

HOUSE BILL NO. 317

INTRODUCED BY M. WILLIAMS

IN THE HOUSE

January 22, 1985	Introduced and referred to Committee on Taxation.
January 28, 1985	Committee recommend bill do pass as amended. Report adopted.
January 29, 1985	Bill printed and placed on members' desks.
January 31, 1985	Second reading, do pass. Considered correctly engrossed.
February 1, 1985	Third reading, passed. Ayes, 95; Noes, 4. Transmitted to Senate.

IN THE SENATE

February 6, 1985	Introduced and referred to Committee on Agriculture, Livestock and Irrigation.
February 14, 1985	Committee recommend bill be concurred in. Report adopted.
February 16, 1985	Second reading, pass consideration.
February 18, 1985	Second reading, pass consideration. On motion, taken from Committee on Agriculture, Livestock and Irrigation and rereferred to Committee on Taxation. Motion adopted.

March 22, 1985 Committee recommend bill be
concurrent in as amended. Report
adopted.

March 23, 1985 Second reading, concurred in.

March 26, 1985 Third reading, concurred in.
Ayes, 49; Noes, 1.

Returned to House with
amendments.

IN THE HOUSE

March 27, 1985 Received from Senate.

April 4, 1985 Second reading, amendments
concurrent in.

April 5, 1985 Third reading, amendments
concurrent in.

Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 317

2 INTRODUCED BY Williams

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE
5 DEFINITION OF "LIVESTOCK" FOR PURPOSES OF PROPERTY TAXATION;
6 AMENDING SECTION 15-24-901, MCA."

7

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

9 Section 1. Section 15-24-901, MCA, is amended to read:

10 "15-24-901. Definition. "Livestock" The term
11 "livestock" means cattle, sheep, horses, and mules-, swine,
12 goats, wild animals confined and raised for profit, exotic
13 animals, and bees, and includes all other animals kept by a
14 person for gain or profit, whether a gain or profit is
15 realized or not. The term does not include cats or dogs."

16 NEW SECTION. Section 2. Extension of authority. Any
17 existing authority of the department of revenue to make
18 rules on the subject of the provisions of this act is
19 extended to the provisions of this act.

-End-

APPROVED BY COMMITTEE
ON TAXATION

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HOUSE BILL NO. 317
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A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE
DEFINITION OF "LIVESTOCK" FOR PURPOSES OF PROPERTY TAXATION;
AMENDING SECTION 15-24-901, MCA."

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

Section 1. Section 15-24-901, MCA, is amended to read:

"15-24-901. Definition. ~~"livestock"~~ The term
"livestock" means cattle, sheep, horses, and mules, swine,
goats, ~~wild--animals--confined--and--raised--for--profit,~~ exotic
animals, and bees, and includes all other animals kept by a
person for gain or profit, whether a gain or profit is
realized or not. ~~The term does not include cats or dogs.~~"

NEW SECTION. Section 2. Extension of authority. Any
existing authority of the department of revenue to make
rules on the subject of the provisions of this act is
extended to the provisions of this act.

-End-



SECOND READING
HB 317

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Section 1. Section 15-24-901, MCA, is amended to read:

"15-24-901. Definition. "livestock" The term
"livestock" means cattle, sheep, horses, and mules, swine,
~~goats, wild--animals-confined-and-raised-for-profit,~~ exotic
animals, and bees, and includes all other animals kept by a
person for gain or profit, whether a gain or profit is
realized or not. ~~The-term-does-not-include-cats-or-dogs."~~

NEW SECTION. Section 2. Extension of authority. Any
existing authority of the department of revenue to make
rules on the subject of the provisions of this act is
extended to the provisions of this act.

-End-



THIRD READING

HB 317

March 22, 1985

MR. PRESIDENT

We, your committee on Taxation
 having had under consideration House Bill No. 317
third reading copy (blue)
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(Senator Eck)

CLARIFYING THE DEFINITION OF LIVESTOCK FOR PROPERTY TAX PURPOSES

Respectfully report as follows: That House Bill No. 317

be amended as follows:

1. Title, line 6.
 Following: "AMENDING"
 Strike: "SECTION"
 Insert: "SECTIONS 15-1-101, 15-6-136, 15-6-207, AND"

2. Page 1, line 9.
 Following: line 8
 Insert: "Section 1. Section 15-1-101, MCA, is amended to read:

"15-1-101. Definitions. (1) When Except as otherwise specifically provided, when terms mentioned in this section are used in connection with taxation, they are defined in the following manner:

(a) The term "agricultural" refers to the raising of livestock, ~~swine~~, poultry, bees, and other species of domestic animals and wildlife in domestication or a captive environment, and the raising of field crops, fruit, and other animal and vegetable matter for food or fiber.

(b) The term "assessed value" means the value of property as defined in 15-8-111.

(c) The term "average wholesale value" means the value to a dealer prior to reconditioning and profit margin shown in national appraisal guides and manuals or the valuation schedules of the department of revenue.

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Chairman.

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(d) The term "credit" means solvent debts, secured or unsecured, owing to a person.

(e) The term "improvements" includes all buildings, structures, fixtures, fences, and improvements situated upon, erected upon, or affixed to land. When the department of revenue or its agent determines that the permanency of location of a mobile home or housetrailer has been established, the mobile home or housetrailer is presumed to be an improvement to real property. A mobile home or housetrailer may be determined to be permanently located only when it is attached to a foundation which cannot feasibly be relocated and only when the wheels are removed.

(f) The term "leasehold improvements" means improvements to mobile homes and mobile homes located on land owned by another person. This property is assessed under the appropriate classification and the taxes are due and payable in two payments as provided in 15-24-202. Delinquent taxes on such leasehold improvements are a lien only on such leasehold improvements.

(g) The term "livestock" means cattle, sheep, swine, goats, horses, mules, and asses.

~~(h)~~ (h) The term "mobile home" means forms of housing known as "trailers", "housetrailers", or "trailer coaches" exceeding 8 feet in width or 45 feet in length, designed to be moved from one place to another by an independent power connected to them, or any "trailer", "housetrailer", or "trailer coach" up to 8 feet in width or 45 feet in length used as a principal residence.

~~(i)~~ (i) The term "personal property" includes everything that is the subject of ownership but that is not included within the meaning of the terms "real estate" and "improvements".

~~(j)~~ (j) The term "poultry" includes all chickens, turkeys, geese, ducks, and other birds raised in domestication to produce food or feathers.

~~(k)~~ (k) The term "property" includes moneys, credits, bonds, stocks, franchises, and all other matters and things, real, personal, and mixed, capable of private ownership. This definition must not be construed to authorize the taxation of the stocks of any company or corporation when the property of such company or corporation represented by the stocks is within the state and has been taxed.

~~(l)~~ (l) The term "real estate" includes:

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March 22, 1985

- (i) the possession of, claim to, ownership of, or right to the possession of land;
- (ii) all mines, minerals, and quarries in and under the land subject to the provisions of 15-23-501 and 15-23-801; all timber belonging to individuals or corporations growing or being on the lands of the United States; and all rights and privileges appertaining thereto.
- (1)(m) The term "taxable value" means the percentage of market or assessed value as provided for in 15-6-131 through 15-6-140.
- (2) The phrase "municipal corporation" or "municipality" or "taxing unit" shall be deemed to include a county, city, incorporated town, township, school district, irrigation district, drainage district, or any person, persons, or organized body authorized by law to establish tax levies for the purpose of raising public revenue.
- (3) The term "state board" or "board" when used without other qualification shall mean the state tax appeal board."

Section 2. Section 15-6-136, MCA, is amended to read:
"15-6-136. Class six property -- description -- taxable percentage. (1) Class six property includes:
(a) livestock and poultry, bees, and other species of domestic animals and wildlife raised in domestication or a captive environment, except for cats, dogs, and other household pets not raised for profit and the unprocessed products of both such animals and wildlife;
(b) all unprocessed agricultural products on the farm or in storage except all perishable fruits and vegetables in farm storage and owned by the producer;
(c) items of personal property intended for lease in the ordinary course of business provided each item of personal property satisfies all of the following:
(i) the full and true value of the personal property is less than \$5,000;
(ii) the personal property is owned by a business whose primary business income is from rental or lease of personal property to individuals wherein no one customer of the business accounts for more than 10% of the total rentals or leases during a calendar year; and

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March 22, 1985

- (iii) the lease of the personal property is generally on an hourly, daily, or weekly basis.
- (2) Class six property is taxed at 4% of its market value."

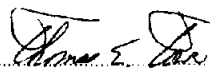
Section 3. Section 15-6-207, MCA, is amended to read:
"15-6-207. Agricultural exemptions. The following agricultural products are exempt from taxation:

- (1) all unprocessed, perishable fruits and vegetables in farm storage and owned by the producer;
- (2) all nonperishable unprocessed agricultural products, except livestock, held in possession of the original producer for less than 7 months following harvest; and
- (3) except as provided in subsection (4), livestock defined as cattle, sheep, horses, or mules, which have not attained the age of 9 months as of the last day of any month if assessed on the average inventory basis or on March 1 if assessed as provided in 15-24-911(1)(a); and
- (4) swine which have not attained the age of 3 months as of January 1."

Renumber: subsequent sections

3. Page 1, lines 10 through 15.
Following: "Definition." on line 10
Strike: remainder of line 10 through line 15
Insert: "As used in this part, "livestock" includes those animals specified in 15-1-101(g)."

AND AS AMENDED
BE CONCURRED IN


Senator Thomas E. Towe, Chairman

1 HOUSE BILL NO. 317
2 INTRODUCED BY M. WILLIAMS

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE
5 DEFINITION OF "LIVESTOCK" FOR PURPOSES OF PROPERTY TAXATION;
6 AMENDING SECTION SECTIONS 15-1-101, 15-6-136, 15-6-207, AND
7 15-24-901, MCA."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 SECTION 1. SECTION 15-1-101, MCA, IS AMENDED TO READ:

11 "15-1-101. Definitions. (1) When Except as otherwise
12 specifically provided, when terms mentioned in this section
13 are used in connection with taxation, they are defined in
14 the following manner:

15 (a) The term "agricultural" refers to the raising of
16 livestock, swine, poultry, bees, and other species of
17 domestic animals and wildlife in domestication or a captive
18 environment, and the raising of field crops, fruit, and
19 other animal and vegetable matter for food or fiber.

20 (b) The term "assessed value" means the value of
21 property as defined in 15-8-111.

22 (c) The term "average wholesale value" means the value
23 to a dealer prior to reconditioning and profit margin shown
24 in national appraisal guides and manuals or the valuation
25 schedules of the department of revenue.

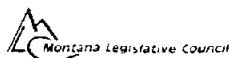
1 (d) The term "credit" means solvent debts, secured or
2 unsecured, owing to a person.

3 (e) The term "improvements" includes all buildings,
4 structures, fixtures, fences, and improvements situated
5 upon, erected upon, or affixed to land. When the department
6 of revenue or its agent determines that the permanency of
7 location of a mobile home or housetrailer has been
8 established, the mobile home or housetrailer is presumed to
9 be an improvement to real property. A mobile home or
10 housetrailer may be determined to be permanently located
11 only when it is attached to a foundation which cannot
12 feasibly be relocated and only when the wheels are removed.

13 (f) The term "leasehold improvements" means
14 improvements to mobile homes and mobile homes located on
15 land owned by another person. This property is assessed
16 under the appropriate classification and the taxes are due
17 and payable in two payments as provided in 15-24-202.
18 Delinquent taxes on such leasehold improvements are a lien
19 only on such leasehold improvements.

20 (g) The term "livestock" means cattle, sheep, swine,
21 goats, horses, mules, and asses.

22 (h) The term "mobile home" means forms of housing
23 known as "trailers", "housetrailers", or "trailer coaches"
24 exceeding 8 feet in width or 45 feet in length, designed to
25 be moved from one place to another by an independent power



1 connected to them, or any "trailer", "houstrailer", or
2 "trailer coach" up to 8 feet in width or 45 feet in length
3 used as a principal residence.

4 (h)(i) The term "personal property" includes
5 everything that is the subject of ownership but that is not
6 included within the meaning of the terms "real estate" and
7 "improvements".

8 (i)(j) The term "poultry" includes all chickens,
9 turkeys, geese, ducks, and other birds raised in
10 domestication to produce food or feathers.

11 (j)(k) The term "property" includes moneys, credits,
12 bonds, stocks, franchises, and all other matters and things,
13 real, personal, and mixed, capable of private ownership.
14 This definition must not be construed to authorize the
15 taxation of the stocks of any company or corporation when
16 the property of such company or corporation represented by
17 the stocks is within the state and has been taxed.

18 (k)(l) The term "real estate" includes:

19 (i) the possession of, claim to, ownership of, or
20 right to the possession of land;

21 (ii) all mines, minerals, and quarries in and under the
22 land subject to the provisions of 15-23-501 and 15-23-801;
23 all timber belonging to individuals or corporations growing
24 or being on the lands of the United States; and all rights
25 and privileges appertaining thereto.

1 (m) The term "taxable value" means the percentage
2 of market or assessed value as provided for in 15-6-131
3 through 15-6-140.

4 (2) The phrase "municipal corporation" or
5 "municipality" or "taxing unit" shall be deemed to include a
6 county, city, incorporated town, township, school district,
7 irrigation district, drainage district, or any person,
8 persons, or organized body authorized by law to establish
9 tax levies for the purpose of raising public revenue.

10 (3) The term "state board" or "board" when used
11 without other qualification shall mean the state tax appeal
12 board."

13 SECTION 2. SECTION 15-6-136, MCA, IS AMENDED TO READ:

14 "15-6-136. Class six property -- description --
15 taxable percentage. (1) Class six property includes:

16 (a) livestock and, poultry, bees, and other species of
17 domestic animals and wildlife raised in domestication or a
18 captive environment, except for cats, dogs, and other
19 household pets not raised for profit, and the unprocessed
20 products of both such animals and wildlife;

21 (b) all unprocessed agricultural products on the farm
22 or in storage except all perishable fruits and vegetables in
23 farm storage and owned by the producer;

24 (c) items of personal property intended for lease in
25 the ordinary course of business provided each item of

1 personal property satisfies all of the following:

2 (i) the full and true value of the personal property
3 is less than \$5,000;

4 (ii) the personal property is owned by a business whose
5 primary business income is from rental or lease of personal
6 property to individuals wherein no one customer of the
7 business accounts for more than 10% of the total rentals or
8 leases during a calendar year; and

9 (iii) the lease of the personal property is generally
10 on an hourly, daily, or weekly basis.

11 (2) Class six property is taxed at 4% of its market
12 value."

13 SECTION 3. SECTION 15-6-207, MCA, IS AMENDED TO READ:

14 "15-6-207. Agricultural exemptions. The following
15 agricultural products are exempt from taxation:

16 (1) all unprocessed, perishable fruits and vegetables
17 in farm storage and owned by the producer;

18 (2) all nonperishable unprocessed agricultural
19 products, except livestock, held in possession of the
20 original producer for less than 7 months following harvest;
21 and

22 (3) except as provided in subsection (4), livestock;
23 ~~defined as cattle, sheep, horses, or mules,~~ which have not
24 attained the age of 9 months as of the last day of any month
25 if assessed on the average inventory basis or on March 1 if

1 assessed as provided in 15-24-911(1)(a); and

2 (4) swine which have not attained the age of 3 months
3 as of January 1."

4 Section 4. Section 15-24-901, MCA, is amended to read:

5 "15-24-901. Definition. "Livestock" ~~The term~~
6 ~~"livestock" means cattle, sheep, horses, and mules; swine;~~
7 ~~goats; wild animals confined and raised for profit; exotic~~
8 ~~animals; and bees; and includes all other animals kept by a~~
9 ~~person for gain or profit, whether a gain or profit is~~
10 ~~realized or not. The term does not include cats or dogs.~~ AS
11 USED IN THIS PART, "LIVESTOCK" INCLUDES THOSE ANIMALS
12 SPECIFIED IN 15-1-101(1)(G)."

13 NEW SECTION. Section 5. Extension of authority. Any
14 existing authority of the department of revenue to make
15 rules on the subject of the provisions of this act is
16 extended to the provisions of this act.

-End-