

HB 285 INTRODUCED BY CODY  
ELIMINATE PROPERTY TAX ON LIVESTOCK

1/19 INTRODUCED  
1/19 REFERRED TO TAXATION  
1/19 FISCAL NOTE REQUESTED  
1/26 FISCAL NOTE RECEIVED  
2/06 HEARING  
3/16 TABLED IN COMMITTEE

1 House BILL NO. 215  
2 INTRODUCED BY Reddy

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING AD VALOREM  
5 TAXES ON LIVESTOCK AND POULTRY; CHANGING THE ADDITIONAL TAX  
6 LEVIED ON LIVESTOCK TO A PER CAPITA TAX ON LIVESTOCK AND  
7 POULTRY TO PAY THE EXPENSE OF ENFORCING THE LIVESTOCK AND  
8 POULTRY LAWS; AMENDING SECTIONS 15-6-136, 15-6-207,  
9 15-8-201, 15-8-706, 15-24-301, 15-24-302, 15-24-921,  
10 15-24-922, 15-24-925, 81-6-101, 81-6-104, 81-6-204,  
11 81-6-209, 81-7-103, 81-7-104, 81-7-202, 81-7-303, 81-7-305,  
12 AND 81-8-804, MCA; REPEALING SECTIONS 15-24-901 THROUGH  
13 15-24-906, 15-24-908 THROUGH 15-24-911, 15-24-923,  
14 15-24-924, 15-24-926, 15-24-931, 15-24-941 THROUGH  
15 15-24-943, AND 81-7-118, MCA; AND PROVIDING A DELAYED  
16 EFFECTIVE DATE."

17  
18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

19 Section 1. Section 15-6-136, MCA, is amended to read:

20 "15-6-136. Class six property -- description --  
21 taxable percentage. (1) Class six property includes:

22 ~~(a)--livestock, poultry, bees, and other species of~~  
23 ~~domestic animals and wildlife raised in domestication or a~~  
24 ~~captive environment, except for cats, dogs, and other~~  
25 ~~household pets not raised for profit, and the unprocessed~~

1 ~~products of such animals and wildlife;~~

2 ~~(b)(a) all unprocessed agricultural products on the~~  
3 ~~farm or in storage except all perishable fruits and~~  
4 ~~vegetables in farm storage and owned by the producer; and~~

5 ~~(c)(b) items of personal property intended for lease~~  
6 ~~in the ordinary course of business provided each item of~~  
7 ~~personal property satisfies all of the following:~~

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

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

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

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

19 Section 2. Section 15-6-207, MCA, is amended to read:

20 "15-6-207. Agricultural exemptions. (1) The following  
21 agricultural products are exempt from taxation:

22 (a) all unprocessed, perishable fruits and vegetables  
23 in farm storage and owned by the producer;

24 (b) all nonperishable unprocessed agricultural  
25 products, except livestock, held in possession of the



1 original producer for less than 7 months following harvest;

2 (c) ~~except as provided in subsection (d),~~ livestock  
3 ~~which have not attained the age of 9 months as of the last~~  
4 ~~day of any month if assessed on the average inventory basis~~  
5 ~~or on March 1 if assessed as provided in 15-24-911(a),~~  
6 including cattle, sheep, horses, mules, or swine; and

7 (d) ~~swine which have not attained the age of 3 months~~  
8 ~~as of January 1~~ poultry and the unprocessed products of  
9 poultry.

10 (2) Any beet digger, beet toppler, beet defoliator,  
11 beet thinner, beet cultivator, beet planter, or beet top  
12 saver designed exclusively to plant, cultivate, and harvest  
13 sugar beets is exempt from taxation if such implement has  
14 not been used to plant, cultivate, or harvest sugar beets  
15 for the 2 years immediately preceding the current assessment  
16 date and there are no available sugar beet contracts in the  
17 sugar beet grower's marketing area."

18 Section 3. Section 15-8-201, MCA, is amended to read:

19 "15-8-201. General assessment day. (1) The department  
20 of revenue or its agent must, between January 1 and the  
21 second Monday of July in each year, ascertain the names of  
22 all taxable inhabitants and assess all property subject to  
23 taxation in each county. The department or its agent must  
24 assess property to the person by whom it was owned or  
25 claimed or in whose possession or control it was at midnight

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

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

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

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

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

15 (d) motorcycles and quadricycles;

16 ~~(e) livestock;~~

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

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

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

25 Section 4. Section 15-8-706, MCA, is amended to read:

1 "15-8-706. Statement by agent to the department. (1)  
 2 On the second Monday in July in each year, the agent of the  
 3 department of revenue in each county must transmit to the  
 4 department a statement showing:

- 5 (a) the several kinds of personal property;  
 6 (b) the average and total value of each kind;  
 7 (c) the ~~number--of--livestock,~~ number of bushels of  
 8 grain, number of pounds or tons of any article sold by the  
 9 pound or ton;  
 10 (d) when practicable, the separate value of each class  
 11 of land, specifying the classes and the number of acres in  
 12 each.

13 (2) An agent of the department who purposely or  
 14 negligently fails to perform his duty under this section or  
 15 a deputy or member of the agent's staff delegated such duty  
 16 who purposely or negligently fails to perform such duty is  
 17 guilty of official misconduct under 45-7-401."

18 Section 5. Section 15-24-301, MCA, is amended to read:

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

- 25 (a) any personal property (~~including~~ excluding

1 livestock and poultry) brought, driven, or coming into this  
 2 state at any time during the year that is used in the state  
 3 for hire, compensation, or profit;

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

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

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

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

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

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

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

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

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

14 (6) The provisions of this part do not apply to  
15 automobiles and trucks having a rated capacity of  
16 three-quarters of a ton or less, motorcycles, or  
17 quadricycles. These vehicles are subject to the fee provided  
18 for in 61-3-532 or 61-3-541."

19 Section 6. Section 15-24-302, MCA, is amended to read:

20 "15-24-302. Collection procedure. All property  
21 mentioned in 15-24-301 is assessed at the same value as  
22 property of like kind and character, and the assessment,  
23 levy, and collection of the tax are governed by the  
24 provisions of 15-8-408; 15-16-111 through 15-16-115;  
25 15-16-404; chapter 17, part 9; and 15-24-202; as amended,

1 except:

2 ~~(1) taxation of motor vehicles under 15-24-301(4), to~~  
3 ~~the extent that subsection varies from the general~~  
4 ~~provisions cited above; and~~

5 ~~(2) --livestock-taxation-governed-by-81-7-104-and--Title~~  
6 ~~817--chapter-77--part-2."~~

7 Section 7. Section 15-24-921, MCA, is amended to read:

8 "15-24-921. Additional Per capita tax levy to pay  
9 expense expenses of enforcing stock livestock and poultry  
10 laws. (1) In addition to appropriations made for such  
11 purposes, a per capita tax is hereby authorized and directed  
12 to be levied on all livestock and poultry in this state for  
13 the purpose of aiding in the payment of the salaries and all  
14 expenses connected with the enforcement of the stock  
15 livestock and poultry laws of the state and for the payment  
16 of bounties on wild animals as hereinafter specified.

17 (2) As used in this section, "livestock" means cattle,  
18 sheep, swine, goats, horses, mules, and asses."

19 Section 8. Section 15-24-922, MCA, is amended to read:

20 "15-24-922. Department Board of livestock to prescribe  
21 per capita levy. (1) The department-of--revenue--is--hereby  
22 empowered--and--it--is--made--its-duty-to board of livestock  
23 shall annually prescribe the per capita levy to be made  
24 against livestock and poultry of all classes for the purpose  
25 above indicated; and the board of livestock has the right to

1 ~~recommend--to--said--department--the--amount--of--such--levy in~~  
2 ~~15-24-921.~~

3 (2) The per capita tax levy must be calculated each  
4 year to provide not less than 100% or more than 110% of the  
5 revenue that was generated by this section, 81-7-104, and  
6 former 81-7-118 in the 1986 taxable year. The calculation  
7 shall apply a reasonable factor for nonpayment and late  
8 payment of taxes."

9 Section 9. Section 15-24-925, MCA, is amended to read:  
10 "15-24-925. Transmission of taxes from county to state  
11 treasurer. ~~The~~ Except for the amount withheld under [section  
12 10], the taxes levied and the money collected pursuant to  
13 the provisions of ~~15-24-923~~ 15-24-922 shall be transmitted  
14 with other taxes for state purposes to the state treasury by  
15 the county treasurer of each county, as provided in  
16 15-1-504, but not later than July 1 following assessment.  
17 The county treasurer shall designate the amount received  
18 from the tax levied on poultry, the amount received from the  
19 tax levied on sheep, and the amount received from the tax  
20 levied on all other livestock and shall specify ~~said~~ the  
21 separate amounts in his report to the state treasurer. Such  
22 The money, when received by the state treasurer, shall be  
23 placed deposited to the credit of ~~the funds as--provided--in~~  
24 15-24-924 the department of livestock."

25 NEW SECTION. Section 10. Collection of tax. (1) On

1 or before January 15 of each year, an owner of poultry or of  
2 livestock or his agent shall make and deliver to the county  
3 assessor in the county where the owner or agent resides or,  
4 if neither resides in the state, in the county where the  
5 majority of the owner's poultry or livestock is located a  
6 verified statement showing, as of January 1, the number of  
7 each kind of poultry or livestock within the state belonging  
8 to him or under his charge, with their marks and brands.

9 (2) The county assessor shall compile the poultry and  
10 livestock reports received under subsection (1) and forward  
11 a summary of the information to the board of livestock on or  
12 before February 1 following receipt of the reports.

13 (3) Upon notification of the amount of levy set by the  
14 board of livestock under 15-24-922, the county assessor  
15 shall send to each owner or agent who filed a report a  
16 statement indicating the total amount due under the levy for  
17 the year, the fact that payment is to be made to the county  
18 treasurer on or before June 1 following assessment of the  
19 tax, and the penalties and lien provisions that apply  
20 pursuant to [section 11].

21 (4) The county treasurer may withhold 2% of the money  
22 received under [section 11] and this section as  
23 reimbursement to the county for the collection of the tax on  
24 poultry and livestock.

25 NEW SECTION. Section 11. Penalty for failure to file

1 poultry or livestock report -- lien upon real and personal  
 2 property. (1) If a person who is the owner of poultry or  
 3 livestock within the state fails to make or have his agent  
 4 make the report as required in [section 10], the county  
 5 assessor may, after 10 days' notice to the person who failed  
 6 to file the report, assess the tax imposed under 15-24-921,  
 7 based on the assessor's estimate of the number of poultry or  
 8 livestock owned by the person in the state, and may add a  
 9 10% penalty.

10 (2) The tax imposed under 15-24-921 is a lien upon  
 11 both real and personal property of the poultry or livestock  
 12 owner who fails to pay the tax on or before June 1 following  
 13 assessment of the tax and is collectable under the tax lien  
 14 enforcement provisions of Title 15.

15 Section 12. Section 81-6-101, MCA, is amended to read:

16 "81-6-101. Petition for county livestock protective  
 17 committee -- members -- term. (1) The board of county  
 18 commissioners must, upon receipt of a petition or petitions  
 19 to do so, set up a county livestock protective committee of  
 20 three members. The petition or petitions must be signed by  
 21 at least 51% of the owners of cattle in the county and such  
 22 petitioners owning must own at least 55% of the cattle as  
 23 ~~shown by the most recent completed assessment records of the~~  
 24 ~~county assessor, set up a county livestock protective~~  
 25 ~~committee of three members in the county.~~

1 (2) Members appointed to serve on such committee shall  
 2 be residents of the county engaged in the business of  
 3 raising cattle. If there be in the county any organization  
 4 of cattle growers, the county commissioners shall give  
 5 preference to names submitted by any such group for  
 6 appointment to such committee. The term for which said  
 7 committee members shall be appointed shall be 2 years with  
 8 two members of the first committee named to serve for 2  
 9 years, one member to serve for 1 year. Members of such  
 10 committee shall receive no remuneration or reimbursement for  
 11 expenses for serving on said committee.

12 (3) By "organization of cattle growers", as used in  
 13 this section, is meant any group or organization holding  
 14 regular meetings at least annually, having officers, and  
 15 composed predominantly of cattle growers resident in the  
 16 county, with its membership open to cattle growers willing  
 17 to abide by its governing rules or bylaws, and its general  
 18 purpose being the promotion of the interests of its members  
 19 in matters pertaining to the cattle or livestock industry.

20 (4) If owners of sheep in the county desire to come  
 21 under the provisions of this part in cooperation with owners  
 22 of cattle, they shall file a like petition to that set out  
 23 herein for owners of cattle, and in such case at least one  
 24 member of said livestock protective committee shall be a  
 25 sheep grower and where the word "cattle" appears in this

1 part, it shall be deemed to comprehend also the word  
2 "sheep".

3 (5) Owners of sheep alone may form a county livestock  
4 protective committee, in which case the word "cattle" as in  
5 this part contained shall be considered as if it were the  
6 word "sheep"; and provided further that the levy as provided  
7 in 81-6-104 hereof shall, in the case of sheep, not exceed 5  
8 cents per head."

9 Section 13. Section 81-6-104, MCA, is amended to read:

10 "81-6-104. Tax levy -- special fund. Said The county  
11 livestock protective committee may recommend to the board of  
12 county commissioners the levy of a tax in an amount not to  
13 exceed 50 cents per head on all assessable cattle in the  
14 county on January 1, and the board of county commissioners  
15 shall thereupon be empowered to levy such tax, to be  
16 collected as other taxes on personal property and when  
17 collected to be deposited by the county treasurer in a  
18 special fund to be known as the stockmen's special deputy  
19 fund, together with any other funds made available from  
20 county, state, federal, or private sources for the purposes  
21 of this part."

22 Section 14. Section 81-6-204, MCA, is amended to read:

23 "81-6-204. Tax levy -- deposit of proceeds. Said The  
24 district cattle protective committee may recommend to the  
25 board of county commissioners the levy of a tax in an amount

1 not to exceed 50 cents per head on all assessable cattle in  
2 the district on January 1, and the board of county  
3 commissioners shall thereupon be empowered to levy such tax,  
4 to be collected as other taxes on personal property and when  
5 collected to be deposited in the county treasury of one of  
6 the counties in the district, to be selected by the district  
7 cattle protective committee, in a special fund to be known  
8 as the stockmen's special deputy fund, together with any  
9 other funds made available from county, state, federal, or  
10 private sources for the purposes of this part."

11 Section 15. Section 81-6-209, MCA, is amended to read:

12 "81-6-209. Tax levy -- deposit of proceeds. Said The  
13 district cattle protective committee may recommend to the  
14 board of county commissioners the levy of a tax in an amount  
15 not to exceed 50 cents per head on all assessable cattle in  
16 the district on January 1, and the board of county  
17 commissioners shall thereupon be empowered to levy such tax,  
18 to be collected as other taxes on personal property and when  
19 collected to be deposited in the county treasury in a  
20 special fund to be known as the stockmen's special deputy  
21 fund, together with any other funds made available from  
22 county, state, federal, or private sources for the purposes  
23 of this part."

24 Section 16. Section 81-7-103, MCA, is amended to read:

25 "81-7-103. Administration of funds by the department.



1 The department shall administer and expend for predatory  
 2 animal extermination and control all money which is made  
 3 available to it, including the money ~~from the levy~~ allocated  
 4 for this purpose under 81-7-104 and all money which is made  
 5 available to the department by appropriations made by the  
 6 legislature for predatory animal control by the department.  
 7 The department shall expend the funds for predatory animal  
 8 control by all effective means responsive to the necessities  
 9 of control in various areas of the state, including  
 10 employment of hunters, trappers, and other personnel,  
 11 procurement of traps, poisons, equipment, and supplies, and  
 12 payment of bounties in the discretion of the department at  
 13 those times of the year it considers advisable."

14 Section 17. Section 81-7-104, MCA, is amended to read:  
 15 "81-7-104. ~~levy for predator~~ Predator control moneys  
 16 -- use of proceeds. (1) The department of ~~revenue shall~~  
 17 ~~annually levy an ad valorem tax on all livestock in the~~  
 18 ~~state of Montana~~ livestock shall allocate a portion of the  
 19 money from the levy under 15-24-921 for the purpose of  
 20 protecting them livestock and poultry in the state against  
 21 destruction, depredation, and injury by wild animals,  
 22 whether the livestock is on lands in private ownership, in  
 23 the ownership of the state, or in the ownership of the  
 24 United States, including open ranges and all lands in or of  
 25 the public domain. This protection may be by any means of

1 effective predatory animal destruction, extermination, and  
 2 control, including systematic hunting and trapping and  
 3 payment of bounties. ~~The tax levy may not exceed in any one~~  
 4 ~~year 15 mills on the taxable value of all sheep and 10 mills~~  
 5 ~~on the taxable value of other livestock.~~

6 (2) ~~The moneys received from the tax levies shall be~~  
 7 ~~transmitted monthly with other taxes for state purposes by~~  
 8 ~~the county treasurer of each county to the state treasury.~~  
 9 ~~The state treasurer shall place the money in the state~~  
 10 ~~special revenue fund with the other moneys as provided in~~  
 11 ~~81-7-119. The moneys~~ Money shall thereafter be paid out only  
 12 on claims duly and regularly presented to the department of  
 13 livestock and approved by the department in accordance with  
 14 the law applicable either to claims for bounties or for  
 15 other expenditures necessary and proper for predatory animal  
 16 control by means and methods other than payment of bounties,  
 17 as determined by the department. ~~All the moneys~~ Money  
 18 designated for predator control shall be available for the  
 19 payment of bounty claims and for expenditures for planned,  
 20 seasonal, or other campaigns directed or operated by the  
 21 department in cooperation with other agencies for the  
 22 systematic destruction, extermination, and control of  
 23 predatory wild animals, as determined by the department and  
 24 its advisory committee. No claims may be approved in excess  
 25 of moneys available for such purposes, and no warrants may

1 be registered against the moneys."

2 Section 18. Section 81-7-202, MCA, is amended to read:

3 "81-7-202. Signers of petition -- time for presenting  
4 -- limitation on bounties -- bounty inspectors. (1) The  
5 petition provided for in 81-7-201 shall be signed by the  
6 owners, agent, or agents of not less than 51% of the  
7 livestock of such county ~~as ascertained from the assessment~~  
8 ~~books of such county~~ and shall recommend to the board of  
9 county commissioners the bounties to be paid on such  
10 predatory animals, which shall not exceed the following:

11 (a) on each wolf or mountain lion, \$100;

12 (b) on each wolf pup or mountain lion kitten, \$20;

13 (c) on one coyote, \$5;

14 (d) on each coyote pup, \$2.50.

15 (2) Such petition shall be presented not later than  
16 August 1 of each year, and the board of county commissioners  
17 on determining the sufficiency of such petition shall make  
18 an order granting such petition, which order shall fix the  
19 levy for that year and the amount of the bounties to be paid  
20 for the killing of each such predatory animal, which shall  
21 not exceed the amounts recommended in such petition, and  
22 appoint not less than 10 or more than 20 stockowners of such  
23 county to be bounty inspectors under this part, without  
24 compensation, who shall hold their offices for 1 year."

25 Section 19. Section 81-7-303, MCA, is amended to read:

1 "81-7-303. County commissioners permitted to require  
2 per capita license fee on sheep. (1) To defray the expense  
3 of such protection the board of county commissioners of any  
4 county shall have the power to require all owners or persons  
5 in possession of any sheep coming 1 year old or over in the  
6 county on the regular assessment date of each year to pay a  
7 license fee in an amount to be determined by the board on a  
8 per head basis for sheep so owned or possessed by him in the  
9 county. All owners or persons in possession of any sheep  
10 coming 1 year old or over coming into the county after the  
11 regular assessment date ~~and subject to taxation under the~~  
12 ~~provisions of 15-24-301~~ shall also be subject to payment of  
13 the license fee herein prescribed.

14 (2) Upon the order of the board of county  
15 commissioners such license fees may be imposed by the entry  
16 thereof in the name of the licensee upon the property tax  
17 rolls of the county by the county assessor. Said license  
18 fees shall be payable to and collected by the county  
19 treasurer, and when so levied, shall be a lien upon the  
20 property, both real and personal, of the licensee. In case  
21 the person against whom said license fee is levied owns no  
22 real estate against which said license fee is or may become  
23 a lien, then said license fee shall be payable immediately  
24 upon its levy and the treasurer shall collect the same in  
25 the manner provided by law for the collection of personal

1 property taxes which are not a lien upon real estate.

2 (3) When collected, said fees shall be placed by the  
3 treasurer in the predatory animal control fund and the  
4 moneys in said fund shall be expended on order of the board  
5 of county commissioners of the county for predatory animal  
6 control only."

7 Section 20. Section 81-7-305, MCA, is amended to read:

8 "81-7-305. Duty of county commissioners -- petition of  
9 sheep owners -- license fees. (1) In conducting a predatory  
10 animal control program, the board of county commissioners  
11 shall give preference to recommendations for such program  
12 and its incidents as made by organized associations of sheep  
13 growers in the county. Upon petition of the resident owners  
14 of at least 51% of the sheep in the county, ~~as shown by the~~  
15 ~~assessment--roils--of--the--last--preceding--assessment,~~ which  
16 petition shall be filed with the board of county  
17 commissioners on or before the first Monday in December in  
18 any year, such board shall establish the predatory animal  
19 control program and cause said licenses to be secured and  
20 issued and the fees collected for the following year in such  
21 amount as will defray the cost of administering the program  
22 so established. The license fee determined and set by the  
23 board shall remain in full force and effect from year to  
24 year without change, unless there is filed with the board a  
25 petition subscribed by the resident owners of at least 51%

1 of the sheep in the county, ~~as shown by the assessment roils~~  
2 ~~of the last assessment preceding the filing of the petition,~~  
3 for termination of the program and repeal of the license  
4 fee, in which event the program shall by order of the board  
5 of county commissioners be disestablished and the license  
6 fee shall not be further levied.

7 (2) If the resident owners of at least 51% of the  
8 sheep in the county either petition for an increase in the  
9 license fee or petition for a decrease in the license fee  
10 then in force, the board of county commissioners shall upon  
11 receipt of any such petition fix a new license fee to  
12 continue from year to year and the program shall thereupon  
13 continue within the limits of the aggregate amount of the  
14 license fee as collected from year to year."

15 Section 21. Section 81-8-804, MCA, is amended to read:

16 "81-8-804. Assessments -- refunds. (1) There is  
17 levied, ~~in addition to the tax on livestock prescribed in~~  
18 ~~Title--157--chapter--247--part--97~~ a per head tax of 25 cents on  
19 each head of cattle that is more than 9 months of age and is  
20 owned or possessed within a county for the support and  
21 maintenance of research into beef production as provided in  
22 this part. The tax shall be paid to the county treasurer of  
23 that county on or before March 1 of each year.

24 (2) The tax required in subsection (1) must be paid  
25 for each head of cattle that is more than 9 months of age

1 and is brought into the county after March 1 ~~and-is-subject~~  
2 ~~to-taxation-and-assessment-under-15-24-301.~~

3 (3) Each county is entitled to receive \$250 annually  
4 as reimbursement for the administration of this section.

5 (4) A person who has paid the tax required by this  
6 section may obtain a refund of the tax upon submission of a  
7 written request to the department. The application must be  
8 made within 30 days after the payment of the tax and on  
9 forms furnished by the department. The department shall,  
10 upon receipt of a timely and otherwise properly submitted  
11 refund request, refund the tax."

12 NEW SECTION. Section 22. Repealer. Sections 15-24-901  
13 through 15-24-906, 15-24-908 through 15-24-911, 15-24-923,  
14 15-24-924, 15-24-926, 15-24-931, 15-24-941 through  
15 15-24-943, and 81-7-118, MCA, are repealed.

16 NEW SECTION. Section 23. Extension of authority. Any  
17 existing authority of the department of revenue, the  
18 department of livestock, and the board of livestock to make  
19 rules on the subject of the provisions of this act is  
20 extended to the provisions of this act.

21 NEW SECTION. Section 24. Effective date. This act is  
22 effective January 1, 1988.

-End-

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB285, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act eliminating ad valorem taxes on livestock and poultry; changing the additional tax levied on livestock to a per capita tax on livestock and poultry to pay the expense of enforcing the livestock and poultry laws; providing a delayed effective date.

ASSUMPTIONS:

1. The taxable value of the state will be \$2,024,661,000 in FY 89 (REAC).
2. The total taxable value of livestock and poultry was \$22,799,869 in tax year 1986, and is assumed to remain constant (i.e., there are no adjustments for herd count or prices). (The livestock taxable value has been adjusted from the published figure in the Montana Department of Revenue Biennial Report, 1984-1986.)
3. Mill levies are 6 mills for universities, and 45 mills for the school foundation program. The average county levy for this type of property is held constant at 177.39 mills.
4. The current livestock levy used to fund enforcement of livestock and poultry laws will be replaced by a per capita levy on livestock and poultry. This levy, which totaled \$1,849,733 in 1986, will be administered by the Board of Livestock. Revenue generated from the proposed per capita levy will be at least 100% of the livestock levy.
5. There is no impact in FY88 due to the effective date of January 1, 1988.

FISCAL IMPACT:

	FY88		
	Current Law	Proposed Law	Difference
Revenues:			
University Levy	\$ 12,147,966	\$ 12,011,187	(\$ 136,779)
School Equalization	91,109,745	90,083,751	(\$1,025,994)
Total	\$103,257,711	\$102,094,938	(\$1,162,773)

EFFECT ON LOCAL GOVERNMENT REVENUE:

The proposal is estimated to reduce county and local school district revenues by \$4,044,469 annually. Cities and towns are not expected to be affected by this bill.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

The proposed legislation could have future impact on the operation of the Department of Livestock as levies administered by the department can currently increase or decrease depending on the number of livestock in the state and their value. This bill could in effect freeze the revenue for the department at the FY87 level. These levies provide approximately 60% of the funding for the department. If there is a need to increase the expenditures of the department to maintain statutory obligations other sources of funding may need to be expanded. (i.e. general fund, license and permit fees, inspection fees, etc.)

David L. Hunter DATE 1/24/87  
 DAVID L. HUNTER, BUDGET DIRECTOR  
 Office of Budget and Program Planning

Dorothy A. Cody DATE 1/27/87  
 DOROTHY CODY, PRIMARY SPONSOR

Fiscal Note for HB285, as introduced.

**HB 285**