 vehicles, trailers, semitrailers, special mobile equipment,
6 or motorcycles, or quadricycles. An applicant for a
7 recreational vehicle dealer license must also indicate on
8 the same certificate that he is recognized by a
9 manufacturer, importer, or distributor as a dealer in
10 recreational vehicles.

11 (c) To qualify for a used motor vehicle dealer's
12 license, a person must submit an annual application for that
13 license and comply with the provisions of 61-4-102(5) in
14 addition to fulfilling the requirements of subsection (2)(b)
15 above.

16 (d) The provisions of subsection (2)(c) above do not
17 apply to an applicant who is licensed as a motor vehicle
18 wrecking facility under the provisions of Title 75, chapter
19 10, part 5.

20 (3) The applicant for a dealer's license shall also
21 file with his application a good and sufficient bond in the
22 sum of \$5,000, and the bond shall be conditioned that the
23 applicant shall conduct his business in accordance with the
24 requirements of the law. All bonds shall run to the state of
25 Montana and shall be approved by the division and filed in

1 its office and shall be renewed annually."

2 Section 28. Section 61-4-102, MCA, is amended to read:
3 "61-4-102. Fees. (1) Upon making such application, the
4 applicant shall pay to the division, in addition to the fees
5 required of dealers under the provisions of subsection (2),
6 a fee of \$5. Upon receipt of the application, fee, and bond,
7 as provided above, the division shall examine the
8 application, and may, prior to issuing a license, make
9 individual investigation of the truth of the statements
10 contained in the application. If the division is satisfied
11 that the applicant qualifies for the issuance of a dealer's
12 license under the provisions of this chapter, it may
13 thereupon issue the same.

14 (2) Registration or license fees shall be paid upon
15 registration or reregistration of dealers in motor
16 vehicles, recreational vehicles, or trailers as follows:

17 (a) (i) all dealers in motor vehicles and recreational
18 vehicles, a fee of \$25, which shall entitle such dealer to
19 one set of number plates, and \$25 additional fee for each
20 additional set of number plates, subject to the following
21 limitations on the number of additional sets allowed a
22 dealer:

23 (A) 5% of the first 100 vehicle sales for the previous
24 year; plus

25 (B) 3% of the next 100 vehicle sales for the previous

1 year; plus

2 (C) 2% of vehicle sales in excess of 200 for the
3 previous year; and

4 (D) any additional sets upon a showing of good cause
5 by the applicant dealer to the division.

6 (ii) in addition to the dealer plates allowed under
7 subsection (2)(a)(i), a dealer who has purchased one or more
8 sets of dealer plates is entitled to purchase demonstrator
9 plates at a cost determined by the division to offset the
10 cost of production. Demonstrator plates shall be used in
11 lieu of a dealer plate but only as set forth in subsection
12 (6) and must be distinguished from dealer plates in a manner
13 determined by the division.

14 (b) dealers in motorcycles, quadricycles, and
15 trailers, including housetrailer, \$45.

16 (3) If any dealer is originally registered 6 months
17 after the time of registration as set by law, the
18 registration or license fee for the remainder of such year
19 shall be one-half of the regular fee above given.

20 (4) A dealer in motor vehicles, recreational vehicles,
21 or trailers who shall maintain more than one place of
22 business or who shall maintain any branch establishment or
23 establishments must register and pay a registration or
24 license fee for each such place of business or
25 establishment.

1 (5) A new applicant for a used motor vehicle dealer
 2 license shall pay \$300 to the division in addition to any
 3 other sums required by this section or other provisions of
 4 the law. An applicant for a renewal of a used motor vehicle
 5 dealer license shall certify under oath that he has sold
 6 more than five used motor vehicles during the preceding
 7 calendar year or pay an additional \$300 before he may be
 8 licensed.

9 (6) Demonstrator plates provided for in subsection
 10 (2)(a)(ii) may be used only as follows:

11 (a) New and used motor vehicle or recreational vehicle
 12 demonstrator plates may be used:

13 (i) to demonstrate, for no more than 72 hours, an
 14 authorized vehicle held for sale, when operated by an
 15 individual holding a valid operator's license;

16 (ii) on authorized vehicles owned by the firm when
 17 operated by an officer or bona fide full-time employee of
 18 the dealer and used to transport the dealer's own tools,
 19 parts, and equipment;

20 (iii) on authorized vehicles being tested for repair;

21 (iv) on authorized vehicles being moved to or from a
 22 dealer's place of business for sale;

23 (v) on authorized vehicles being moved to or from
 24 service and repair facilities before sale;

25 (vi) on authorized vehicles being moved to or from

1 exhibitions within the state, provided any such exhibition
 2 does not exceed a period of 20 days.

3 (b) Mobile home and trailer dealer demonstrator plates
 4 may be used:

5 (i) on units hauled to or from the place of business
 6 of the manufacturer and the place of business of the dealer
 7 or to and from places of business of the dealer;

8 (ii) on mobile homes hauled to a customer's location
 9 for setup after sale;

10 (iii) on travel trailers held for sale to demonstrate
 11 the towing capability of the vehicle provided that a dated
 12 demonstration permit, valid for not more than 72 hours, is
 13 carried with the vehicle at all times;

14 (iv) on any motor vehicle owned by the dealer that is
 15 used only to move vehicles legally bearing mobile home and
 16 travel trailer dealer license plates of the dealer owning
 17 any such motor vehicle;

18 (v) on vehicles being moved to or from vehicle
 19 exhibitions within the state, provided any such exhibition
 20 does not exceed a period of 20 days."

21 Section 29. Section 61-4-103, MCA, is amended to read:

22 "61-4-103. Assignment of dealer plates. (1) Upon the
 23 licensing of a dealer as a new motor vehicle dealer, used
 24 motor vehicle dealer, recreational vehicle dealer, or
 25 trailer, semitrailer, or special mobile equipment dealer, or

1 a dealer of the motorcycle- or quadricycle-type vehicle, the
 2 division shall assign to such dealer a distinctive serial
 3 license number as a dealer and after payment of fees furnish
 4 every qualified dealer in motor vehicles with such sets of
 5 number plates as required according to need, which need
 6 shall be justified by the dealer with the initial
 7 application for license and each renewal. Assigned number
 8 plates shall be similar to number plates furnished to owners
 9 of motor vehicles but shall bear thereon, in addition to the
 10 serial number assigned such dealer, the letter "D" if the
 11 dealer is authorized to sell new motor vehicles (including
 12 trucks and truck trailers); the letters "RV" if the dealer
 13 is authorized to sell recreational vehicles; the letters
 14 "UD" if the dealer is authorized to sell used motor vehicles
 15 (including used trucks and used truck trailers); the letters
 16 "DTR" if the dealer is authorized to sell trailers,
 17 semitrailers, or special mobile equipment (new or used); and
 18 the letters "MCD" if the dealer is authorized to sell
 19 vehicles of the motorcycle or quadricycle type (new or
 20 used).

21 (2) With the exception of a dealer authorized to sell
 22 new motor vehicles (including trucks and truck trailers) and
 23 to use the "D" plate or demonstrator plate, no dealer
 24 authorized to transact business under the provisions of this
 25 section may offer for sale or trade any vehicle described in

1 this section except such vehicles as are authorized by the
 2 plates assigned to him. If an applicant wishes to sell more
 3 than one type of vehicle, he shall make application for each
 4 separate authorization. No plate assigned to a dealer may be
 5 used on any vehicle other than the type described in this
 6 section. A dealer authorized to sell new motor vehicles and
 7 assigned a "D" plate or demonstrator plate is authorized to
 8 sell both new and used motor vehicles (including trucks and
 9 truck trailers), and such plates may be displayed on either
 10 new or used motor vehicles by a licensed dealer in new
 11 vehicles.

12 (3) The division shall cause to be placed on each set
 13 of license plates issued to a dealer a serial number
 14 assigned to each dealer and the actual number of license
 15 plates issued to each dealer. The number of the dealer shall
 16 follow the prefix of the county, and the number of plates
 17 issued the dealer shall follow the prefix of the county and
 18 the number of the dealer, the dealer's number to be
 19 separated from the county prefix by a dash, and the number
 20 of plates issued to a dealer to be separated from the
 21 dealer's number by a dash, as follows: dealer number 4 in
 22 Lewis and Clark County would be numbered 5-4, and if the
 23 dealer were issued three sets of plates, they would be
 24 numbered consecutively as follows, 5-4-1, 5-4-2, and 5-4-3.

25 (4) Dealers properly licensed under this section are

1 authorized to use and display dealer's license plates on any
 2 motor vehicle held for bona fide sale or used in the conduct
 3 of the dealer's business in selling or demonstrating motor
 4 vehicles and operated by or under the control of the dealer,
 5 his officers or employees. For purposes of this provision,
 6 "officers and employees" include only such persons listed on
 7 the manufacturer's franchise agreement or the importer's
 8 distribution agreement and their spouses or such other
 9 persons upon whom the dealer has paid social security taxes
 10 as a full-time employee. No dealer's license plate shall be
 11 used or displayed on vehicles normally used for hire, lease,
 12 or rental or for purposes not incident to the business of a
 13 motor vehicle dealer. Each dealer is accountable for each
 14 plate issued and shall certify quarterly to the division the
 15 disposition of each dealer plate assigned to the dealer,
 16 including the name, address, and occupation of the person
 17 primarily using each plate.

18 (5) If it shall appear to the satisfaction of the
 19 division, from information furnished to it by the sheriff or
 20 any other law enforcement officer, that any such dealer has
 21 been improperly licensed, has used the dealer's license in a
 22 manner other than the one herein authorized, or is not
 23 qualified as a dealer under the requirements of this
 24 section, the division may revoke such dealer's license. No
 25 person, firm, corporation, or association shall, for

1 commission or profit, engage in the business of buying,
 2 selling, exchanging, or acting as a broker of new motor
 3 vehicles, trailers, or semitrailers unless duly licensed in
 4 compliance with this section (except trailers having an
 5 unladen weight of less than 500 pounds)."

6 Section 30. Section 61-5-106, MCA, is amended to read:
 7 "61-5-106. Instruction and traffic education permits
 8 and temporary licenses. (1) Any person satisfying the age
 9 requirements specified in 61-5-105(1) may apply to the
 10 division for an instruction permit. The division may in its
 11 discretion, after the applicant has successfully passed all
 12 parts of the examination other than the driving test, issue
 13 to the applicant an instruction permit which shall entitle
 14 the applicant, while having such permit in his immediate
 15 possession, to drive a motor vehicle upon the public
 16 highways for a period of 6 months when accompanied by a
 17 licensed operator or chauffeur who is occupying a seat
 18 beside the driver. In addition, the division may issue such
 19 an instruction permit to any person who is at least 14 1/2
 20 years of age and who has successfully completed or is
 21 successfully participating in a traffic education course
 22 approved by the division and the superintendent of public
 23 instruction. Any instruction permit so issued shall be
 24 restricted to the operation of a motor vehicle only when
 25 accompanied by an approved instructor or licensed parent or

1 guardian and may be further restricted to specific times
2 and/or areas.

3 (2) The division upon receiving proper application may
4 in its discretion issue a traffic education permit effective
5 for a school year or more restricted period to an applicant
6 who is enrolled in a traffic education program approved by
7 the division even though the applicant has not reached the
8 legal age to be eligible for an operator's license. Such
9 permit shall entitle the permittee when he has such a permit
10 in his immediate possession to operate only on a designated
11 highway or within a designated area a motor vehicle only
12 when an approved instructor is occupying a seat beside the
13 permittee or a motorcycle or quadricycle only when under the
14 immediate and proximate supervision of an approved
15 instructor.

16 (3) The division may in its discretion issue a
17 temporary driver's permit to an applicant for an operator's
18 license permitting him to operate a motor vehicle while the
19 division is completing its investigation and determination
20 of all facts relative to such applicant's right to receive
21 an operator's license. Such permit must be in his immediate
22 possession while operating a motor vehicle, and it shall be
23 invalid when the applicant's license has been issued or for
24 good cause has been refused."

25 Section 31. Section 61-5-107, MCA, is amended to read:

1 "61-5-107. Application for license, instruction
2 permit, or motorcycle endorsement. (1) Every application for
3 an instruction permit, operator's or chauffeur's license, or
4 motorcycle endorsement shall be made upon a form furnished
5 by the division. A motorcycle endorsement is required for
6 the operation of a quadricycle. Every application shall be
7 accompanied by the proper fee and payment of such fee shall
8 entitle the applicant to not more than three attempts to
9 pass the examination within a period of 6 months from the
10 date of application.

11 (2) Every such application shall state the full name,
12 date of birth, sex, and residence address of the applicant,
13 and briefly describe the applicant, and shall state whether
14 the applicant has theretofore been licensed as an operator
15 or chauffeur, and, if so, when and by what state or country,
16 and whether any such license has ever been suspended or
17 revoked, or whether an application has ever been refused,
18 and, if so, the date of and reason for such suspension,
19 revocation, or refusal.

20 (3) Whenever application is received from an applicant
21 previously licensed by any other jurisdiction, the division
22 shall request a copy of such applicant's driving record from
23 such previous licensing jurisdiction. When received, such
24 driving records shall become a part of the driver's record
25 in this state with the same force and effect as though

1 entered on the driver's record in this state in the original
2 instance."

3 Section 32. Section 61-5-110, MCA, is amended to read:

4 "61-5-110. Examination of applicants. The division
5 shall examine every applicant for an operator's or
6 chauffeur's license or motorcycle endorsement, except as
7 otherwise provided in this section. Such examination shall
8 include a test of the applicant's eyesight, his ability to
9 read and understand highway signs regulating, warning, and
10 directing traffic, his knowledge of the traffic laws of this
11 state, and shall include an actual demonstration of ability
12 to exercise ordinary and reasonable control in the operation
13 of a motor vehicle, quadricycle, or motorcycle. The division
14 shall make provision for giving an examination either in the
15 county where the applicant resides or at a place adjacent
16 thereto reasonably convenient to the applicant within not
17 more than 30 days from the date the application is
18 received."

19 Section 33. Section 61-5-111, MCA, is amended to read:

20 "61-5-111. Licenses issued to operators and chauffeurs
21 -- renewals and expiration -- fees -- disposition. (1) The
22 division shall have authority to appoint county treasurers
23 and other qualified officers to act as its agents for the
24 sale of driver's licenses receipts and shall make necessary
25 rules governing such sales. In those areas where the

1 division provides driver licensing services 3 days or more a
2 week the division is responsible for sale of receipts and
3 may not appoint an agent. The division, upon receipt of
4 payment of the fees specified in this section, shall issue
5 to every applicant qualifying therefor an operator's or
6 chauffeur's license as applied for. Such licenses shall
7 contain a photograph of the licensee in the size and form as
8 prescribed by the division, a distinguishing number issued
9 to the licensee; the full name, date of birth, residence
10 address, and a brief description of the licensee; and either
11 a facsimile of the signature of the licensee or a space upon
12 which he shall write his signature in pen and ink
13 immediately upon receipt of the license. No license shall be
14 valid until it has been so signed by the licensee. Five
15 percent of the license fees collected by the county
16 treasurer shall be deposited by the county treasurer for the
17 use of the county general fund. In the event no agent is
18 appointed under this section, 5% of the license fees
19 collected by the division shall be retained by the division
20 to defray the cost of handling.

21 (2) The division shall, when any person applies for
22 renewal of an operator's or chauffeur's license, test the
23 applicant's eyesight and may also in the division's
24 discretion have the applicant demonstrate his physical
25 ability to operate and to exercise ordinary and reasonable

1 care in the operation of a motor vehicle. A person shall be
2 considered to have applied for renewal of a Montana
3 operator's or chauffeur's license if the application is made
4 within 3 months of the expiration of his license.

5 (3) Licenses shall expire on the anniversary of the
6 date of birth of the licensee 4 years or less after the date
7 of issue.

8 (4) Whenever the division issues an original license
9 to a person under the age of 18 years, the license shall be
10 designated and clearly marked as a "provisional license".
11 Any license so designated and marked may be suspended by the
12 division for a period of not more than 12 months, when its
13 records disclose that the licensee, subsequent to the
14 issuance of such license, has been guilty of careless or
15 negligent driving. Upon renewal as applicable to operator's
16 licenses, the division may, for any reasonable cause as
17 shown by its records, designate the renewal of the license
18 as provisional; otherwise, a license in usual form shall be
19 issued subject to other provisions of the laws of Montana.

20 (5) It shall be unlawful for any person to have in his
21 possession or under his control more than one Montana
22 operator's or chauffeur's license at any one time. A license
23 is not valid for the operation of a motorcycle or
24 quadricycle until the holder thereof has completed the
25 requirements of 61-5-110 and the license has been clearly

1 marked with the words "motorcycle endorsement".

2 (6) Fees for driver's licenses shall be as follows:

3 (a) driver's license -- \$2 per year or fraction
4 thereof;

5 (b) motorcycle endorsement -- 50 cents per year or
6 fraction thereof.

7 (7) The county treasurer or other agent of the
8 division collecting such fees shall retain 5% of each fee
9 for the use of the county general fund and shall transmit
10 the remainder to the state treasurer, who shall deposit to
11 the credit of the state general fund all money received by
12 him from the collection of the fees."

13 Section 34. Section 61-6-303, MCA, is amended to read:

14 "61-6-303. Exempt vehicles. The following vehicles and
15 their drivers are exempt from the provisions of 61-6-301:

16 (1) a vehicle owned by the United States government or
17 any state or political subdivision;

18 (2) a vehicle for which cash, securities, or a bond
19 has been deposited or filed with the division upon such
20 terms and conditions providing the same benefits available
21 under a required motor vehicle liability insurance policy;

22 (3) a vehicle owned by a self-insurer certified as
23 provided in 61-6-143;

24 (4) an implement of husbandry or special mobile
25 equipment that is only incidentally operated on a highway or

1 property open to use by the public;

2 (5) a vehicle operated upon a highway only for the
3 purpose of crossing such highway from one property to
4 another;

5 (6) a commercial vehicle registered or proportionally
6 registered in this and any other jurisdiction provided that
7 vehicle is covered by a motor vehicle liability insurance
8 policy complying with the laws of another jurisdiction in
9 which it is registered;

10 (7) a motorcycle or quadricycle;

11 (8) a vehicle moved solely by human or animal power.

12 Section 35. Section 61-8-359, MCA, is amended to read:

13 "61-8-359. Riding on motorcycles. (1) A person
14 operating a motorcycle or quadricycle on public streets or
15 highways shall ride only upon the permanent and regular seat
16 attached thereto, and such operator shall not carry any
17 other person; nor shall any other person ride on a
18 motorcycle or quadricycle unless such motorcycle or
19 quadricycle is designed to carry more than one person, in
20 which event a passenger may ride upon the permanent and
21 regular seat if designed for two persons or upon another
22 seat firmly attached to the rear or side of the operator.

23 (2) No passenger shall be carried in a position that
24 will interfere with the operation of the motorcycle or
25 quadricycle or the view of the operator.

1 (3) No person operating a motorcycle or quadricycle
2 shall carry any packages, bundles, or articles which would
3 interfere with the operation of said vehicle in a safe and
4 prudent manner.

5 (4) "Sidesaddle" riding on a motorcycle or quadricycle
6 is prohibited.

7 (5) Motorcycles and quadricycles are to be operated
8 with lights on at all times when operated on any public
9 highway or street, except that if the motorcycle is
10 registered under 61-3-411 as a collector's item, it may be
11 operated without lights from one-half hour before sunrise to
12 one-half hour after sunset if persons and vehicles are
13 clearly discernible at a distance of 500 feet.

14 (6) Not more than two motorcycles shall be operated
15 side by side in a single traffic lane.

16 (7) All motor vehicles, including motorcycles and
17 quadricycles, are entitled to the full use of a traffic
18 lane, and no vehicle shall be driven or operated in such a
19 manner so as to deprive any other vehicle of the full use of
20 a traffic lane, except that motorcycles may, with the
21 consent of both drivers, be operated not more than two
22 abreast in a single traffic lane.

23 (8) Every person riding a motorcycle or quadricycle
24 upon a roadway shall be granted all of the rights and shall
25 be subject to all of the duties applicable to the driver of

1 a motor vehicle except as to those provisions which, by
2 their nature, can have no application."

3 Section 36. Section 61-9-203, MCA, is amended to read:

4 "61-9-203. Headlamps on motor vehicles. (1) Every
5 motor vehicle other than a motorcycle, quadricycle, or
6 motor-driven cycle shall be equipped with at least two
7 headlamps, with at least one on each side of the front of
8 the motor vehicle, which headlamps shall comply with the
9 requirements and limitations set forth in this chapter.

10 (2) Every motorcycle, quadricycle, and every
11 motor-driven cycle shall be equipped with at least one and
12 not more than two headlamps which shall comply with the
13 requirements and limitations of this chapter. If a
14 motorcycle is registered under 61-3-411 as a collector's
15 item, it need not be equipped with headlamps, but if it is
16 not so equipped it may not be operated upon a highway or
17 street from one-half hour after sunset to one-half hour
18 before sunrise or if persons and vehicles are not clearly
19 discernible at a distance of 500 feet.

20 (3) Every headlamp upon every motor vehicle, including
21 every motorcycle, quadricycle, and every motor-driven cycle,
22 shall be located at a height, measured from the center of
23 the headlamp, of not more than 54 inches or less than 24
24 inches, to be measured as set forth in 61-9-202(2)."

25 Section 37. Section 61-9-205, MCA, is amended to read:

1 "61-9-205. New motor vehicles to be equipped with
2 reflectors. (1) Every new motor vehicle hereafter sold and
3 operated upon a highway, other than a truck tractor, shall
4 carry on the rear, either as a part of the taillamps or
5 separately, two red reflectors, except that every
6 motorcycle, quadricycle, and motor-driven cycle shall carry
7 at least one reflector meeting the requirements of this
8 section, and except that vehicles of the type mentioned in
9 61-9-208 shall be equipped with reflectors as required in
10 those sections applicable thereto.

11 (2) Every such reflector shall be mounted on the
12 vehicle at a height not less than 15 inches or more than 60
13 inches measured as set forth in 61-9-202(2) and shall be of
14 such size and characteristics and so mounted as to be
15 visible at night from all distances within 300 feet to 50
16 feet from such vehicle when directly in front of lawful
17 upper beams of headlamps, except that visibility from a
18 greater distance may be required of reflectors on certain
19 types of vehicles."

20 Section 38. Section 61-9-206, MCA, is amended to read:

21 "61-9-206. Stop lamps -- when required. From and after
22 January 1, 1956, it shall be unlawful for any person to sell
23 any new motor vehicle, including any motorcycle,
24 quadricycle, or motor-driven cycle, in this state or for any
25 person to drive such vehicle on the highways unless it is

1 equipped with at least one stop lamp meeting the
2 requirements of 61-9-218."

3 Section 39. Section 61-9-220, MCA, is amended to read:

4 "61-9-220. Multiple-beam road-lighting equipment.

5 Except as hereinafter provided, the headlamps or the
6 auxiliary driving lamp or the auxiliary passing lamp or
7 combination thereof on motor vehicles other than
8 motorcycles, quadricycles, or motor-driven cycles shall be
9 so arranged that the driver may select at will between
10 distributions of light projected to different elevations and
11 such lamps may, in addition, be so arranged that such
12 selection can be made automatically, subject to the
13 following limitations:

14 (1) There shall be an uppermost distribution of light,
15 or composite beam, so aimed and of such intensity as to
16 reveal persons and vehicles at a distance of at least 350
17 feet ahead for all conditions of loading.

18 (2) There shall be a lowermost distribution of light,
19 or composite beam, so aimed and of sufficient intensity to
20 reveal persons and vehicles at a distance of at least 100
21 feet ahead; and on a straight level road under any condition
22 of loading none of the high-intensity portion of the beam
23 shall be directed to strike the eyes of an approaching
24 driver.

25 (3) Every new motor vehicle, other than a motorcycle,

1 quadricycle, or motor-driven cycle, registered in this state
2 after January 1, 1956, which has multiple-beam road-lighting
3 equipment shall be equipped with a beam indicator, which
4 shall be lighted whenever the uppermost distribution of
5 light from the headlamps is in use, and shall not otherwise
6 be lighted. Said indicator shall be so designed and located
7 that when lighted it will be readily visible without glare
8 to the driver of the vehicle so equipped."

9 Section 40. Section 61-9-225, MCA, is amended to read:

10 "61-9-225. Number of driving lamps required or
11 permitted. (1) At all times specified in 61-9-201, at least
12 two lighted lamps shall be displayed, one on each side at
13 the front of every motor vehicle other than a motorcycle,
14 quadricycle, or motor-driven cycle, except when such vehicle
15 is parked, subject to the regulations governing lights on
16 parked vehicles.

17 (2) Whenever a motor vehicle equipped with headlamps
18 as herein required is also equipped with any auxiliary lamps
19 or a spot lamp or any other lamp on the front thereof
20 projecting a beam of intensity greater than 300 candlepower,
21 not more than a total of four of any such lamps on the front
22 of a vehicle shall be lighted at any one time when upon a
23 highway."

24 Section 41. Section 61-9-303, MCA, is amended to read:

25 "61-9-303. Parking brakes -- adequacy. Every such

1 vehicle and combination of vehicles, except motorcycles,
 2 quadricycles, and motor-driven cycles, shall be equipped
 3 with parking brakes adequate to hold the vehicle on any
 4 grade on which it is operated, under all conditions of
 5 loading, on a surface free from snow, ice, or loose
 6 material. The parking brakes shall be capable of being
 7 applied in conformance with the foregoing requirements by
 8 the driver's muscular effort or by spring action or by
 9 equivalent means. Their operation may be assisted by the
 10 service brakes or other source of power provided that
 11 failure of the service brake actuation system or other power
 12 assisting mechanism will not prevent the parking brakes from
 13 being applied in conformance with the foregoing
 14 requirements. The parking brakes shall be so designed that
 15 when once applied they shall remain applied with the
 16 required effectiveness despite exhaustion of any source of
 17 energy or leakage of any kind. The same brake drums, brake
 18 shoes and lining assemblies, brake shoe anchors and
 19 mechanical brake shoe actuation mechanism normally
 20 associated with the wheel brake assemblies may be used for
 21 both the service brakes and the parking brakes. If the means
 22 of applying the parking brakes and the service brakes are
 23 connected in any way, they shall be so constructed that
 24 failure of any one part shall not leave the vehicle without
 25 operative brakes."

1 Section 42. Section 61-9-304, MCA, is amended to read:
 2 "61-9-304. Brakes required on all wheels --
 3 exceptions. Every vehicle shall be equipped with brakes
 4 acting on all wheels except:

5 (1) trailers, semitrailers, pole trailers of a gross
 6 weight not exceeding 3,000 pounds, provided that:

7 (a) the total weight on and including the wheels of
 8 the trailer or trailers shall not exceed 40% of the gross
 9 weight of the towing vehicle when connected to the trailer
 10 or trailers; and

11 (b) the combination of vehicles consisting of the
 12 towing vehicle and its total towed load is capable of
 13 complying with the performance requirements of 61-9-312;

14 (2) any vehicle being towed in driveaway or towaway
 15 operations, provided the combination of vehicles is capable
 16 of complying with the performance requirements of 61-9-312;

17 (3) trucks and truck tractors having three or more
 18 axles need not have brakes on the front wheels, except that
 19 when such vehicles are equipped with at least two steerable
 20 axles, the wheels of one steerable axle need not have
 21 brakes. However, such trucks and truck tractors must be
 22 capable of complying with the performance requirements of
 23 61-9-312.

24 (4) special mobile equipment as defined in 61-1-104;

25 (5) the wheel of a sidecar attached to a motorcycle or

1 to a motor-driven cycle, or the front wheel of a
2 motor-driven cycle need not be equipped with brakes,
3 provided--that--such However, a quadricycle, motorcycle, or
4 motor-driven cycle is must be capable of complying with the
5 performance requirements of 61-9-312."

6 Section 43. Section 61-9-309, MCA, is amended to read:
7 "61-9-309. Single control to operate all brakes. After
8 January 1, 1966, every motor vehicle, trailer, semitrailer,
9 and pole trailer, and every combination of such vehicles,
10 except motorcycles, quadricycles, and motor-driven cycles,
11 equipped with brakes shall have the braking system so
12 arranged that one control device can be used to operate all
13 service brakes. This requirement does not prohibit vehicles
14 from being equipped with an additional control device to be
15 used to operate brakes on the towed vehicles. This
16 regulation does not apply to driveaway or towaway operations
17 unless the brakes on the individual vehicles are designed to
18 be operated by a single control on the towing vehicle."

19 Section 44. Section 61-9-312, MCA, is amended to read:
20 "61-9-312. Performance ability of brakes. (1) Every
21 motor vehicle and combination of vehicles, at all times and
22 under all conditions of loading, upon application of the
23 service brake, shall be capable of:

24 (a) developing a braking force that is not less than
25 the percentage of its gross weight tabulated in subsection

1 (3) for its classification;

2 (b) decelerating to a stop from not more than 20 miles
3 per hour at not less than the feet per second per second
4 tabulated in subsection (3) for its classification; and

5 (c) stopping from a speed of 20 miles per hour in not
6 more than the distance tabulated in subsection (3) for its
7 classification, such distance to be measured from the point
8 at which movement of the service brake pedal or control
9 begins.

10 (2) Tests for deceleration and stopping distance shall
11 be made on a substantially level (not to exceed plus or
12 minus 1% grade), dry, smooth, hard surface that is free from
13 loose material.

14 (3)

15			Brake system
16			application and
17	Braking force		braking distance
18	as a percentage	Deceleration	in feet from an
19	of gross vehicle	in feet	initial speed of
20	or combination	per second	twenty (20)
21	weight	per second	miles per hour

22 Classification of Vehicles

23 A Passenger vehicles with a seating capacity of ten (10)
24 people or less including driver, not having a
25 manufacturer's gross vehicle weight rating.....

152.8% 17 25
2 B-1 All motorcycles, quadricycles, and motor-driven cycles..
343.5% 14 30
4 B-2 Single unit vehicles with a manufacturer's gross vehicle
5 weight rating of than ten thousand (10,000) pounds or
6 less.....43.5% 14 30
7 C-1 Single unit vehicles with a manufacturer's gross weight
8 rating of more than ten thousand (10,000) pounds.....
943.5% 14 40
10 C-2 Combination of a two-axle towing vehicle and a trailer
11 with a gross trailer weight of three thousand (3,000)
12 pounds or less.....43.5% 14 40
13 C-3 Buses, regardless of the number of axles, not having a
14 manufacturer's gross weight rating.....
1543.5% 14 40
16 C-4 All combinations of vehicles in driveaway-towaway
17 operations.....43.5% 14 40
18 D All other vehicles and combinations of vehicles.....
1943.5% 14 50"
20 Section 45. Section 61-9-417, MCA, is amended to read:
21 "61-9-417. Headgear required for minor motorcycle
22 riders. An operator and passenger under 18 years of age of
23 any motorcycle or quadricycle operated upon the streets or
24 highways of this state shall wear protective headgear upon
25 the head. The headgear shall meet standards established by

1 the department of justice."
2 Section 46. Section 61-9-418, MCA, is amended to read:
3 "61-9-418. Motorcycle noise suppression devices. All
4 motorcycles or quadricycles operated on the streets and
5 highways of this state shall be equipped at all times with
6 noise suppression devices, including an exhaust muffler, in
7 good working order and in constant operation. In addition,
8 all motorcycles and quadricycles operating on streets and
9 highways shall meet the following noise decibel limitations,
10 on the standard A scale, such decibel limitations to be
11 measured at 50 feet distant from the closest point to the
12 motorcycle or quadricycle:
13 (1) any motorcycle cycle manufactured prior to 1970
14 92 db(A)
15 (2) any motorcycle cycle manufactured after 1969
16 but prior to 1973 88 db(A)
17 (3) any motorcycle cycle manufactured after 1972
18 but prior to 1975 86 db(A)
19 (4) any motorcycle cycle manufactured after 1974
20 but prior to 1978 80 db(A)
21 (5) any motorcycle cycle manufactured after 1977
22 but prior to 1988 75 db(A)
23 (6) any motorcycle cycle manufactured after 1987
24 70 db(A)"
25 Section 47. Section 61-9-421, MCA, is amended to read:

1 "61-9-421. Certain vehicles excepted. Section 61-9-420
2 is not applicable to a vehicle that:

3 (1) is a motorbus, schoolbus, taxicab, moped,
4 quadricycle, or motorcycle or is not required to be equipped
5 with safety belts under 49 CFR 571 as it reads on January 1,
6 1984; or

7 (2) has a seating capacity as designated by the
8 manufacturer of two persons and there are two persons 4
9 years of age or older in the vehicle."

10 NEW SECTION. Section 48. Codification instruction.
11 (1) Section 1 is intended to be codified as an integral part
12 of Title 61, chapter 1, part 1, and the provisions of Title
13 61 apply to section 1.

14 (2) Sections 2 and 3 are intended to be codified as an
15 integral part of Title 61, chapter 3, part 5, and the
16 provisions of Title 61 apply to sections 2 and 3.

17 NEW SECTION. Section 49. Extension of authority. Any
18 existing authority of the departments of revenue, highways,
19 or justice to make rules on the subject of the provisions of
20 this act is extended to the provisions of this act.

21 NEW SECTION. Section 50. Effective date. This act is
22 effective January 1, 1986.

-End-

SENATE STANDING COMMITTEE REPORT

March 27, 1985

MR. PRESIDENT

We, your committee on Taxation

having had under consideration House Bill No. 101

third reading copy (blue)
color

(Senator Severson)

REVISION OF MOTORCYCLE LAWS IMPOSING A FEE IN LIEU OF TAX ON MOTORCYCLES.

Respectfully report as follows: That House Bill No. 101

be amended as follows:

1. Page 2, lines 14 through 17.

Strike: lines 14 through 17 in their entirety

Insert: "	under 200 cc	200 cc to under 750 cc	750 cc and over
less than 4 years old	\$16	\$40	\$80
4 to 8 years old	\$ 8	\$20	\$40
over 8 years old	\$ 4	\$10	\$20 "

AND AS AMENDED
BE CONCURRED IN

~~DO PASS~~

~~DO NOT PASS~~

Thomas E. Love

Chairman

1 HOUSE BILL NO. 101
 2 INTRODUCED BY D. BROWN, MARKS
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE
 5 LAWS RELATING TO MOTORCYCLES; REPLACING THE PRESENT TAXATION
 6 OF MOTORCYCLES WITH A FEE IN LIEU OF TAX; DEFINING
 7 "QUADRICYCLE"; MAKING MOTORCYCLE LAWS APPLICABLE TO
 8 QUADRICYCLES; AMENDING SECTIONS 15-6-138, 15-6-201,
 9 15-8-111, 15-8-201, 15-8-202, 15-24-301, 15-30-121,
 10 15-31-114, 15-50-207, 31-1-202, 45-6-308, 61-3-301,
 11 61-3-303, 61-3-313, 61-3-321, 61-3-332, 61-3-402, 61-3-403,
 12 61-3-501, 61-3-503, 61-3-504, 61-3-509, 61-3-701, 61-4-101
 13 THROUGH 61-4-103, 61-5-106, 61-5-107, 61-5-110, 61-5-111,
 14 61-6-303, 61-8-359, 61-9-203, 61-9-205, 61-9-206, 61-9-220,
 15 61-9-225, 61-9-303, 61-9-304, 61-9-309, 61-9-312, 61-9-417,
 16 61-9-418, AND 61-9-421, MCA; AND PROVIDING AN EFFECTIVE
 17 DATE."
 18
 19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 20 NEW SECTION. Section 1. Quadricycle. "Quadricycle"
 21 means a four-wheeled motor vehicle, designed for on-road or
 22 off-road use, having a seat or saddle upon which the
 23 operator sits and a motor of less than 300 cubic centimeters
 24 capable of producing not more than 35 horsepower. THE TERM
 25 DOES NOT INCLUDE GOLF CARTS.

1 NEW SECTION. Section 2. Fee in lieu of tax for
 2 motorcycles and quadricycles. (1) There is a fee in lieu of
 3 property tax imposed on motorcycles and quadricycles. The
 4 fee is in addition to annual registration fees.
 5 (2) The fee imposed by subsection (1) need not be paid
 6 by a dealer for vehicles that constitute inventory of the
 7 dealership.
 8 NEW SECTION. Section 3. Schedule of fees for
 9 motorcycles and quadricycles. (1) The owner of a motorcycle
 10 or quadricycle shall pay a fee based on the age AND ENGINE
 11 SIZE of the vehicle as follows:
 12 less-than-5-years-old-----\$30
 13 5-years-old-and-older-----\$10
 14
 15

	<u>500CC</u>	<u>MORE-THAN</u>
	<u>OR-LESS</u>	<u>500CC</u>
16 <u>LESS-THAN-5-YEARS-OLD</u>	<u>\$32.50</u>	<u>\$52.50</u>
17 <u>5-YEARS-OLD-OR-OVER</u>	<u>17.50</u>	<u>27.50</u>
18	<u>UNDER</u>	<u>200 CC TO 750 CC</u>
19	<u>200 CC</u>	<u>UNDER 750 CC AND OVER</u>
20 <u>LESS THAN 4 YEARS OLD</u>	<u>\$16</u>	<u>\$40</u>
21 <u>4 TO 8 YEARS OLD</u>	<u>\$ 8</u>	<u>\$20</u>
22 <u>OVER 8 YEARS OLD</u>	<u>\$ 4</u>	<u>\$10</u>

 23 (2) The age of a motorcycle or quadricycle is
 24 determined by subtracting the manufacturer's designated
 25 model year from the current calendar year.

1 Section 4. Section 15-6-138, MCA, is amended to read:
 2 "15-6-138. Class eight property -- description --
 3 taxable percentage. (1) Class eight property includes:
 4 (a) all agricultural implements and equipment;
 5 (b) all mining machinery, fixtures, equipment, tools,
 6 and supplies except:
 7 (i) those included in class five; and
 8 (ii) coal and ore haulers;
 9 (c) all manufacturing machinery, fixtures, equipment,
 10 tools, and supplies except those included in class five;
 11 ~~(d) motorcycles;~~
 12 ~~(e) watercraft;~~
 13 ~~(f) all trailers up to and including 18,000 pounds~~
 14 ~~maximum gross loaded weight, except those subject to a fee~~
 15 ~~in lieu of property tax;~~
 16 ~~(g) aircraft;~~
 17 ~~(h) all-terrain vehicles not registered under~~
 18 ~~61-3-301;~~
 19 ~~(i) harness, saddlery, and other tack equipment;~~
 20 ~~(j) all goods and equipment intended for rent or~~
 21 ~~lease, except goods and equipment specifically included and~~
 22 ~~taxed in another class; and~~
 23 ~~(k) all other machinery except that specifically~~
 24 ~~included in another class.~~
 25 (2) Class eight property is taxed at 11½ of its market

1 value."
 2 Section 5. 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;

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

22 (l) motorcycles and quadricycles;

23 ~~(i)~~(m) fixtures, buildings, and improvements owned by
 24 a cooperative association or nonprofit corporation organized
 25 to furnish potable water to its members or customers for

1 uses other than the irrigation of agricultural land;

2 ~~(m)~~(n) the right of entry that is a property right
 3 reserved in land or received by mesne conveyance (exclusive
 4 of leasehold interests), devise, or succession to enter land
 5 whose surface title is held by another to explore, prospect,
 6 or dig for oil, gas, coal, or minerals; and

7 ~~(n)~~(o) property owned and used by a corporation or
 8 association organized and operated exclusively for the care
 9 of the developmentally disabled, mentally ill, or
 10 vocationally handicapped as defined in 18-5-101, which is
 11 not operated for gain or profit.

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

16 (b) The terms "public art galleries" and "public
 17 observatories" include only those art galleries and
 18 observatories, whether of public or private ownership, that
 19 are open to the public without charge at all reasonable
 20 hours and are used for the purpose of education only.

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

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

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

5 Section 6. Section 15-8-111, MCA, is amended to read:
6 "15-8-111. Assessment -- market value standard --
7 exceptions. (1) All taxable property must be assessed at
8 100% of its market value except as provided in subsection
9 (5) of this section and in 15-7-111 through 15-7-114.

10 (2) (a) Market value is the value at which property
11 would change hands between a willing buyer and a willing
12 seller, neither being under any compulsion to buy or to sell
13 and both having reasonable knowledge of relevant facts.

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

23 (3) The department of revenue or its agents may not
24 adopt a lower or different standard of value from market
25 value in making the official assessment and appraisal of the

1 value of property in 15-6-134 through 15-6-140. For
2 purposes of taxation, assessed value is the same as
3 appraised value.

4 (4) The taxable value for all property in classes four
5 through eleven is the percentage of market value established
6 for each class of property in 15-6-134 through 15-6-141.

7 (5) The assessed value of properties in 15-6-131
8 through 15-6-133 is as follows:

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

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

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

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

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

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

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

25 (7) The taxable value of all property in 15-6-131 and

1 classes two and three is the percentage of assessed value
2 established in 15-6-131(2), 15-6-132, and 15-6-133 for each
3 class of property."

4 Section 7. Section 15-8-201, MCA, is amended to read:

5 "15-8-201. General assessment day. (1) The department
6 of revenue or its agent must, between January 1 and the
7 second Monday of July in each year, ascertain the names of
8 all taxable inhabitants and assess all property subject to
9 taxation in each county. The department or its agent must
10 assess property to the person by whom it was owned or
11 claimed or in whose possession or control it was at midnight
12 of January 1 next preceding. It must also ascertain and
13 assess all mobile homes arriving in the county after
14 midnight of January 1 next preceding. No mistake in the name
15 of the owner or supposed owner of real property, however,
16 renders the assessment invalid.

17 (2) The procedure provided by this section may not
18 apply to:

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

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

24 (c) motor homes and travel trailers subject to a fee
25 in lieu of property tax;

1 (d) motorcycles and quadricycles;

2 ~~(d)~~(e) livestock;

3 ~~(e)~~(f) property defined in 61-1-104(2) as "special
4 mobile equipment" that is subject to assessment for personal
5 property taxes on the date that application is made for a
6 special mobile equipment plate; and

7 ~~(f)~~(g) mobile homes held by a distributor or dealer of
8 mobile homes as a part of his stock in trade.

9 (3) Credits must be assessed as provided in
10 15-1-101(1)(c)."

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

12 "15-8-202. Motor vehicle assessment. (1) (a) The
13 department or its agent must, in each year, ascertain and
14 assess all motor vehicles other than automobiles, trucks
15 having a rated capacity of three-quarters of a ton or less,
16 motorcycles, quadricycles, motor homes, travel trailers, or
17 mobile homes in each county subject to taxation as of
18 January 1 or as of the anniversary registration date of
19 those vehicles subject to 61-3-313 through 61-3-316 and
20 61-3-501. The assessment for all motor vehicles will be made
21 using the market value as of January 1 of the year of
22 assessment of the vehicle as contained in the most recent
23 volume of the Mountain States Edition of the National
24 Automobile Dealers Association Official Used Car Guide. The
25 motor vehicles shall be assessed in each year to the persons

1 by whom owned or claimed or in whose possession or control
 2 they were at midnight of January 1 or the anniversary
 3 registration date thereof, whichever is applicable.

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

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

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

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

24 Section 9. Section 15-24-301, MCA, is amended to read:
 25 "15-24-301. Personal property brought into the state

1 -- assessment -- exceptions -- custom combine equipment. (1)
 2 Except as provided in subsections (2) through (6), property
 3 in the following cases is subject to taxation and assessment
 4 for all taxes levied that year in the county in which it is
 5 located:

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

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

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

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

20 (3) Nothing in this section shall be construed to levy
 21 a tax against a merchant or dealer within this state on
 22 goods, wares, or merchandise brought into the county to
 23 replenish the stock of the merchant or dealer.

24 (4) Any motor vehicle not subject to the light vehicle
 25 license fee or a fee in lieu of tax brought, driven, or

1 coming into this state by any nonresident person temporarily
2 employed in Montana and used exclusively for transportation
3 of such person is subject to taxation and assessment for
4 taxes as follows:

5 (a) The motor vehicle is taxed by the county in which
6 it is located.

7 (b) One-fourth of the annual tax liability of the
8 motor vehicle must be paid for each quarter or portion of a
9 quarter of the year that the motor vehicle is located in
10 Montana.

11 (c) The quarterly taxes are due the first day of the
12 quarter.

13 (5) Agricultural harvesting machinery classified under
14 class eight, licensed in other states, and operated on the
15 lands of persons other than the owner of the machinery under
16 contracts for hire shall be subject to a fee in lieu of
17 taxation of \$35 per machine for the calendar year in which
18 the fee is collected. The machines shall be subject to
19 taxation under class eight only if they are sold in Montana.

20 (6) The provisions of this part do not apply to
21 automobiles and trucks having a rated capacity of
22 three-quarters of a ton or less, motorcycles, or
23 quadricycles. These vehicles are subject to the fee provided
24 for in 61-3-532 or [section 2]."

25 Section 10. Section 15-30-121, MCA, is amended to

1 read:

2 "15-30-121. Deductions allowed in computing net
3 income. In computing net income, there are allowed as
4 deductions:

5 (1) the items referred to in sections 161 and 211 of
6 the Internal Revenue Code of 1954, or as sections 161 and
7 211 shall be labeled or amended, subject to the following
8 exceptions which are not deductible:

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

10 (b) state income tax paid;

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

12 (3) child and dependent care expenses determined in
13 accordance with the provisions of section 214 of the
14 Internal Revenue Code of 1954 that were in effect for the
15 taxable year that began January 1, 1974, except that:

16 (a) the limitation set forth in section 214(e)(4) of
17 the Internal Revenue Code of 1954 as that section was in
18 effect for the taxable year that began January 1, 1974,
19 applies only to payments made to a child of the taxpayer who
20 is under 19 years of age at the close of the taxable year
21 and to payments made to an individual with respect to whom a
22 deduction is allowable under 15-30-112(5) to the taxpayer or
23 the taxpayer's spouse;

24 (b) the limitation set forth in section 214(e)(1) of
25 the Internal Revenue Code of 1954 as that section was in

1 effect for the taxable year that began January 1, 1974, does
2 not apply when the taxpayers file separately on the same
3 form; and

4 (c) the deduction for child and dependent care
5 expenses shall be divided equally between the taxpayers;

6 (4) in the case of an individual, political
7 contributions determined in accordance with the provisions
8 of section 218(a) and (b) of the Internal Revenue Code that
9 were in effect for the taxable year ended December 31, 1978;

10 (5) that portion of expenses for organic fertilizer
11 allowed as a deduction under 15-32-303 which was not
12 otherwise deducted in computing taxable income;

13 (6) light vehicle license fees, as provided by
14 61-3-532, paid during the taxable year;

15 (7) fees in lieu of taxes on motorcycles and
16 quadricycles, as provided by [section 2], paid during the
17 taxable year."

18 Section 11. Section 15-31-114, MCA, is amended to
19 read:

20 "15-31-114. Deductions allowed in computing income. In
21 computing the net income, the following deductions shall be
22 allowed from the gross income received by such corporation
23 within the year from all sources:

24 (1) All the ordinary and necessary expenses paid or
25 incurred during the taxable year in the maintenance and

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

13 (2) (a) All losses actually sustained and charged off
14 within the year and not compensated by insurance or
15 otherwise, including a reasonable allowance for the wear and
16 tear and obsolescence of property used in the trade or
17 business, such allowance to be determined according to the
18 provisions of section 167 of the Internal Revenue Code in
19 effect with respect to the taxable year. All elections for
20 depreciation shall be the same as the elections made for
21 federal income tax purposes. No deduction shall be allowed
22 for any amount paid out for any buildings, permanent
23 improvements, or betterments made to increase the value of
24 any property or estate, and no deduction shall be made for
25 any amount of expense of restoring property or making good

1 the exhaustion thereof for which an allowance is or has been
2 made.

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

1 of the prior taxable periods to which such loss was carried.
2 For purposes of the preceding sentence, the net income for
3 such prior taxable period shall be computed with the
4 modifications specified in (ii)(B) of this subsection and by
5 determining the amount of the net operating loss deduction
6 without regard to the net operating loss for the loss period
7 or any taxable period thereafter, and the net income so
8 computed shall not be considered to be less than zero.

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

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

12 (B) The deduction for depletion shall not exceed the
13 amount which would be allowable if computed under the cost
14 method.

15 (C) Any net operating loss carried over to any taxable
16 years beginning after December 31, 1978, must be calculated
17 under the provisions of this section effective for the
18 taxable year for which the return claiming the net operating
19 loss carryover is filed.

20 (iii) A net operating loss deduction shall be allowed
21 only with regard to losses attributable to the business
22 carried on within the state of Montana.

23 (iv) In the case of a merger of corporations, the
24 surviving corporation shall not be allowed a net operating
25 loss deduction for net operating losses sustained by the

1 merged corporations prior to the date of merger. In the case
 2 of a consolidation of corporations, the new corporate entity
 3 shall not be allowed a deduction for net operating losses
 4 sustained by the consolidated corporations prior to the date
 5 of consolidation.

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

9 (vi) The net operating loss deduction shall not be
 10 allowed with respect to taxable periods which ended on or
 11 before December 31, 1970, but shall be allowed only with
 12 respect to taxable periods beginning on or after January 1,
 13 1971.

14 (3) In the case of mines, other natural deposits, oil
 15 and gas wells, and timber, a reasonable allowance for
 16 depletion and for depreciation of improvements; such
 17 reasonable allowance to be determined according to the
 18 provisions of the Internal Revenue Code in effect for the
 19 taxable year. All elections made under the Internal Revenue
 20 Code with respect to capitalizing or expensing exploration
 21 and development costs and intangible drilling expenses for
 22 corporation license tax purposes shall be the same as the
 23 elections made for federal income tax purposes.

24 (4) The amount of interest paid within the year on its
 25 indebtedness incurred in the operation of the business from

1 which its income is derived; but no interest shall be
 2 allowed as a deduction if paid on an indebtedness created
 3 for the purchase, maintenance, or improvement of property or
 4 for the conduct of business unless the income from such
 5 property or business would be taxable under this part.

6 (5) (a) Taxes paid within the year, except the
 7 following:

8 (i) Taxes imposed by this part.

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

11 (iii) Taxes on or according to or measured by net
 12 income or profits imposed by authority of the government of
 13 the United States.

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

16 (b) Taxes deductible under this part shall be
 17 construed to include taxes imposed by any county, school
 18 district, or municipality of this state.

19 (6) Light vehicle license fees, as provided by
 20 61-3-532, and fees in lieu of taxes for motorcycles and
 21 quadricycles, as provided by [section 2], paid within the
 22 year.

23 (7) That portion of an energy-related investment
 24 allowed as a deduction under 15-32-103.

25 (8) (a) Except as provided in subsection (b),

1 charitable contributions and gifts that qualify for
 2 deduction under section 170 of the Internal Revenue Code, as
 3 amended.

4 (b) The public service commission shall not allow in
 5 the rate base of a regulated corporation the inclusion of
 6 contributions made under this subsection.

7 (9) In lieu of the deduction allowed under subsection
 8 (8), the taxpayer may deduct the fair market value, not to
 9 exceed 30% of the taxpayer's net income, of a computer or
 10 other sophisticated technological equipment or apparatus
 11 intended for use with the computer donated to an elementary,
 12 secondary, or accredited postsecondary school located in
 13 Montana if:

14 (a) the contribution is made no later than 5 years
 15 after the manufacture of the donated property is
 16 substantially completed;

17 (b) the property is not transferred by the donee in
 18 exchange for money, other property, or services; and

19 (c) the taxpayer receives a written statement from the
 20 donee in which the donee agrees to accept the property and
 21 representing that the use and disposition of the property
 22 will be in accordance with the provisions of (b) of this
 23 subsection (9)."

24 Section 12. Section 15-50-207, MCA, is amended to
 25 read:

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

9 (2) Personal property taxes, fees in lieu of taxes on
 10 motorcycles or quadricycles, or light vehicle license fees,
 11 as provided by 61-3-532, paid in Montana on any personal
 12 property of the contractor which is used in the business of
 13 the contractor and is located within this state may be
 14 credited against the license fees required under this
 15 chapter. However, in computing the tax credit allowed by
 16 this section against the contractor's corporation license
 17 tax or income tax, the personal property tax or light
 18 vehicle license fee credit against the license fees herein
 19 required shall not be considered as license fees paid for
 20 the purpose of such income tax or corporation license tax
 21 credit."

22 Section 13. Section 31-1-202, MCA, is amended to read:

23 "31-1-202. Definitions. (1) Unless the context
 24 requires otherwise, in this part the following definitions
 25 apply:

1 (a) "Cash sale price" means the price stated in a
 2 retail installment contract or in a sales slip or other
 3 memorandum furnished by a retail seller to a retail buyer
 4 under or in connection with a retail charge account
 5 agreement for which the seller would have sold or furnished
 6 to the buyer and the buyer would have bought or obtained
 7 from the seller the goods or services which are the subject
 8 matter of the retail installment transaction, if the sale
 9 had been a sale for cash. The cash sale price may include
 10 any taxes, registration, certificate of title, license, and
 11 official fees and cash sale prices for services, if any, and
 12 for accessories and their installation and for delivering,
 13 servicing, repairing, or improving the goods.

14 (b) "Department" means the department of commerce
 15 provided for in Title 2, chapter 15, part 18.

16 (c) "Finance charge" means the amount, as limited by
 17 31-1-241, in addition to the principal balance, agreed upon
 18 between the buyer and the seller, to be paid by the buyer
 19 for the privilege of purchasing goods or services to be paid
 20 for by the buyer in one or more deferred installments.

21 (d) "Goods" means all chattels personal, including
 22 motor vehicles and merchandise certificates or coupons
 23 exchangeable for chattels personal but not including money
 24 or things in action. The term includes goods which, at the
 25 time of the sale or subsequently, are to be so affixed to

1 realty as to become a part thereof, whether or not severable
 2 from it.

3 (e) "Holder" means the retail seller of the goods or
 4 services under the retail installment contract or retail
 5 charge account agreement or a person who establishes and
 6 administers retail charge account agreements with retail
 7 buyers; the assignee, if the retail installment contract or
 8 the retail charge account agreement or the balance in the
 9 account under either has been sold or otherwise transferred;
 10 or any other person entitled to the rights of the retail
 11 seller under any retail installment contract or any retail
 12 charge account agreement.

13 (f) "Manufactured structure" means any structure,
 14 transportable in one or more sections, designed to be used
 15 as a single-family dwelling or commercial building with or
 16 without a permanent foundation when connected to the
 17 required utilities and includes the plumbing, heating, air
 18 conditioning, and electrical systems contained therein.

19 (g) "Motor vehicle" means any new or used automobile,
 20 motorcycle, quadricycle, truck, trailer, semitrailer, truck
 21 tractor, and all vehicles with any power, other than
 22 muscular power, primarily designed or used to transport
 23 persons or property on a public highway, excepting, however,
 24 any vehicle which runs only on rails or tracks or in the
 25 air.

1 (h) "Official fees" means the fees prescribed by law
 2 for filing, recording, or otherwise perfecting and releasing
 3 or satisfying any title or lien retained or taken by a
 4 seller in connection with a retail installment transaction.

5 (i) "Person" means an individual, partnership,
 6 corporation, association, and any other group, however
 7 organized.

8 (j) "Principal balance" means the cash sale price of
 9 the goods or services which are the subject matter of a
 10 retail installment transaction plus the amounts, if any,
 11 included in the sale, if a separate identified charge is
 12 made therefor and stated in the contract, for insurance and
 13 other benefits and official fees, minus the amount of the
 14 buyer's down payment in money or goods.

15 (k) "Recreational vehicle" means a vehicular type unit
 16 that either has its own motor power or is mounted on or
 17 drawn by another vehicle, primarily designed as temporary
 18 living quarters for recreational, camping, or travel use.

19 (l) "Retail buyer" or "buyer" means a person who buys
 20 goods or obtains services from a retail seller in a retail
 21 installment transaction and not for the purpose of resale.

22 (m) "Retail charge account agreement" means an
 23 instrument in writing prescribing the terms of retail
 24 installment transactions which may be made under it from
 25 time to time under which a retail seller gives to a retail

1 buyer the privilege of using a credit card issued by the
 2 retail seller or any other person or other credit
 3 confirmation or identification for the purpose of purchasing
 4 goods or services from the retail seller, from the retail
 5 seller and any other person, or from a person licensed or
 6 franchised by the retail seller and under the terms of which
 7 a finance charge as defined in this section may be computed
 8 in relation to the buyer's balance in the account from time
 9 to time.

10 (n) "Retail installment contract" or "contract" means
 11 an agreement evidencing a retail installment transaction
 12 entered into in this state under which a buyer promises to
 13 pay in one or more deferred installments the time sale price
 14 of goods or services, or both. The term includes a chattel
 15 mortgage, conditional sales contract, and a contract for the
 16 bailment or leasing of goods by which the bailee or lessee
 17 contracts to pay as compensation for its use a sum
 18 substantially equivalent to or in excess of its value and by
 19 which it is agreed that the bailee or lessee is bound to
 20 become, or for no further or a merely nominal consideration
 21 has the option of becoming, the owner of the goods upon full
 22 compliance with the provisions of the contract.

23 (o) "Retail installment transaction" means a written
 24 contract to sell or furnish, or the sale or furnishing of,
 25 goods or services by a retail seller to a retail buyer

1 pursuant to a retail charge account agreement or under a
2 retail installment contract.

3 (p) "Retail seller" or "seller" means a person who
4 sells goods or furnishes services to a retail buyer in a
5 written retail installment contract or written retail
6 installment transaction.

7 (q) "Sales finance company" means a person engaged, in
8 whole or in part, in the business of purchasing retail
9 installment contracts from one or more sellers. The term
10 includes but is not limited to a bank, trust company,
11 investment company, or savings and loan association, if so
12 engaged. The term does not include a person who makes only
13 isolated purchases of retail installment contracts, which
14 purchases are not being made in the course of repeated and
15 successive purchases of retail installment contracts from
16 the same seller.

17 (r) "Services" means work, labor, and services
18 furnished in the delivery, installation, servicing, repair,
19 or improvement of goods.

20 (s) "Time sale price" means the total of the cash sale
21 price of the goods or services and the amount, if any,
22 included for insurance and other benefits, if a separate
23 identified charge is made therefor, and the amounts of the
24 official fees and the finance charge.

25 (2) This part does not apply to the lending of money

1 by banks or other lending institutions and securing loans by
2 chattel mortgages of goods in the ordinary course of lending
3 by those banks or other lending institutions. However, this
4 part pertains to the extension of credit by those banks or
5 other lending institutions under retail installment
6 contracts or credit cards issued by those banks or other
7 lending institutions."

8 Section 14. Section 45-6-308, MCA, is amended to read:
9 "45-6-308. Unauthorized use of motor vehicles. (1) A
10 person commits the offense of unauthorized use of motor
11 vehicles if he knowingly operates the automobile, airplane,
12 motorcycle, quadricycle, motorboat, or other motor-propelled
13 vehicle of another without his consent.

14 (2) A person convicted of unauthorized use of motor
15 vehicles shall be fined not to exceed \$500 or be imprisoned
16 in the county jail for any term not to exceed 6 months, or
17 both. It is an affirmative defense that the offender
18 reasonably believed that the owner would have consented to
19 the operation had he known of it."

20 Section 15. Section 61-3-301, MCA, is amended to read:
21 "61-3-301. Registration -- license plate required --
22 display. (1) Except as otherwise provided herein, no person
23 shall operate a motor vehicle upon the public highways of
24 this state unless such vehicle is properly registered and
25 has the proper number plates conspicuously displayed, one on

1 the front and one on the rear of the vehicle, each securely
 2 fastened to prevent it from swinging and unobstructed from
 3 plain view, except that trailers, semitrailers,
 4 quadricycles, and motorcycles shall have but one number
 5 plate conspicuously displayed on the rear. No person shall
 6 display on such vehicle at the same time any number assigned
 7 to it under any motor vehicle law except as provided in this
 8 chapter. A junk vehicle, as defined in part 5, chapter 10,
 9 Title 75, being driven or towed to an auto wrecking
 10 graveyard for disposal is exempt from the provisions of this
 11 section.

12 (2) No person shall purchase or display on a vehicle
 13 any license plate bearing the number assigned to any county
 14 as provided in 61-3-332 other than the county of his
 15 permanent residence at the time of application for
 16 registration. However, the owner of any motor vehicle
 17 requiring a license plate on any motor vehicle used in the
 18 public transportation of persons or property may make
 19 application therefor in any county through which the motor
 20 vehicle passes in its regularly scheduled route, and the
 21 license plate so issued bearing the number assigned to said
 22 county may be displayed on the motor vehicle in any other
 23 county of the state.

24 (3) It is unlawful to use license plates issued to one
 25 vehicle on any other vehicle, trailer, or semitrailer unless

1 legally transferred as provided by statute, or to repaint
 2 old license plates to resemble current license plates.

3 (4) Any person violating these provisions is guilty of
 4 a misdemeanor and subject to the penalty set out in
 5 61-3-601."

6 Section 16. Section 61-3-303, MCA, is amended to read:

7 "61-3-303. Application for registration. (1) Every
 8 owner of a motor vehicle operated or driven upon the public
 9 highways of this state shall for each motor vehicle owned,
 10 except as herein otherwise expressly provided, file or cause
 11 to be filed in the office of the county treasurer where the
 12 motor vehicle is owned or taxable an application for
 13 registration or reregistration upon a blank form to be
 14 prepared and furnished by the division. The application
 15 shall contain:

16 (a) name and address of owner, giving county, school
 17 district, and town or city within whose corporate limits the
 18 motor vehicle is taxable, if taxable, or within whose
 19 corporate limits the owner's residence is located if the
 20 motor vehicle is not taxable;

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

23 (c) description of motor vehicle, including make, year
 24 model, engine or serial number, manufacturer's model or
 25 letter, gross weight, type of body, and if truck, the rated

1 capacity;

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

4 (e) such other information as the division may
5 require.

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

10 (a) the registration fee, as provided in 61-3-311 and
11 61-3-321; and

12 (b) unless it has been previously paid:

13 (i) the personal property taxes assessed;

14 (ii) the new motor vehicle sales tax against the
15 vehicle for the current year of registration and/or the
16 license fee imposed by 61-3-532; or

17 (iii) in the case of a motorcycle, quadricycle, motor
18 home, travel trailer, or camper, the fee in lieu of property
19 tax for the current year of registration.

20 (3) The application may not be accepted by the county
21 treasurer unless the payments required by subsection (2)
22 accompany the application.

23 (4) The county treasurer may make full and complete
24 investigation of the tax status of the vehicle. Any
25 applicant for registration or reregistration must submit

1 proof from the tax or other appropriate records of the
2 proper county at the request of the county treasurer."

3 Section 17. Section 61-3-313, MCA, is amended to read:

4 "61-3-313. Vehicles subject to staggered registration.
5 For purposes of 61-3-313 through 61-3-316 "vehicle" means
6 any motor vehicle as defined in 61-1-102(7) subject to
7 annual registration in this state except:

8 (1) vehicles owned or leased and operated by the
9 government of the United States, of the state of Montana, or
10 its political subdivisions;

11 (2) mobile homes and motor homes;

12 (3) vehicles that are registered in accordance with or
13 subject to 10-2-301, 61-3-411, or 61-3-421;

14 (4) trucks exceeding a licensed gross vehicle weight
15 of 10,000 pounds;

16 (5) trailers, semitrailers, tractors, buses,
17 motorcycles, quadricycles, and cycle--motors motor-driven
18 cycles;

19 (6) special mobile equipment as defined in
20 61-1-104(2)."

21 Section 18. Section 61-3-321, MCA, is amended to read:

22 "61-3-321. Registration fees of vehicles --
23 public-owned vehicles exempt from license or registration
24 fees -- disposition of fees. (1) Registration or license
25 fees shall be paid upon registration or reregistration of

1 motor vehicles, trailers, housetrailers, and semitrailers,
2 in accordance with this chapter, as follows:

3 (a) motor vehicles weighing 2,850 pounds or under
4 (other than motortrucks), \$5;

5 (b) motor vehicles weighing over 2,850 pounds (other
6 than motortrucks), \$10;

7 (c) electrically driven passenger vehicles, \$10;

8 (d) all motorcycles and quadricycles, \$2;

9 (e) tractors and/or trucks, \$10;

10 (f) buses shall be classed as motortrucks and licensed
11 accordingly;

12 (g) trailers and semitrailers less than 2,500 pounds
13 maximum gross loaded weight and housetrailers of all
14 weights, \$2;

15 (h) trailers and semitrailers over 2,500 up to 6,000
16 pounds maximum gross loaded weight (except housetrailers),
17 \$5;

18 (i) trailers and semitrailers over 6,000 pounds
19 maximum gross loaded weight, \$10;

20 (j) trailers used exclusively in the transportation of
21 logs in the forest or in the transportation of oil and gas
22 well machinery, road machinery, or bridge materials, new and
23 secondhand, shall pay a fee of \$15 annually, regardless of
24 size or capacity.

25 (2) All rates shall be 25% higher for motor vehicles,

1 trailers, and semitrailers not equipped with pneumatic
2 tires.

3 (3) "Tractor", as specified in this section, means any
4 motor vehicle except passenger cars used for towing a
5 trailer or semitrailer.

6 (4) If any motor vehicle, housetrailer, trailer, or
7 semitrailer is originally registered 6 months after the time
8 of registration as set by law, the registration or license
9 fee for the remainder of the year shall be one-half of the
10 regular fee.

11 (5) An additional fee of \$2 per year for each
12 registration of a vehicle shall be collected as a
13 registration fee. Revenue from this fee shall be forwarded
14 by the respective county treasurers to the state treasurer
15 for deposit in the motor vehicle recording account of the
16 state special revenue fund.

17 (6) The provisions of this part with respect to the
18 payment of registration fees shall not apply to or be
19 binding upon motor vehicles, trailers or semitrailers, or
20 tractors owned or controlled by the United States of America
21 or any state, county, or city.

22 (7) The provisions of this section relating to the
23 payment of registration fees do not apply when number plates
24 are transferred to a replacement vehicle under 61-3-317,
25 61-3-332(7), or 61-3-335."

1 Section 19. Section 61-3-332, MCA, is amended to read:

2 "61-3-332. Number plates. (1) Every motor vehicle
3 which shall be driven upon the streets or highways of this
4 state shall display both front and rear a number plate,
5 bearing the distinctive number assigned such vehicle. Such
6 number plate shall be in eight series: one series for owners
7 of motorcars, one for owners of motor vehicles of the
8 motorcycle or quadricycle type, one for trailers, one for
9 trucks, one for dealers in vehicles of the motorcycle or
10 quadricycle type which shall bear the distinctive letters
11 "MCD" or the letters "MC" and the word "DEALER", one for
12 franchised dealers in new motorcars (including trucks and
13 trailers) or new and used motorcars (including trucks and
14 trailers) which shall bear the distinctive letter "D" or the
15 word "DEALER", one for dealers in used motorcars only
16 (including used trucks and trailers) which shall bear the
17 distinctive letters "UD" or the letter "U" and the word
18 "DEALER", and one for dealers in trailers and/or
19 semitrailers (new or used) which shall bear the distinctive
20 letters "DTR" or the letters "TR" and the word "DEALER". All
21 such markings for the aforementioned kinds of dealers'
22 plates shall be placed on the number plates assigned thereto
23 in such position thereon as the division may designate.

24 (2) All number plates for motor vehicles shall be
25 issued for a minimum period of 4 years, shall bear a

1 distinctive marking, and shall be furnished by the state.
2 In years when number plates are not issued, the division
3 shall provide nonremovable stickers bearing appropriate
4 registration numbers which shall be affixed to the license
5 plates in use.

6 (3) In the case of motorcars and trucks, number plates
7 shall be of metal 6 inches wide and 12 inches in length. For
8 number plates issued after 1976, the outline of the state
9 of Montana shall be used as a distinctive border on such
10 license plates, and the word "Montana" with the year shall
11 be placed across the bottom of the plate. Such registration
12 plate shall be treated with a reflectorized background
13 material according to specifications prescribed by the
14 division.

15 (4) The distinctive registration numbers shall begin
16 with a number one or with a letter-number combination such
17 as "A 1" or "AA 1", or any other similar combination of
18 letters and numbers and be numbered consecutively for each
19 series of plates. The distinctive registration number or
20 letter-number combination assigned to the vehicle shall
21 appear on the plate preceded by the number of the county and
22 appearing in horizontal order on the same horizontal
23 baseline, and the county number shall be separated from the
24 distinctive registration number by a separation mark unless
25 a letter-number combination is used. The dimensions of such

1 numerals and letters shall be determined by the division,
2 provided that all county and registration numbers shall be
3 of equal height.

4 (5) For the use of tax-exempt motor vehicles that are
5 also exempt from the light vehicle license fee as provided
6 in subsection (2)(a) of 61-3-532, in addition to the
7 markings herein provided, number plates shall have thereon
8 the following distinctive markings:

9 (a) For vehicles owned by the state the division may
10 designate the prefix number for the various state
11 departments, and all numbered plates issued to state
12 departments shall bear the words "State Owned" and no year
13 number will be indicated thereon as these numbered plates
14 will be of a permanent nature and will be replaced by the
15 division at such time when the physical condition of
16 numbered plates requires same.

17 (b) For vehicles owned by the counties,
18 municipalities, irrigation districts organized under the
19 laws of Montana and not operating for profit, and school
20 districts and used and operated by officials and employees
21 thereof in line of duty as such, and for vehicles on loan
22 from the United States government or the state of Montana,
23 to, or owned by, the civil air patrol and used and operated
24 by officials and employees thereof in the line of duty as
25 such, there shall be placed on the number plates assigned

1 thereto, in such position thereon as the division may
2 designate, the letter "X" or the word "EXEMPT". Distinctive
3 registration numbers for plates assigned to motor vehicles
4 of each of the counties in the state and those of the
5 municipalities and school districts situated within each of
6 said counties and those of the irrigation districts which
7 obtain plates within each county shall begin with number one
8 and be numbered consecutively.

9 (6) On all number plates assigned to motor vehicles of
10 the truck and trailer type, other than tax-exempt trucks
11 that are also exempt from the light vehicle license fee as
12 provided in subsection (2)(a) of 61-3-532 and tax exempt
13 trailers, there shall appear the letter "T" or the word
14 "TRUCK" for plates assigned to trucks and the letters "TR"
15 or the word "TRAILER" for plates assigned to trailers and
16 housetrailers. The letters "MC" or the word "CYCLE" shall
17 appear for plates assigned to vehicles of the motorcycle or
18 quadricycle type.

19 (7) Number plates issued to a passenger car, truck,
20 trailer, or vehicle of the motorcycle or quadricycle type
21 may be transferred only to a replacement passenger car,
22 truck, trailer, or motorcycle-or quadricycle-type vehicle.
23 No registration or license fee may be assessed upon a
24 transfer of a number plate under 61-3-317 and 61-3-335.

25 (8) For the purpose of this chapter, the several

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

18 Section 20. Section 61-3-402, MCA, is amended to read:

19 "61-3-402. Personalized license plates authorized. Any
 20 person who is the registered owner of a motor vehicle, a
 21 truck, motor home, camping trailer, motorcycle, quadricycle,
 22 or other vehicle for the owner's personal use registered
 23 with the division or who makes application for original
 24 registration of a motor vehicle may upon payment of the fee
 25 prescribed in 61-3-406 apply to the division for

1 personalized license plates in the manner prescribed in
 2 61-3-405, which plates shall be affixed to the motor vehicle
 3 for which registration is sought in lieu of the regular
 4 license plates provided for in this chapter."

5 Section 21. Section 61-3-403, MCA, is amended to read:

6 "61-3-403. Color and design of personalized plates --
 7 county designation. (1) The personalized license plates
 8 shall be the same color and design as regular passenger
 9 motor vehicle license plates and shall consist of numbers or
 10 letters, or any combination thereof not exceeding eight
 11 positions and not less than two positions, provided that
 12 there are no conflicts with existing passenger, commercial,
 13 trailer, motorcycle, quadricycle, or special license plate
 14 series under this title.

15 (2) Upon the issuance of personalized license plates
 16 or upon the reregistration of any motor vehicle assigned
 17 personalized license plates that do not bear a county
 18 designation or no longer bear the correct county
 19 designation, the division shall provide nonremovable
 20 stickers bearing the appropriate county designation which
 21 must be affixed to the license plates in use in accordance
 22 with instructions by the division."

23 Section 22. Section 61-3-501, MCA, is amended to read:

24 "61-3-501. When vehicle taxes and fees are due. (1)
 25 Property taxes, new car taxes, light vehicle license fees,

1 and fees in lieu of tax on a motorcycle, quadricycle, motor
2 home, or travel trailer must be paid on the date of
3 registration or reregistration of the vehicle.

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

12 (3) In the event a vehicle's registration period is
13 changed under 61-3-315, all taxes and other fees due thereon
14 shall be prorated and paid from the last day of the old
15 period until the first day of the new period in which the
16 vehicle shall be registered. Thereafter taxes and other fees
17 must be paid from the first day of the new period for a
18 minimum period of 1 year. When the change is to a later
19 registration period, taxes and fees shall be prorated and
20 paid based on the same tax year as the original registration
21 period. Thereafter, during the appropriate anniversary
22 registration period, each vehicle shall again register or
23 reregister and shall pay all taxes and fees due thereon for
24 a 12-month period."

25 Section 23. Section 61-3-503, MCA, is amended to read:

1 "61-3-503. Assessment. (1) Except as provided in
2 subsection (2), the following apply to the taxation of motor
3 vehicles:

4 (a) Except as provided in subsection (1)(c), a person
5 who files an application for registration or reregistration
6 of a motor vehicle shall before filing such application with
7 the county treasurer submit the application to the county
8 assessor. The county assessor shall enter on the
9 application in a space to be provided for that purpose the
10 market value and taxable value of the vehicle as of January
11 1 of the year for which the application for registration is
12 made.

13 (b) Except as provided in subsection (1)(c), motor
14 vehicles are assessed for taxes on January 1 in each year
15 irrespective of the time fixed by law for the assessment of
16 other classes of personal property and irrespective of
17 whether the levy and tax may be a lien upon real property
18 within the state. In no event may any motor vehicle be
19 subject to assessment, levy, and taxation more than once in
20 each year.

21 (c) Vehicles subject to the provisions of 61-3-313
22 through 61-3-315 shall be assessed as of the first day of
23 the registration period, using the market value as of
24 January 1 of the year of assessment of the vehicle as
25 contained in the most recent volume of the Mountain States

1 Edition of the National Automobile Dealers Association
2 Official Used Car Guide; and a lien for taxes and fees due
3 thereon shall occur on the anniversary date of the
4 registration and shall continue until such fees and taxes
5 have been paid.

6 (2) The provisions of subsections (1)(a) through
7 (1)(c) do not apply to automobiles and trucks having a rated
8 capacity of three-quarters of a ton or less, motorcycles,
9 quadricycles, motor homes, travel trailers, or mobile homes
10 as defined in 15-1-101(1)."

11 Section 24. Section 61-3-504, MCA, is amended to read:

12 "61-3-504. Computation of tax. The amount of taxes on
13 a motor vehicle, other than an automobile, truck having a
14 rated capacity of three-quarters of a ton or less,
15 motorcycle, quadricycle, motor home, travel trailer, or
16 mobile home as defined in 15-1-101(1), is computed and
17 determined by the county treasurer on the basis of the levy
18 of the year preceding the current year of application for
19 registration or reregistration. The determination is entered
20 on the application form in a space provided therefor."

21 Section 25. Section 61-3-509, MCA, is amended to read:

22 "61-3-509. Disposition of taxes and fees in lieu of
23 tax. The county treasurer shall credit all taxes on motor
24 vehicles, light vehicle license fees provided for in
25 61-3-532, and fees in lieu of tax on motorcycles,

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

9 Section 26. Section 61-3-701, MCA, is amended to read:

10 "61-3-701. Foreign vehicles used in gainful occupation
11 to be registered -- reciprocity. (1) Before any foreign
12 licensed motor vehicle may be operated on the highways of
13 this state for hire, compensation, or profit or before the
14 owner and/or user thereof uses the vehicle if such owner
15 and/or user is engaged in gainful occupation or business
16 enterprise in the state, including highway work, the owner
17 of the vehicle shall make application to a county treasurer
18 for registration upon an application form furnished by the
19 division. Upon satisfactory evidence of ownership submitted
20 to the county treasurer and the payment of property taxes,
21 if appropriate, as required by 15-8-201 through 15-8-203 or
22 15-24-301, or the payment of the light vehicle license fee
23 as provided by 61-3-532, or the fee in lieu of tax as
24 provided by [section 2], the treasurer shall accept the
25 application for registration and shall collect the regular

1 license fee required for the vehicle.

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

11 (3) The registration receipt shall not constitute
12 evidence of ownership but shall be used only for
13 registration purposes. No Montana certificate of ownership
14 shall be issued for this type of registration.

15 (4) This section is not applicable to any vehicle
16 covered by a valid and existing reciprocal agreement or
17 declaration entered into under the provisions of the laws of
18 Montana."

19 Section 27. Section 61-4-101, MCA, is amended to read:

20 "61-4-101. Application for dealer's license. (1) Every
21 person, firm, corporation, or association which, for
22 commission or profit, engages in the business of buying,
23 selling, exchanging, or acting as a broker of new motor
24 vehicles, recreational vehicles, used motor vehicles,
25 trailers (except trailers having an unloaded weight of less

1 than 500 pounds), semitrailers, or special mobile equipment
2 as defined in 61-1-104 shall file, by mail or otherwise, in
3 the office of the division a verified application for
4 licensure as a dealer, on a blank to be furnished by the
5 division for that purpose and containing the information
6 required. The application and all of the information
7 contained in it shall be verified by the Montana highway
8 patrol. Each application must be accompanied by the license
9 fee hereinafter specified. A dealer's license must be
10 renewed and paid for annually, and an application for
11 relicensure must be filed not later than January 1 of each
12 year. If an application for renewal of a license has been
13 received by the division prior to the expiration of the
14 license, the dealer may operate his business and display
15 dealer plates under the expired license between January 1
16 and February 15 following expiration.

17 (2) To qualify for licensure and the issuance and use
18 of "D", "UD", "RV", "DTR", or "MCD" plates as hereinafter
19 provided, the applicant must furnish the following
20 information and qualify under the following provisions:

21 (a) To qualify as a new motor vehicle dealer and for
22 the use of "D" plates, the applicant must:

23 (i) state the name under which the business is to be
24 conducted and the location of the premises (street address,
25 city, county, and state) where records are kept, sales are

1 made, and stock of motor vehicles is displayed;
 2 (ii) state the name and address of all owners or
 3 persons having an interest in the business, provided that in
 4 the case of a corporation, the names and addresses of the
 5 president and secretary are sufficient;
 6 (iii) state the name and make of all motor vehicles
 7 handled and the name and address of the manufacturer,
 8 importer, or distributor with whom the applicant has a
 9 written new motor vehicle franchise or sales agreement;
 10 (iv) execute a certificate to the effect that the
 11 applicant has a permanent building for the display and sale
 12 of new motor vehicles at the location of the premises where
 13 sales are conducted;
 14 (v) execute a certificate to the effect that the
 15 applicant has a bona fide service department for the repair,
 16 service, and maintenance of motor vehicles; and
 17 (vi) execute a certificate to the effect that the
 18 applicant is a bona fide dealer in new motor vehicles and
 19 that he is recognized by a manufacturer, importer, or
 20 distributor as a dealer in new motor vehicles.
 21 (b) To qualify as a used motor vehicle dealer and for
 22 the use of "UD" plates or as a recreational vehicle,
 23 trailer, semitrailer, or special mobile equipment dealer and
 24 for the use of "DTR" plates or as a motorcycle or
 25 quadricycle dealer and for the use of "MCD" plates, the

1 applicant must, in addition to the matters set forth in
 2 subsections (i) and (ii) of subsection (2)(a) above,
 3 provide:
 4 (i) a statement that the applicant has a building or
 5 lot and a sign readable at a minimum distance of 150 feet
 6 and indicating the firm name and headquarters as the
 7 principal place of business; and
 8 (ii) a certificate to the effect that the applicant is
 9 a bona fide dealer in used motor vehicles, recreational
 10 vehicles, trailers, semitrailers, special mobile equipment,
 11 or motorcycles, or quadricycles. An applicant for a
 12 recreational vehicle dealer license must also indicate on
 13 the same certificate that he is recognized by a
 14 manufacturer, importer, or distributor as a dealer in
 15 recreational vehicles.
 16 (c) To qualify for a used motor vehicle dealer's
 17 license, a person must submit an annual application for that
 18 license and comply with the provisions of 61-4-102(5) in
 19 addition to fulfilling the requirements of subsection (2)(b)
 20 above.
 21 (d) The provisions of subsection (2)(c) above do not
 22 apply to an applicant who is licensed as a motor vehicle
 23 wrecking facility under the provisions of Title 75, chapter
 24 10, part 5.
 25 (3) The applicant for a dealer's license shall also

1 file with his application a good and sufficient bond in the
 2 sum of \$5,000, and the bond shall be conditioned that the
 3 applicant shall conduct his business in accordance with the
 4 requirements of the law. All bonds shall run to the state of
 5 Montana and shall be approved by the division and filed in
 6 its office and shall be renewed annually."

7 Section 28. Section 61-4-102, MCA, is amended to read:

8 "61-4-102. Fees. (1) Upon making such application, the
 9 applicant shall pay to the division, in addition to the fees
 10 required of dealers under the provisions of subsection (2),
 11 a fee of \$5. Upon receipt of the application, fee, and bond,
 12 as provided above, the division shall examine the
 13 application, and may, prior to issuing a license, make
 14 individual investigation of the truth of the statements
 15 contained in the application. If the division is satisfied
 16 that the applicant qualifies for the issuance of a dealer's
 17 license under the provisions of this chapter, it may
 18 thereupon issue the same.

19 (2) Registration or license fees shall be paid upon
 20 registration or reregistration of dealers in motor
 21 vehicles, recreational vehicles, or trailers as follows:

22 (a) (i) all dealers in motor vehicles and recreational
 23 vehicles, a fee of \$25, which shall entitle such dealer to
 24 one set of number plates, and \$25 additional fee for each
 25 additional set of number plates, subject to the following

1 limitations on the number of additional sets allowed a
 2 dealer:

3 (A) 5% of the first 100 vehicle sales for the previous
 4 year; plus

5 (B) 3% of the next 100 vehicle sales for the previous
 6 year; plus

7 (C) 2% of vehicle sales in excess of 200 for the
 8 previous year; and

9 (D) any additional sets upon a showing of good cause
 10 by the applicant dealer to the division.

11 (ii) in addition to the dealer plates allowed under
 12 subsection (2)(a)(i), a dealer who has purchased one or more
 13 sets of dealer plates is entitled to purchase demonstrator
 14 plates at a cost determined by the division to offset the
 15 cost of production. Demonstrator plates shall be used in
 16 lieu of a dealer plate but only as set forth in subsection
 17 (6) and must be distinguished from dealer plates in a manner
 18 determined by the division.

19 (b) dealers in motorcycles, quadricycles, and
 20 trailers, including housetrailer, \$45.

21 (3) If any dealer is originally registered 6 months
 22 after the time of registration as set by law, the
 23 registration or license fee for the remainder of such year
 24 shall be one-half of the regular fee above given.

25 (4) A dealer in motor vehicles, recreational vehicles,

1 or trailers who shall maintain more than one place of
2 business or who shall maintain any branch establishment or
3 establishments must register and pay a registration or
4 license fee for each such place of business or
5 establishment.

6 (5) A new applicant for a used motor vehicle dealer
7 license shall pay \$300 to the division in addition to any
8 other sums required by this section or other provisions of
9 the law. An applicant for a renewal of a used motor vehicle
10 dealer license shall certify under oath that he has sold
11 more than five used motor vehicles during the preceding
12 calendar year or pay an additional \$300 before he may be
13 licensed.

14 (6) Demonstrator plates provided for in subsection
15 (2)(a)(ii) may be used only as follows:

16 (a) New and used motor vehicle or recreational vehicle
17 demonstrator plates may be used:

18 (i) to demonstrate, for no more than 72 hours, an
19 authorized vehicle held for sale, when operated by an
20 individual holding a valid operator's license;

21 (ii) on authorized vehicles owned by the firm when
22 operated by an officer or bona fide full-time employee of
23 the dealer and used to transport the dealer's own tools,
24 parts, and equipment;

25 (iii) on authorized vehicles being tested for repair;

1 (iv) on authorized vehicles being moved to or from a
2 dealer's place of business for sale;

3 (v) on authorized vehicles being moved to or from
4 service and repair facilities before sale;

5 (vi) on authorized vehicles being moved to or from
6 exhibitions within the state, provided any such exhibition
7 does not exceed a period of 20 days.

8 (b) Mobile home and trailer dealer demonstrator plates
9 may be used:

10 (i) on units hauled to or from the place of business
11 of the manufacturer and the place of business of the dealer
12 or to and from places of business of the dealer;

13 (ii) on mobile homes hauled to a customer's location
14 for setup after sale;

15 (iii) on travel trailers held for sale to demonstrate
16 the towing capability of the vehicle provided that a dated
17 demonstration permit, valid for not more than 72 hours, is
18 carried with the vehicle at all times;

19 (iv) on any motor vehicle owned by the dealer that is
20 used only to move vehicles legally bearing mobile home and
21 travel trailer dealer license plates of the dealer owning
22 any such motor vehicle;

23 (v) on vehicles being moved to or from vehicle
24 exhibitions within the state, provided any such exhibition
25 does not exceed a period of 20 days."

1 Section 29. Section 61-4-103, MCA, is amended to read:
 2 "61-4-103. Assignment of dealer plates. (1) Upon the
 3 licensing of a dealer as a new motor vehicle dealer, used
 4 motor vehicle dealer, recreational vehicle dealer, or
 5 trailer, semitrailer, or special mobile equipment dealer, or
 6 a dealer of the motorcycle- or quadricycle-type vehicle, the
 7 division shall assign to such dealer a distinctive serial
 8 license number as a dealer and after payment of fees furnish
 9 every qualified dealer in motor vehicles with such sets of
 10 number plates as required according to need, which need
 11 shall be justified by the dealer with the initial
 12 application for license and each renewal. Assigned number
 13 plates shall be similar to number plates furnished to owners
 14 of motor vehicles but shall bear thereon, in addition to the
 15 serial number assigned such dealer, the letter "D" if the
 16 dealer is authorized to sell new motor vehicles (including
 17 trucks and truck trailers); the letters "RV" if the dealer
 18 is authorized to sell recreational vehicles; the letters
 19 "UD" if the dealer is authorized to sell used motor vehicles
 20 (including used trucks and used truck trailers); the letters
 21 "DTR" if the dealer is authorized to sell trailers,
 22 semitrailers, or special mobile equipment (new or used); and
 23 the letters "MCD" if the dealer is authorized to sell
 24 vehicles of the motorcycle or quadricycle type (new or
 25 used).

1 (2) With the exception of a dealer authorized to sell
 2 new motor vehicles (including trucks and truck trailers) and
 3 to use the "D" plate or demonstrator plate, no dealer
 4 authorized to transact business under the provisions of this
 5 section may offer for sale or trade any vehicle described in
 6 this section except such vehicles as are authorized by the
 7 plates assigned to him. If an applicant wishes to sell more
 8 than one type of vehicle, he shall make application for each
 9 separate authorization. No plate assigned to a dealer may be
 10 used on any vehicle other than the type described in this
 11 section. A dealer authorized to sell new motor vehicles and
 12 assigned a "D" plate or demonstrator plate is authorized to
 13 sell both new and used motor vehicles (including trucks and
 14 truck trailers), and such plates may be displayed on either
 15 new or used motor vehicles by a licensed dealer in new
 16 vehicles.

17 (3) The division shall cause to be placed on each set
 18 of license plates issued to a dealer a serial number
 19 assigned to each dealer and the actual number of license
 20 plates issued to each dealer. The number of the dealer shall
 21 follow the prefix of the county, and the number of plates
 22 issued the dealer shall follow the prefix of the county and
 23 the number of the dealer, the dealer's number to be
 24 separated from the county prefix by a dash, and the number
 25 of plates issued to a dealer to be separated from the

1 dealer's number by a dash, as follows: dealer number 4 in
 2 Lewis and Clark County would be numbered 5-4, and if the
 3 dealer were issued three sets of plates, they would be
 4 numbered consecutively as follows, 5-4-1, 5-4-2, and 5-4-3.

5 (4) Dealers properly licensed under this section are
 6 authorized to use and display dealer's license plates on any
 7 motor vehicle held for bona fide sale or used in the conduct
 8 of the dealer's business in selling or demonstrating motor
 9 vehicles and operated by or under the control of the dealer,
 10 his officers or employees. For purposes of this provision,
 11 "officers and employees" include only such persons listed on
 12 the manufacturer's franchise agreement or the importer's
 13 distribution agreement and their spouses or such other
 14 persons upon whom the dealer has paid social security taxes
 15 as a full-time employee. No dealer's license plate shall be
 16 used or displayed on vehicles normally used for hire, lease,
 17 or rental or for purposes not incident to the business of a
 18 motor vehicle dealer. Each dealer is accountable for each
 19 plate issued and shall certify quarterly to the division the
 20 disposition of each dealer plate assigned to the dealer,
 21 including the name, address, and occupation of the person
 22 primarily using each plate.

23 (5) If it shall appear to the satisfaction of the
 24 division, from information furnished to it by the sheriff or
 25 any other law enforcement officer, that any such dealer has

1 been improperly licensed, has used the dealer's license in a
 2 manner other than the one herein authorized, or is not
 3 qualified as a dealer under the requirements of this
 4 section, the division may revoke such dealer's license. No
 5 person, firm, corporation, or association shall, for
 6 commission or profit, engage in the business of buying,
 7 selling, exchanging, or acting as a broker of new motor
 8 vehicles, trailers, or semitrailers unless duly licensed in
 9 compliance with this section (except trailers having an
 10 unladen weight of less than 500 pounds)."

11 Section 30. Section 61-5-106, MCA, is amended to read:

12 "61-5-106. Instruction and traffic education permits
 13 and temporary licenses. (1) Any person satisfying the age
 14 requirements specified in 61-5-105(1) may apply to the
 15 division for an instruction permit. The division may in its
 16 discretion, after the applicant has successfully passed all
 17 parts of the examination other than the driving test, issue
 18 to the applicant an instruction permit which shall entitle
 19 the applicant, while having such permit in his immediate
 20 possession, to drive a motor vehicle upon the public
 21 highways for a period of 6 months when accompanied by a
 22 licensed operator or chauffeur who is occupying a seat
 23 beside the driver. In addition, the division may issue such
 24 an instruction permit to any person who is at least 14 1/2
 25 years of age and who has successfully completed or is

1 successfully participating in a traffic education course
 2 approved by the division and the superintendent of public
 3 instruction. Any instruction permit so issued shall be
 4 restricted to the operation of a motor vehicle only when
 5 accompanied by an approved instructor or licensed parent or
 6 guardian and may be further restricted to specific times
 7 and/or areas.

8 (2) The division upon receiving proper application may
 9 in its discretion issue a traffic education permit effective
 10 for a school year or more restricted period to an applicant
 11 who is enrolled in a traffic education program approved by
 12 the division even though the applicant has not reached the
 13 legal age to be eligible for an operator's license. Such
 14 permit shall entitle the permittee when he has such a permit
 15 in his immediate possession to operate only on a designated
 16 highway or within a designated area a motor vehicle only
 17 when an approved instructor is occupying a seat beside the
 18 permittee or a motorcycle or quadricycle only when under the
 19 immediate and proximate supervision of an approved
 20 instructor.

21 (3) The division may in its discretion issue a
 22 temporary driver's permit to an applicant for an operator's
 23 license permitting him to operate a motor vehicle while the
 24 division is completing its investigation and determination
 25 of all facts relative to such applicant's right to receive

1 an operator's license. Such permit must be in his immediate
 2 possession while operating a motor vehicle, and it shall be
 3 invalid when the applicant's license has been issued or for
 4 good cause has been refused."

5 Section 31. Section 61-5-107, MCA, is amended to read:
 6 "61-5-107. Application for license, instruction
 7 permit, or motorcycle endorsement. (1) Every application for
 8 an instruction permit, operator's or chauffeur's license, or
 9 motorcycle endorsement shall be made upon a form furnished
 10 by the division. A motorcycle endorsement is required for
 11 the operation of a quadricycle. Every application shall be
 12 accompanied by the proper fee and payment of such fee shall
 13 entitle the applicant to not more than three attempts to
 14 pass the examination within a period of 6 months from the
 15 date of application.

16 (2) Every such application shall state the full name,
 17 date of birth, sex, and residence address of the applicant,
 18 and briefly describe the applicant, and shall state whether
 19 the applicant has theretofore been licensed as an operator
 20 or chauffeur, and, if so, when and by what state or country,
 21 and whether any such license has ever been suspended or
 22 revoked, or whether an application has ever been refused,
 23 and, if so, the date of and reason for such suspension,
 24 revocation, or refusal.

25 (3) Whenever application is received from an applicant

1 previously licensed by any other jurisdiction, the division
 2 shall request a copy of such applicant's driving record from
 3 such previous licensing jurisdiction. When received, such
 4 driving records shall become a part of the driver's record
 5 in this state with the same force and effect as though
 6 entered on the driver's record in this state in the original
 7 instance."

8 Section 32. Section 61-5-110, MCA, is amended to read:

9 "61-5-110. Examination of applicants. The division
 10 shall examine every applicant for an operator's or
 11 chauffeur's license or motorcycle endorsement, except as
 12 otherwise provided in this section. Such examination shall
 13 include a test of the applicant's eyesight, his ability to
 14 read and understand highway signs regulating, warning, and
 15 directing traffic, his knowledge of the traffic laws of this
 16 state, and shall include an actual demonstration of ability
 17 to exercise ordinary and reasonable control in the operation
 18 of a motor vehicle, quadricycle, or motorcycle. The division
 19 shall make provision for giving an examination either in the
 20 county where the applicant resides or at a place adjacent
 21 thereto reasonably convenient to the applicant within not
 22 more than 30 days from the date the application is
 23 received."

24 Section 33. Section 61-5-111, MCA, is amended to read:

25 "61-5-111. Licenses issued to operators and chauffeurs

1 -- renewals and expiration -- fees -- disposition. (1) The
 2 division shall have authority to appoint county treasurers
 3 and other qualified officers to act as its agents for the
 4 sale of driver's licenses receipts and shall make necessary
 5 rules governing such sales. In those areas where the
 6 division provides driver licensing services 3 days or more a
 7 week the division is responsible for sale of receipts and
 8 may not appoint an agent. The division, upon receipt of
 9 payment of the fees specified in this section, shall issue
 10 to every applicant qualifying therefor an operator's or
 11 chauffeur's license as applied for. Such licenses shall
 12 contain a photograph of the licensee in the size and form as
 13 prescribed by the division, a distinguishing number issued
 14 to the licensee; the full name, date of birth, residence
 15 address, and a brief description of the licensee; and either
 16 a facsimile of the signature of the licensee or a space upon
 17 which he shall write his signature in pen and ink
 18 immediately upon receipt of the license. No license shall be
 19 valid until it has been so signed by the licensee. Five
 20 percent of the license fees collected by the county
 21 treasurer shall be deposited by the county treasurer for the
 22 use of the county general fund. In the event no agent is
 23 appointed under this section, 5% of the license fees
 24 collected by the division shall be retained by the division
 25 to defray the cost of handling.

1 (2) The division shall, when any person applies for
 2 renewal of an operator's or chauffeur's license, test the
 3 applicant's eyesight and may also in the division's
 4 discretion have the applicant demonstrate his physical
 5 ability to operate and to exercise ordinary and reasonable
 6 care in the operation of a motor vehicle. A person shall be
 7 considered to have applied for renewal of a Montana
 8 operator's or chauffeur's license if the application is made
 9 within 3 months of the expiration of his license.

10 (3) Licenses shall expire on the anniversary of the
 11 date of birth of the licensee 4 years or less after the date
 12 of issue.

13 (4) Whenever the division issues an original license
 14 to a person under the age of 18 years, the license shall be
 15 designated and clearly marked as a "provisional license".
 16 Any license so designated and marked may be suspended by the
 17 division for a period of not more than 12 months, when its
 18 records disclose that the licensee, subsequent to the
 19 issuance of such license, has been guilty of careless or
 20 negligent driving. Upon renewal as applicable to operator's
 21 licenses, the division may, for any reasonable cause as
 22 shown by its records, designate the renewal of the license
 23 as provisional; otherwise, a license in usual form shall be
 24 issued subject to other provisions of the laws of Montana.

25 (5) It shall be unlawful for any person to have in his

1 possession or under his control more than one Montana
 2 operator's or chauffeur's license at any one time. A license
 3 is not valid for the operation of a motorcycle or
 4 quadricycle until the holder thereof has completed the
 5 requirements of 61-5-110 and the license has been clearly
 6 marked with the words "motorcycle endorsement".

7 (6) Fees for driver's licenses shall be as follows:

8 (a) driver's license -- \$2 per year or fraction
 9 thereof;

10 (b) motorcycle endorsement -- 50 cents per year or
 11 fraction thereof.

12 (7) The county treasurer or other agent of the
 13 division collecting such fees shall retain 5% of each fee
 14 for the use of the county general fund and shall transmit
 15 the remainder to the state treasurer, who shall deposit to
 16 the credit of the state general fund all money received by
 17 him from the collection of the fees."

18 Section 34. Section 61-6-303, MCA, is amended to read:

19 "61-6-303. Exempt vehicles. The following vehicles and
 20 their drivers are exempt from the provisions of 61-6-301:

21 (1) a vehicle owned by the United States government or
 22 any state or political subdivision;

23 (2) a vehicle for which cash, securities, or a bond
 24 has been deposited or filed with the division upon such
 25 terms and conditions providing the same benefits available

1 under a required motor vehicle liability insurance policy;

2 (3) a vehicle owned by a self-insurer certified as
3 provided in 61-6-143;

4 (4) an implement of husbandry or special mobile
5 equipment that is only incidentally operated on a highway or
6 property open to use by the public;

7 (5) a vehicle operated upon a highway only for the
8 purpose of crossing such highway from one property to
9 another;

10 (6) a commercial vehicle registered or proportionally
11 registered in this and any other jurisdiction provided that
12 vehicle is covered by a motor vehicle liability insurance
13 policy complying with the laws of another jurisdiction in
14 which it is registered;

15 (7) a motorcycle or quadricycle;

16 (8) a vehicle moved solely by human or animal power."

17 Section 35. Section 61-8-359, MCA, is amended to read:

18 "61-8-359. Riding on motorcycles. (1) A person
19 operating a motorcycle or quadricycle on public streets or
20 highways shall ride only upon the permanent and regular seat
21 attached thereto, and such operator shall not carry any
22 other person; nor shall any other person ride on a
23 motorcycle or quadricycle unless such motorcycle or
24 quadricycle is designed to carry more than one person, in
25 which event a passenger may ride upon the permanent and

1 regular seat if designed for two persons or upon another
2 seat firmly attached to the rear or side of the operator.

3 (2) No passenger shall be carried in a position that
4 will interfere with the operation of the motorcycle or
5 quadricycle or the view of the operator.

6 (3) No person operating a motorcycle or quadricycle
7 shall carry any packages, bundles, or articles which would
8 interfere with the operation of said vehicle in a safe and
9 prudent manner.

10 (4) "Sidesaddle" riding on a motorcycle or quadricycle
11 is prohibited.

12 (5) Motorcycles and quadricycles are to be operated
13 with lights on at all times when operated on any public
14 highway or street, except that if the motorcycle is
15 registered under 61-3-411 as a collector's item, it may be
16 operated without lights from one-half hour before sunrise to
17 one-half hour after sunset if persons and vehicles are
18 clearly discernible at a distance of 500 feet.

19 (6) Not more than two motorcycles shall be operated
20 side by side in a single traffic lane.

21 (7) All motor vehicles, including motorcycles and
22 quadricycles, are entitled to the full use of a traffic
23 lane, and no vehicle shall be driven or operated in such a
24 manner so as to deprive any other vehicle of the full use of
25 a traffic lane, except that motorcycles may, with the

1 consent of both drivers, be operated not more than two
2 abreast in a single traffic lane.

3 (8) Every person riding a motorcycle or quadricycle
4 upon a roadway shall be granted all of the rights and shall
5 be subject to all of the duties applicable to the driver of
6 a motor vehicle except as to those provisions which, by
7 their nature, can have no application."

8 Section 36. Section 61-9-203, MCA, is amended to read:

9 "61-9-203. Headlamps on motor vehicles. (1) Every
10 motor vehicle other than a motorcycle, quadricycle, or
11 motor-driven cycle shall be equipped with at least two
12 headlamps, with at least one on each side of the front of
13 the motor vehicle, which headlamps shall comply with the
14 requirements and limitations set forth in this chapter.

15 (2) Every motorcycle, quadricycle, and every
16 motor-driven cycle shall be equipped with at least one and
17 not more than two headlamps which shall comply with the
18 requirements and limitations of this chapter. If a
19 motorcycle is registered under 61-3-411 as a collector's
20 item, it need not be equipped with headlamps, but if it is
21 not so equipped it may not be operated upon a highway or
22 street from one-half hour after sunset to one-half hour
23 before sunrise or if persons and vehicles are not clearly
24 discernible at a distance of 500 feet.

25 (3) Every headlamp upon every motor vehicle, including

1 every motorcycle, quadricycle, and every motor-driven cycle,
2 shall be located at a height, measured from the center of
3 the headlamp, of not more than 54 inches or less than 24
4 inches, to be measured as set forth in 61-9-202(2)."

5 Section 37. Section 61-9-205, MCA, is amended to read:

6 "61-9-205. New motor vehicles to be equipped with
7 reflectors. (1) Every new motor vehicle hereafter sold and
8 operated upon a highway, other than a truck tractor, shall
9 carry on the rear, either as a part of the taillamps or
10 separately, two red reflectors, except that every
11 motorcycle, quadricycle, and motor-driven cycle shall carry
12 at least one reflector meeting the requirements of this
13 section, and except that vehicles of the type mentioned in
14 61-9-208 shall be equipped with reflectors as required in
15 those sections applicable thereto.

16 (2) Every such reflector shall be mounted on the
17 vehicle at a height not less than 15 inches or more than 60
18 inches measured as set forth in 61-9-202(2) and shall be of
19 such size and characteristics and so mounted as to be
20 visible at night from all distances within 300 feet to 50
21 feet from such vehicle when directly in front of lawful
22 upper beams of headlamps, except that visibility from a
23 greater distance may be required of reflectors on certain
24 types of vehicles."

25 Section 38. Section 61-9-206, MCA, is amended to read:

1 "61-9-206. Stop lamps -- when required. From and after
2 January 1, 1956, it shall be unlawful for any person to sell
3 any new motor vehicle, including any motorcycle,
4 quadricycle, or motor-driven cycle, in this state or for any
5 person to drive such vehicle on the highways unless it is
6 equipped with at least one stop lamp meeting the
7 requirements of 61-9-218."

8 Section 39. Section 61-9-220, MCA, is amended to read:

9 "61-9-220. Multiple-beam road-lighting equipment.
10 Except as hereinafter provided, the headlamps or the
11 auxiliary driving lamp or the auxiliary passing lamp or
12 combination thereof on motor vehicles other than
13 motorcycles, quadricycles, or motor-driven cycles shall be
14 so arranged that the driver may select at will between
15 distributions of light projected to different elevations and
16 such lamps may, in addition, be so arranged that such
17 selection can be made automatically, subject to the
18 following limitations:

19 (1) There shall be an uppermost distribution of light,
20 or composite beam, so aimed and of such intensity as to
21 reveal persons and vehicles at a distance of at least 350
22 feet ahead for all conditions of loading.

23 (2) There shall be a lowermost distribution of light,
24 or composite beam, so aimed and of sufficient intensity to
25 reveal persons and vehicles at a distance of at least 100

1 feet ahead; and on a straight level road under any condition
2 of loading none of the high-intensity portion of the beam
3 shall be directed to strike the eyes of an approaching
4 driver.

5 (3) Every new motor vehicle, other than a motorcycle,
6 quadricycle, or motor-driven cycle, registered in this state
7 after January 1, 1956, which has multiple-beam road-lighting
8 equipment shall be equipped with a beam indicator, which
9 shall be lighted whenever the uppermost distribution of
10 light from the headlamps is in use, and shall not otherwise
11 be lighted. Said indicator shall be so designed and located
12 that when lighted it will be readily visible without glare
13 to the driver of the vehicle so equipped."

14 Section 40. Section 61-9-225, MCA, is amended to read:

15 "61-9-225. Number of driving lamps required or
16 permitted. (1) At all times specified in 61-9-201, at least
17 two lighted lamps shall be displayed, one on each side at
18 the front of every motor vehicle other than a motorcycle,
19 quadricycle, or motor-driven cycle, except when such vehicle
20 is parked, subject to the regulations governing lights on
21 parked vehicles.

22 (2) Whenever a motor vehicle equipped with headlamps
23 as herein required is also equipped with any auxiliary lamps
24 or a spot lamp or any other lamp on the front thereof
25 projecting a beam of intensity greater than 300 candlepower,

1 not more than a total of four of any such lamps on the front
2 of a vehicle shall be lighted at any one time when upon a
3 highway."

4 Section 41. Section 61-9-303, MCA, is amended to read:

5 "61-9-303. Parking brakes -- adequacy. Every such
6 vehicle and combination of vehicles, except motorcycles,
7 quadricycles, and motor-driven cycles, shall be equipped
8 with parking brakes adequate to hold the vehicle on any
9 grade on which it is operated, under all conditions of
10 loading, on a surface free from snow, ice, or loose
11 material. The parking brakes shall be capable of being
12 applied in conformance with the foregoing requirements by
13 the driver's muscular effort or by spring action or by
14 equivalent means. Their operation may be assisted by the
15 service brakes or other source of power provided that
16 failure of the service brake actuation system or other power
17 assisting mechanism will not prevent the parking brakes from
18 being applied in conformance with the foregoing
19 requirements. The parking brakes shall be so designed that
20 when once applied they shall remain applied with the
21 required effectiveness despite exhaustion of any source of
22 energy or leakage of any kind. The same brake drums, brake
23 shoes and lining assemblies, brake shoe anchors and
24 mechanical brake shoe actuation mechanism normally
25 associated with the wheel brake assemblies may be used for

1 both the service brakes and the parking brakes. If the means
2 of applying the parking brakes and the service brakes are
3 connected in any way, they shall be so constructed that
4 failure of any one part shall not leave the vehicle without
5 operative brakes."

6 Section 42. Section 61-9-304, MCA, is amended to read:

7 "61-9-304. Brakes required on all wheels --
8 exceptions. Every vehicle shall be equipped with brakes
9 acting on all wheels except:

10 (1) trailers, semitrailers, pole trailers of a gross
11 weight not exceeding 3,000 pounds, provided that:

12 (a) the total weight on and including the wheels of
13 the trailer or trailers shall not exceed 40% of the gross
14 weight of the towing vehicle when connected to the trailer
15 or trailers; and

16 (b) the combination of vehicles consisting of the
17 towing vehicle and its total towed load is capable of
18 complying with the performance requirements of 61-9-312;

19 (2) any vehicle being towed in driveaway or towaway
20 operations, provided the combination of vehicles is capable
21 of complying with the performance requirements of 61-9-312;

22 (3) trucks and truck tractors having three or more
23 axles need not have brakes on the front wheels, except that
24 when such vehicles are equipped with at least two steerable
25 axles, the wheels of one steerable axle need not have

1 brakes. However, such trucks and truck tractors must be
2 capable of complying with the performance requirements of
3 61-9-312.

4 (4) special mobile equipment as defined in 61-1-104;
5 (5) the wheel of a sidecar attached to a motorcycle or
6 to a motor-driven cycle, or the front wheel of a
7 motor-driven cycle need not be equipped with brakes, provided--that--such
8 However, a quadricycle, motorcycle, or motor-driven cycle is must be capable of complying with the
9 performance requirements of 61-9-312."
10

11 Section 43. Section 61-9-309, MCA, is amended to read:

12 "61-9-309. Single control to operate all brakes. After
13 January 1, 1966, every motor vehicle, trailer, semitrailer,
14 and pole trailer, and every combination of such vehicles,
15 except motorcycles, quadricycles, and motor-driven cycles,
16 equipped with brakes shall have the braking system so
17 arranged that one control device can be used to operate all
18 service brakes. This requirement does not prohibit vehicles
19 from being equipped with an additional control device to be
20 used to operate brakes on the towed vehicles. This
21 regulation does not apply to driveaway or towaway operations
22 unless the brakes on the individual vehicles are designed to
23 be operated by a single control on the towing vehicle."

24 Section 44. Section 61-9-312, MCA, is amended to read:

25 "61-9-312. Performance ability of brakes. (1) Every

1 motor vehicle and combination of vehicles, at all times and
2 under all conditions of loading, upon application of the
3 service brake, shall be capable of:

4 (a) developing a braking force that is not less than
5 the percentage of its gross weight tabulated in subsection
6 (3) for its classification;

7 (b) decelerating to a stop from not more than 20 miles
8 per hour at not less than the feet per second per second
9 tabulated in subsection (3) for its classification; and

10 (c) stopping from a speed of 20 miles per hour in not
11 more than the distance tabulated in subsection (3) for its
12 classification, such distance to be measured from the point
13 at which movement of the service brake pedal or control
14 begins.

15 (2) Tests for deceleration and stopping distance shall
16 be made on a substantially level (not to exceed plus or
17 minus 1% grade), dry, smooth, hard surface that is free from
18 loose material.

19 (3)
20 Brake system
21 application and
22 braking distance
23 as a percentage of gross vehicle or combination
24 Deceleration in feet per second
25 in feet from an initial speed of twenty (20)

	weight	per second	miles per hour
Classification of Vehicles			
A	Passenger vehicles with a seating capacity of ten (10) people or less including driver, not having a manufacturer's gross vehicle weight rating.....		
	.....52.8%	17	25
B-1	All motorcycles, <u>quadricycles</u> , and motor-driven cycles..		
	.....43.5%	14	30
B-2	Single unit vehicles with a manufacturer's gross vehicle weight rating of than ten thousand (10,000) pounds or less.....		
	.....43.5%	14	30
C-1	Single unit vehicles with a manufacturer's gross weight rating of more than ten thousand (10,000) pounds.....		
	.....43.5%	14	40
C-2	Combination of a two-axle towing vehicle and a trailer with a gross trailer weight of three thousand (3,000) pounds or less.....		
	.....43.5%	14	40
C-3	Buses, regardless of the number of axles, not having a manufacturer's gross weight rating.....		
	.....43.5%	14	40
C-4	All combinations of vehicles in driveaway-towaway operations.....		
	.....43.5%	14	40
D	All other vehicles and combinations of vehicles.....		
	.....43.5%	14	50"

Section 45. Section 61-9-417, MCA, is amended to read:

"61-9-417. Headgear required for minor motorcycle riders. An operator and passenger under 18 years of age of any motorcycle or quadricycle operated upon the streets or highways of this state shall wear protective headgear upon the head. The headgear shall meet standards established by the department of justice."

Section 46. Section 61-9-418, MCA, is amended to read:

"61-9-418. Motorcycle noise suppression devices. All motorcycles or quadricycles operated on the streets and highways of this state shall be equipped at all times with noise suppression devices, including an exhaust muffler, in good working order and in constant operation. In addition, all motorcycles and quadricycles operating on streets and highways shall meet the following noise decibel limitations, on the standard A scale, such decibel limitations to be measured at 50 feet distant from the closest point to the motorcycle or quadricycle:

- (1) any motorcycle cycle manufactured prior to 1970
92 db(A)
- (2) any motorcycle cycle manufactured after 1969
but prior to 1973
88 db(A)
- (3) any motorcycle cycle manufactured after 1972
but prior to 1975
86 db(A)
- (4) any motorcycle cycle manufactured after 1974
but prior to 1978
80 db(A)

- 1 (5) any motorcycle cycle manufactured after 1977
- 2 but prior to 1988 75 db(A)
- 3 (6) any motorcycle cycle manufactured after 1987
- 4 70 db(A)"

5 Section 47. Section 61-9-421, MCA, is amended to read:
 6 "61-9-421. Certain vehicles excepted. Section 61-9-420
 7 is not applicable to a vehicle that:

- 8 (1) is a motorbus, schoolbus, taxicab, moped,
- 9 quadricycle, or motorcycle or is not required to be equipped
- 10 with safety belts under 49 CFR 571 as it reads on January 1,
- 11 1984; or
- 12 (2) has a seating capacity as designated by the
- 13 manufacturer of two persons and there are two persons 4
- 14 years of age or older in the vehicle."

15 NEW SECTION. Section 48. Codification instruction.
 16 (1) Section 1 is intended to be codified as an integral part
 17 of Title 61, chapter 1, part 1, and the provisions of Title
 18 61 apply to section 1.

19 (2) Sections 2 and 3 are intended to be codified as an
 20 integral part of Title 61, chapter 3, part 5, and the
 21 provisions of Title 61 apply to sections 2 and 3.

22 NEW SECTION. Section 49. Extension of authority. Any
 23 existing authority of the departments of revenue, highways,
 24 or justice to make rules on the subject of the provisions of
 25 this act is extended to the provisions of this act.

1 NEW SECTION. Section 50. Effective date. This act is
 2 effective January 1, 1986.

-End-

HOUSE BILL NO. 101

INTRODUCED BY D. BROWN, MARKS

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE LAWS RELATING TO MOTORCYCLES; REPLACING THE PRESENT TAXATION OF MOTORCYCLES WITH A FEE IN LIEU OF TAX; DEFINING "QUADRICYCLE"; MAKING MOTORCYCLE LAWS APPLICABLE TO QUADRICYCLES; AMENDING SECTIONS 15-6-138, 15-6-201, 15-8-111, 15-8-201, 15-8-202, 15-24-301, 15-30-121, 15-31-114, 15-50-207, 31-1-202, 45-6-308, 61-3-301, 61-3-303, 61-3-313, 61-3-321, 61-3-332, 61-3-402, 61-3-403, 61-3-501, 61-3-503, 61-3-504, 61-3-509, 61-3-701, 61-4-101 THROUGH 61-4-103, 61-5-106, 61-5-107, 61-5-110, 61-5-111, 61-6-303, 61-8-359, 61-9-203, 61-9-205, 61-9-206, 61-9-220, 61-9-225, 61-9-303, 61-9-304, 61-9-309, 61-9-312, 61-9-417, 61-9-418, AND 61-9-421, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Quadricycle. "Quadricycle" means a four-wheeled motor vehicle, designed for on-road or off-road use, having a seat or saddle upon which the operator sits and a motor of less than 300 cubic centimeters capable of producing not more than 35 horsepower. THE TERM DOES NOT INCLUDE GOLF CARTS.

NEW SECTION. Section 2. Fee in lieu of tax for motorcycles and quadricycles. (1) There is a fee in lieu of property tax imposed on motorcycles and quadricycles. The fee is in addition to annual registration fees.

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

NEW SECTION. Section 3. Schedule of fees for motorcycles and quadricycles. (1) The owner of a motorcycle or quadricycle shall pay a fee based on the age AND ENGINE SIZE of the vehicle as follows:

less-than-5-years-old-----		\$30	
5-years-old-and-older-----		\$10	
	<u>500CC</u>	<u>MORE-THAN</u>	
	<u>OR-BESS</u>	<u>500CC</u>	
<u>LESS-THAN-5-YEARS-OLD</u>	<u>\$32.50</u>	<u>\$52.50</u>	
<u>5-YEARS-OLD-OR-OVER</u>	<u>\$7.50</u>	<u>-27.50</u>	
	<u>UNDER</u>	<u>200 CC TO</u>	<u>750 CC</u>
	<u>200 CC</u>	<u>UNDER 750 CC</u>	<u>AND OVER</u>
<u>LESS THAN 4 YEARS OLD</u>	<u>\$16</u>	<u>\$40</u>	<u>\$80</u>
<u>4 TO 8 YEARS OLD</u>	<u>\$ 8</u>	<u>\$20</u>	<u>\$40</u>
<u>OVER 8 YEARS OLD</u>	<u>\$ 4</u>	<u>\$10</u>	<u>\$20</u>

(2) The age of a motorcycle or quadricycle is determined by subtracting the manufacturer's designated model year from the current calendar year.



1 Section 4. Section 15-6-138, MCA, is amended to read:
 2 "15-6-138. Class eight property -- description --
 3 taxable percentage. (1) Class eight property includes:
 4 (a) all agricultural implements and equipment;
 5 (b) all mining machinery, fixtures, equipment, tools,
 6 and supplies except:
 7 (i) those included in class five; and
 8 (ii) coal and ore haulers;
 9 (c) all manufacturing machinery, fixtures, equipment,
 10 tools, and supplies except those included in class five;
 11 ~~(d) motorcycles;~~
 12 ~~(e)~~(d) watercraft;
 13 ~~(f)~~(e) all trailers up to and including 18,000 pounds
 14 maximum gross loaded weight, except those subject to a fee
 15 in lieu of property tax;
 16 ~~(g)~~(f) aircraft;
 17 ~~(h)~~(g) all-terrain vehicles not registered under
 18 61-3-301;
 19 ~~(i)~~(h) harness, saddlery, and other tack equipment;
 20 ~~(j)~~(i) all goods and equipment intended for rent or
 21 lease, except goods and equipment specifically included and
 22 taxed in another class; and
 23 ~~(k)~~(j) all other machinery except that specifically
 24 included in another class.
 25 (2) Class eight property is taxed at 11½ of its market

1 value."
 2 Section 5. 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