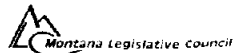


HB 892 INTRODUCED BY COHEN, ET AL.  
REVISES PROPERTY CLASSES AND SEPARATES PRODUCTIVE  
AND NONPRODUCTIVE PROPERTY

3/21 INTRODUCED  
3/21 REFERRED TO TAXATION  
3/21 FISCAL NOTE REQUESTED  
3/23 FISCAL NOTE RECEIVED  
3/27 HEARING  
3/28 FISCAL NOTE RECEIVED  
3/30 TABLED IN COMMITTEE

1 House BILL NO. 892  
 2 INTRODUCED BY Clay Keenan  
 3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE  
 5 CLASSIFICATION OF PROPERTY FOR PROPERTY TAX PURPOSES; TO  
 6 ESTABLISH TAXABLE RATES FOR EACH CLASS OF PROPERTY; TO  
 7 CLASSIFY AND TAX INCOME-PRODUCING PROPERTY SEPARATELY FROM  
 8 NONINCOME-PRODUCING PROPERTY; TO EXEMPT LIVESTOCK,  
 9 AGRICULTURAL PRODUCTS, AIRCRAFT, WATERCRAFT, ALL-TERRAIN  
 10 VEHICLES, AND CERTAIN OTHER PROPERTY FROM TAXATION; TO  
 11 PROVIDE A PER CAPITA FEE ON LIVESTOCK; AMENDING SECTIONS  
 12 7-1-2111, 7-3-1321, 7-6-2211, 7-6-4121, 7-6-4254, 7-7-107,  
 13 7-7-108, 7-7-2101, 7-7-2203, 7-7-4201, 7-7-4202, 7-13-4103,  
 14 7-14-236, 7-14-2524, 7-14-2525, 7-14-4402, 7-16-2327,  
 15 7-16-4104, 7-31-106, 7-31-107, 7-34-2131, 15-1-101,  
 16 15-6-133, 15-6-201, 15-6-207, 15-7-103, 15-8-111, 15-8-205,  
 17 15-8-301, 15-8-404, 15-8-405, 15-8-706, 15-16-611,  
 18 15-23-202, 15-24-301, 15-24-302, 15-24-1102, 15-24-1103,  
 19 19-11-503, 19-11-504, 20-9-406, 20-9-407, 20-9-502,  
 20 67-3-201, 67-3-202, 81-6-101, 81-6-104, 81-6-204, 81-6-209,  
 21 81-7-103, 81-7-104, 81-7-201, 81-7-202, 81-7-303, 81-7-305,  
 22 AND 81-8-804, MCA; REPEALING SECTIONS 15-6-134 THROUGH  
 23 15-6-149, 15-6-151 THROUGH 15-6-154, 15-24-304, 15-24-901  
 24 THROUGH 15-24-906, 15-24-908 THROUGH 15-24-911, 15-24-921  
 25 THROUGH 15-24-926, 15-24-931, 15-24-941 THROUGH 15-24-943,

1 AND 81-7-118, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."  
 2  
 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 4 Section 1. Section 15-6-133, MCA, is amended to read:  
 5 "15-6-133. Class three property -- description --  
 6 taxable percentage. (1) Class three property includes  
 7 agricultural land as defined in 15-7-202.  
 8 (2) Class three property is taxed at the taxable  
 9 percentage rate ~~"P"~~ of its productive capacity 30% of its  
 10 productive capacity.  
 11 ~~(3) -- Until -- July -- 17 -- 1986 -- the taxable percentage rate~~  
 12 ~~"P" -- for class three property is 30%.~~  
 13 ~~(4) -- Prior to July 17, 1986, the department -- of -- revenue~~  
 14 ~~shall -- determine -- the taxable percentage rate "P" applicable~~  
 15 ~~to class three property for the revaluation cycle -- beginning~~  
 16 ~~January 17, 1986, -- as follows:~~  
 17 ~~(a) -- The -- director -- of -- the department of revenue shall~~  
 18 ~~certify to the governor before July 17, 1986, the -- percentage~~  
 19 ~~by -- which -- the -- appraised value of all property in the state~~  
 20 ~~classified under class three as -- of -- January -- 17 -- 1986, -- has~~  
 21 ~~increased -- due -- to the revaluation conducted under 15-7-111.~~  
 22 ~~This -- figure -- is -- the -- "certified" -- statewide -- percentage~~  
 23 ~~increase".~~  
 24 ~~(b) -- The -- taxable -- value -- of property in class three is~~  
 25 ~~determined -- as -- a -- function -- of -- the -- certified -- statewide~~



1 percentage--increase--in--accordance--with--the--table--shown  
2 below:

3 (c)--This--table--limits--the--statewide--increase--in  
4 taxable--valuation--resulting--from--reappraisal--to--0%--in  
5 calculating--the--percentage--increase;--the--department--may--not  
6 consider--agricultural--use--changes--during--calendar--year--1985;

7 (d)--The--taxable--percentage--must--be--calculated--by  
8 interpolation--to--coincide--with--the--nearest--whole--number  
9 certified--statewide--percentage--increase--from--the--following  
10 table:

11 Certified-Statewide	11 Class-Three-Taxable
12 Percentage-Increase	12 Percentage-"P"
13 0	13 30.00
14 10	14 27.27
15 20	15 25.00
16 30	16 23.00
17 40	17 21.43
18 50	18 20.00

19 (5)--After--July--1,--1986,--no--adjustment--may--be--made--by  
20 the--department--to--the--taxable--percentage--rate--"P"--until--a  
21 revaluation--has--been--made--as--provided--in--15-7-111."

22 NEW SECTION. Section 2. Class four property --  
23 description -- taxable percentage. (1) Class four property  
24 includes:

25 (a) residential city or town lots;

1 (b) farmsteads;  
2 (c) residential suburban tracts or lots; and  
3 (d) improvements to land listed in subsection (1)(a),  
4 (1)(b), or (1)(c) that are used primarily for residential  
5 purposes.

6 (2) Property listed in this section is taxed at 3.86%  
7 of its market value multiplied by a percentage figure based  
8 on income and determined from the following table:

9 Income	9 Income	9 Percentage
10 Single Person	10 Married Couple	10 Multiplier
11 \$0 - \$1,000	11 \$0 - \$1,200	11 0%
12 1,001 - 2,000	12 1,201 - 2,400	12 10%
13 2,001 - 3,000	13 2,401 - 3,600	13 20%
14 3,001 - 4,000	14 3,601 - 4,800	14 30%
15 4,001 - 5,000	15 4,801 - 6,000	15 40%
16 5,001 - 6,000	16 6,001 - 7,200	16 50%
17 6,001 - 7,000	17 7,201 - 8,400	17 60%
18 7,001 - 8,000	18 8,401 - 9,600	18 70%
19 8,001 - 9,000	19 9,601 - 10,800	19 80%
20 9,001 - 10,000	20 10,801 - 12,000	20 90%

21 (3) For the purposes of this section, the term  
22 "improvements" includes mobile homes placed on the land.

23 NEW SECTION. Section 3. Class five-A property --  
24 description -- taxable percentage. (1) Class five-A property  
25 includes:

1 (a) timberland;

2 (b) land used for industrial, commercial, or other  
3 purposes in the production of income, except land  
4 specifically included in another class;

5 (c) improvements to agricultural land and timberland  
6 that include 1 acre of real property beneath the  
7 improvement;

8 (d) improvements to other land classified under this  
9 section;

10 (e) improvements to rights-of-way; and

11 (f) improvements to hydraulic power works.

12 (2) Class five-A property is taxed at 3.86% of its  
13 market value.

14 (3) Improvements under subsection (1)(c) are taxed at  
15 80% of the rate specified in subsection (2).

16 (4) The rate at which property in class five-A is  
17 taxed may not exceed 125% of the rate at which property in  
18 class four is taxed.

19 NEW SECTION. Section 4. Class five-B property --  
20 description -- taxable percentage. (1) Class five-B property  
21 includes:

22 (a) all property used and owned by persons, firms,  
23 corporations, or other organizations that are engaged in the  
24 business of furnishing telephone communications exclusively  
25 to rural areas or to rural areas and cities and towns of 800

1 persons or less;

2 (b) subject to the provisions of subsection (2), all  
3 property owned by cooperative rural electrical and  
4 cooperative rural telephone associations that serve less  
5 than 95% of the electricity consumers or telephone users  
6 within the incorporated limits of a city or town;

7 (c) electric transformers and meters; electric light  
8 and power substation machinery; natural gas measuring and  
9 regulating station equipment, meters, and compressor station  
10 machinery owned by noncentrally assessed public utilities;  
11 and tools used in the repair and maintenance of this  
12 property;

13 (d) implements and machinery used to repair and  
14 maintain machinery not used for manufacturing and mining  
15 purposes;

16 (e) all agricultural implements and equipment;

17 (f) all mining machinery, fixtures, equipment, tools,  
18 and supplies except those included in class six;

19 (g) all manufacturing machinery, fixtures, equipment,  
20 tools, and supplies except those included in class six;

21 (h) all trailers, including those prorated under  
22 15-24-102 but not including those subject to a fee in lieu  
23 of property tax;

24 (i) all goods and equipment intended for rent or  
25 lease, except goods and equipment specifically exempted by

1 15-6-201;

2 (j) all other machinery except that specifically

3 included in another class;

4 (k) truck toppers weighing more than 300 pounds;

5 (l) x-ray and medical and dental equipment;

6 (m) citizens' band radios and mobile telephones;

7 (n) radio and television broadcasting and transmitting

8 equipment;

9 (o) cable television systems;

10 (p) coal and ore haulers;

11 (q) trucks having a rated capacity of more than

12 three-quarters of a ton;

13 (r) theater projectors and sound equipment;

14 (s) personal property used in the operation of ski

15 lifts; and

16 (t) all other property not included in any other class

17 in this part except that property subject to a fee in lieu

18 of property tax.

19 (2) To qualify as class five-B property, the average

20 circuit miles for each station on the telephone

21 communication system described in subsection (1)(b) must be

22 more than 1 mile.

23 (3) Class five-B property is taxed at 10.64% of its

24 market value.

25 NEW SECTION. Section 5. Class six property --

1 description -- taxable percentage. (1) Class six property

2 includes:

3 (a) all property used and owned by cooperative rural

4 electrical and cooperative rural telephone associations

5 organized under the laws of Montana, except property owned

6 by cooperative organizations described in subsection (1)(b)

7 of [section 4];

8 (b) air and water pollution control equipment as

9 defined in this section;

10 (c) new industrial property as defined in this

11 section;

12 (d) any personal or real property used primarily in

13 the production of gasohol during construction and for the

14 first 3 years of its operation; and

15 (e) all golf courses, including land and improvements

16 actually and necessarily used for that purpose, that consist

17 of at least nine holes and not less than 3,000 lineal yards.

18 (2) (a) "Air and water pollution control equipment"

19 means facilities, machinery, or equipment used to reduce or

20 control water or atmospheric pollution or contamination by

21 removing, reducing, altering, disposing of, or storing

22 pollutants, contaminants, wastes, or heat. The department of

23 health and environmental sciences shall determine if such

24 utilization is being made.

25 (b) The department of health and environmental

1 sciences' determination as to air and water pollution  
 2 control equipment may be appealed to the board of health and  
 3 environmental sciences and may not be appealed to either a  
 4 county tax appeal board or the state tax appeal board.  
 5 However, the appraised value of the equipment as determined  
 6 by the department of revenue may be appealed to the county  
 7 tax appeal board and the state tax appeal board.

8 (3) "New industrial property" means any new industrial  
 9 plant, including land, buildings, machinery, and fixtures,  
 10 used by new industries during the first 3 years of their  
 11 operation. The property may not have been assessed within  
 12 the state of Montana prior to July 1, 1961.

13 (4) (a) "New industry" means any person, corporation,  
 14 firm, partnership, association, or other group that  
 15 establishes a new plant in Montana for the operation of a  
 16 new industrial endeavor, as distinguished from a mere  
 17 expansion, reorganization, or merger of an existing  
 18 industry.

19 (b) New industry includes only those industries that:

20 (i) manufacture, mill, mine, produce, process, or  
 21 fabricate materials;

22 (ii) do similar work, employing capital and labor, in  
 23 which materials unserviceable in their natural state are  
 24 extracted, processed, or made fit for use or are  
 25 substantially altered or treated so as to create commercial

1 products or materials; or

2 (iii) engage in the mechanical or chemical  
 3 transformation of materials or substances into new products  
 4 in the manner defined as manufacturing in the 1972 Standard  
 5 Industrial Classification Manual prepared by the United  
 6 States office of management and budget.

7 (5) New industrial property does not include:

8 (a) property used by retail or wholesale merchants,  
 9 commercial services of any type, agriculture, trades, or  
 10 professions;

11 (b) a plant that will create adverse impact on  
 12 existing state, county, or municipal services; or

13 (c) property used or employed in any industrial plant  
 14 that has been in operation in this state for 3 years or  
 15 longer.

16 (6) Class six property is taxed at 2.954% of its  
 17 market value.

18 NEW SECTION. Section 6. Class seven property --  
 19 description -- taxable percentage. (1) Class seven property  
 20 includes:

21 (a) centrally assessed electric power companies'  
 22 allocations, including, if congress passes legislation that  
 23 allows the state to tax property owned by an agency created  
 24 by congress to transmit or distribute electrical energy,  
 25 allocations of properties constructed, owned, or operated by

1 a public agency created by the congress to transmit or  
2 distribute electric energy produced at privately owned  
3 generating facilities (not including rural electric  
4 cooperatives);

5 (b) allocations for centrally assessed natural gas  
6 companies having a major distribution system in this state;  
7 and

8 (c) centrally assessed companies' allocations except:

9 (i) electric power and natural gas companies'  
10 property;

11 (ii) property owned by cooperative rural electric and  
12 cooperative rural telephone associations and classified in  
13 class six;

14 (iii) property owned by organizations providing  
15 telephone communications to rural areas and classified in  
16 class five-B;

17 (iv) railroad transportation property included in class  
18 eight; and

19 (v) airline transportation property included in class  
20 eight.

21 (2) Class seven property is taxed at 12% of market  
22 value.

23 NEW SECTION. Section 7. Class eight property --  
24 description -- taxable percentage. (1) Class eight property  
25 includes all railroad transportation property as described

1 in the Railroad Revitalization and Regulatory Reform Act of  
2 1976 as it read on January 1, 1986, and all airline  
3 transportation property as described in the Tax Equity and  
4 Fiscal Responsibility Act of 1982 as it read on January 1,  
5 1986.

6 (2) For the taxable year beginning January 1, 1986,  
7 and for each taxable year thereafter, class eight railroad  
8 property is taxed at the percentage rate "R", to be  
9 determined by the department as provided in subsection (3),  
10 or 12%, whichever is less.

11 (3)  $R = A/B$  where:

12 (a) A is the total statewide taxable value of all  
13 commercial property, except class eight railroad property,  
14 as commercial property is described in 15-1-101(1)(d),  
15 including class one and class two property; and

16 (b) B is the total statewide market value of all  
17 commercial property, except class eight railroad property,  
18 as commercial property is described in 15-1-101(1)(d),  
19 including class one and class two property.

20 (4) (a) For the taxable year beginning January 1,  
21 1986, and for every taxable year thereafter, the department  
22 shall conduct a sales assessment ratio study of all  
23 commercial and industrial real property and improvements.  
24 The study must be based on:

25 (i) assessments of such property as of January 1 of

1 the year for which the study is being conducted; and

2 (ii) a statistically valid sample of sales using data

3 from realty transfer certificates filed during the same

4 taxable year, or from the immediately preceding taxable

5 year, but only if a sufficient number of certificates is

6 unavailable from the current taxable year to provide a

7 statistically valid sample.

8 (b) The department shall determine the value-weighted

9 mean sales assessment ratio "M" for all such property and

10 reduce the taxable value of property described in subsection

11 (4) only, by multiplying the total statewide taxable value

12 of property described in subsection (4) by "M" prior to

13 calculating "A" in subsection (3).

14 (c) The adjustment referred to in subsection (4)(b)

15 will be made beginning January 1, 1986, and in each

16 subsequent tax year to equalize the railroad taxable values.

17 (5) For the purpose of complying with the Railroad

18 Revitalization and Regulatory Reform Act of 1976 as it read

19 on January 1, 1986, the rate "R" referred to in subsection

20 (3) is the equalized average tax rate generally applicable

21 to commercial and industrial property, except class eight

22 railroad property, as commercial property is defined in

23 15-1-101(1)(d).

24 (6) For the taxable years 1986 through 1990, class

25 eight airline property is taxed at 12%, and for each taxable

1 year thereafter, class eight airline property is taxed at

2 the lesser of 12% or the taxable percentage rate for class

3 eight railroad property without adjustment.

4 (7) For the purpose of complying with the Tax Equity

5 and Fiscal Responsibility Act of 1982 as it read on January

6 1, 1986, the taxable percentage rate referred to in

7 subsection (6) is the equalized average tax rate generally

8 applicable to commercial and industrial property, except

9 class eight airline property, as commercial property is

10 defined in 15-1-101(1)(d).

11 Section 8. Section 7-1-2111, MCA, is amended to read:

12 "7-1-2111. Classification of counties. (1) For the

13 purpose of regulating the compensation and salaries of all

14 county officers, not otherwise provided for, and for fixing

15 the penalties of officers' bonds, the several counties of

16 this state shall be classified according to that percentage

17 of the true and full valuation of the property therein upon

18 which the tax levy is made, as follows:

19 (a) first class--all counties having such a taxable

20 valuation of \$50 million or over;

21 (b) second class--all counties having such a taxable

22 valuation of more than \$30 million and less than \$50

23 million;

24 (c) third class--all counties having such a taxable

25 valuation of more than \$20 million and less than \$30



1 million;

2 (d) fourth class--all counties having such a taxable  
3 valuation of more than \$15 million and less than \$20  
4 million;

5 (e) fifth class--all counties having such a taxable  
6 valuation of more than \$10 million and less than \$15  
7 million;

8 (f) sixth class--all counties having such a taxable  
9 valuation of more than \$5 million and less than \$10 million;

10 (g) seventh class--all counties having such a taxable  
11 valuation of less than \$5 million.

12 (2) As used in this section, taxable valuation means  
13 the taxable value of taxable property in the county as of  
14 the time of determination plus:

15 (a) that portion of the taxable value of the county on  
16 December 31, 1981, attributable to automobiles and trucks  
17 having a rated capacity of three-quarters of a ton or less;  
18 and

19 (b) the amount of new production taxes levied, as  
20 provided in 15-23-607, divided by the appropriate tax rates  
21 described in 15-23-607(2)(a) or (2)(b) and multiplied by  
22 60%; and

23 (c) 3.5% of the total taxable value of the county on  
24 December 31, 1986."

25 Section 9. Section 7-3-1321, MCA, is amended to read:

1 "7-3-1321. Authorization to incur indebtedness --  
2 limitation. (1) The consolidated municipality may borrow  
3 money or issue bonds for any municipal purpose to the extent  
4 and in the manner provided by the constitution and laws of  
5 Montana for the borrowing of money or issuing of bonds by  
6 counties and cities and towns.

7 (2) The municipality may not become indebted in any  
8 manner or for any purpose to an amount, including existing  
9 indebtedness, in the aggregate exceeding ~~28%~~ 29% of the  
10 taxable value of the taxable property therein, as  
11 ascertained by the last assessment for state and county  
12 taxes prior to incurring such indebtedness. All warrants,  
13 bonds, or obligations in excess of such amount given by or  
14 on behalf of the municipality shall be void."

15 Section 10. Section 7-6-2211, MCA, is amended to read:

16 "7-6-2211. Authorization to conduct county business on  
17 a cash basis. (1) In case the total indebtedness of a  
18 county, lawful when incurred, exceeds the limit of ~~23%~~ 24%  
19 established in 7-7-2101 by reason of great diminution of  
20 taxable value, the county may conduct its business affairs  
21 on a cash basis and pay the reasonable and necessary current  
22 expenses of the county out of the cash in the county  
23 treasury derived from its current revenue and under such  
24 restrictions and regulations as may be imposed by the board  
25 of county commissioners of the county by a resolution duly

1 adopted and included in the minutes of the board.

2 (2) Nothing in this section restricts the right of the  
3 board to make the necessary tax levies for interest and  
4 sinking fund purposes, and nothing in this section affects  
5 the right of any creditor of the county to pursue any remedy  
6 now given him by law to obtain payment of his claim."

7 Section 11. Section 7-6-4121, MCA, is amended to read:

8 "7-6-4121. Authorization to conduct municipal business  
9 on a cash basis. (1) In case the total indebtedness of a  
10 city or town has reached ~~17%~~ 18% of the total taxable value  
11 of the property of the city or town subject to taxation, as  
12 ascertained by the last assessment for state and county  
13 taxes, the city or town may conduct its affairs and business  
14 on a cash basis as provided by subsection (2).

15 (2) (a) Whenever a city or town is conducting its  
16 business affairs on a cash basis, the reasonable and  
17 necessary current expenses of the city or town may be paid  
18 out of the cash in the city or town treasury and derived  
19 from its current revenues, under such restrictions and  
20 regulations as the city or town council may by ordinance  
21 prescribe.

22 (b) In the event that payment is made in advance, the  
23 city or town may require a cash deposit as collateral  
24 security and indemnity, equal in amount to such payment, and  
25 may hold the same as a special deposit with the city

1 treasurer or town clerk, in package form, as a pledge for  
2 the fulfillment and performance of the contract or  
3 obligation for which the advance is made.

4 (c) Before the payment of the current expenses  
5 mentioned above, the city or town council shall first set  
6 apart sufficient money to pay the interest upon its legal,  
7 valid, and outstanding bonded indebtedness and any sinking  
8 funds therein provided for and shall be authorized to pay  
9 all valid claims against funds raised by tax especially  
10 authorized by law for the purpose of paying such claims."

11 Section 12. Section 7-6-4254, MCA, is amended to read:

12 "7-6-4254. Limitation on amount of emergency budgets  
13 and appropriations. (1) The total of all emergency budgets  
14 and appropriations made therein in any one year and to be  
15 paid from any city fund may not exceed ~~30%~~ 39% of the total  
16 amount which could be produced for such city fund by a  
17 maximum levy authorized by law to be made for such fund, as  
18 shown by the last completed assessment roll of the county.

19 (2) The term "taxable property", as used herein, means  
20 the percentage of the value at which such property is  
21 assessed and which percentage is used for the purposes of  
22 computing taxes and does not mean the assessed value of such  
23 property as the same appears on the assessment roll."

24 Section 13. Section 7-7-107, MCA, is amended to read:

25 "7-7-107. Limitation on amount of bonds for

1 city-county consolidated units. (1) Except as provided in  
 2 7-7-108, no city-county consolidated local government may  
 3 issue bonds for any purpose which, with all outstanding  
 4 indebtedness, may exceed 39% 40% of the taxable value of the  
 5 property therein subject to taxation as ascertained by the  
 6 last assessment for state and county taxes.

7 (2) The issuing of bonds for the purpose of funding or  
 8 refunding outstanding warrants or bonds is not the incurring  
 9 of a new or additional indebtedness but is merely the  
 10 changing of the evidence of outstanding indebtedness."

11 Section 14. Section 7-7-108, MCA, is amended to read:

12 "7-7-108. Authorization for additional indebtedness  
 13 for water or sewer systems. (1) For the purpose of  
 14 constructing a sewer system or procuring a water supply or  
 15 constructing or acquiring a water system for a city-county  
 16 consolidated government which shall own and control such  
 17 water supply and water system and devote the revenues  
 18 therefrom to the payment of the debt, a city-county  
 19 consolidated government may incur an additional indebtedness  
 20 by borrowing money or issuing bonds.

21 (2) The additional indebtedness which may be incurred  
 22 by borrowing money or issuing bonds for the construction of  
 23 a sewer system or for the procurement of a water supply or  
 24 for both such purposes may not in the aggregate exceed 10%  
 25 over and above the 39% 40% referred to in 7-7-107 of the

1 taxable value of the property therein subject to taxation as  
 2 ascertained by the last assessment for state and county  
 3 taxes."

4 Section 15. Section 7-7-2101, MCA, is amended to read:

5 "7-7-2101. Limitation on amount of county  
 6 indebtedness. (1) No county may become indebted in any  
 7 manner or for any purpose to an amount, including existing  
 8 indebtedness, in the aggregate exceeding 23% 24% of the  
 9 total of the taxable value of the property therein subject  
 10 to taxation, plus the amount of new production taxes levied  
 11 divided by the appropriate tax rates described in  
 12 15-23-607(2)(a) or (2)(b) and multiplied by 60%, as  
 13 ascertained by the last assessment for state and county  
 14 taxes previous to the incurring of such indebtedness.

15 (2) No county may incur indebtedness or liability for  
 16 any single purpose to an amount exceeding \$500,000 without  
 17 the approval of a majority of the electors thereof voting at  
 18 an election to be provided by law, except as provided in  
 19 7-21-3413 and 7-21-3414.

20 (3) Nothing in this section shall apply to the  
 21 acquisition of conservation easements as set forth in Title  
 22 76, chapter 6."

23 Section 16. Section 7-7-2203, MCA, is amended to read:

24 "7-7-2203. Limitation on amount of bonded  
 25 indebtedness. (1) Except as provided in subsections (2)

1 through (4), no county may issue general obligation bonds  
 2 for any purpose which, with all outstanding bonds and  
 3 warrants except county high school bonds and emergency  
 4 bonds, will exceed ~~11.25%~~ 11.66% of the total of the taxable  
 5 value of the property therein, plus the amount of new  
 6 production taxes levied divided by the appropriate tax rates  
 7 described in 15-23-607(2)(a) or (2)(b) and multiplied by  
 8 60%, to be ascertained by the last assessment for state and  
 9 county taxes prior to the proposed issuance of bonds.

10 (2) In addition to the bonds allowed by subsection  
 11 (1), a county may issue bonds which, with all outstanding  
 12 bonds and warrants, will not exceed ~~27.75%~~ 28.75% of the  
 13 total of the taxable value of the property in the county  
 14 subject to taxation, plus the amount of new production taxes  
 15 levied divided by the appropriate tax rates described in  
 16 15-23-607(2)(a) or (2)(b) and multiplied by 60%, when  
 17 necessary to do so, for the purpose of acquiring land for a  
 18 site for county high school buildings and for erecting or  
 19 acquiring buildings thereon and furnishing and equipping the  
 20 same for county high school purposes.

21 (3) In addition to the bonds allowed by subsections  
 22 (1) and (2), a county may issue bonds for the construction  
 23 or improvement of a jail which will not exceed ~~12.5%~~ 13% of  
 24 the taxable value of the property in the county subject to  
 25 taxation.

1 (4) The limitation in subsection (1) shall not apply  
 2 to refunding bonds issued for the purpose of paying or  
 3 retiring county bonds lawfully issued prior to January 1,  
 4 1932."

5 Section 17. Section 7-7-4201, MCA, is amended to read:  
 6 "7-7-4201. Limitation on amount of bonded  
 7 indebtedness. (1) Except as otherwise provided, no city or  
 8 town may issue bonds or incur other indebtedness for any  
 9 purpose in an amount which with all outstanding and unpaid  
 10 indebtedness will exceed ~~28%~~ 29% of the taxable value of the  
 11 property therein subject to taxation, to be ascertained by  
 12 the last assessment for state and county taxes.

13 (2) The issuing of bonds for the purpose of funding or  
 14 refunding outstanding warrants or bonds is not the incurring  
 15 of a new or additional indebtedness but is merely the  
 16 changing of the evidence of outstanding indebtedness."

17 Section 18. Section 7-7-4202, MCA, is amended to read:  
 18 "7-7-4202. Special provisions relating to water and  
 19 sewer systems. (1) Notwithstanding the provisions of  
 20 7-7-4201, for the purpose of constructing a sewer system,  
 21 procuring a water supply, or constructing or acquiring a  
 22 water system for a city or town which owns and controls the  
 23 water supply and water system and devotes the revenues  
 24 therefrom to the payment of the debt, a city or town may  
 25 incur an additional indebtedness by borrowing money or

1 issuing bonds.

2 (2) The additional total indebtedness that may be  
3 incurred by borrowing money or issuing bonds for the  
4 construction of a sewer system, for the procurement of a  
5 water supply, or for both such purposes, including all  
6 indebtedness theretofore contracted which is unpaid or  
7 outstanding, may not in the aggregate exceed 55% over and  
8 above the 28% 29%, referred to in 7-7-4201, of the taxable  
9 value of the property therein subject to taxation as  
10 ascertained by the last assessment for state and county  
11 taxes."

12 Section 19. Section 7-13-4103, MCA, is amended to  
13 read:

14 "7-13-4103. Limitation on indebtedness for acquisition  
15 of natural gas system. The total amount of indebtedness  
16 authorized to be contracted in any form, including the  
17 then-existing indebtedness, must not at any time exceed 7%  
18 18% of the total taxable value of the property of the city  
19 or town subject to taxation as ascertained by the last  
20 assessment for state and county taxes."

21 Section 20. Section 7-14-236, MCA, is amended to read:

22 "7-14-236. Limitation on bonded indebtedness. The  
23 amount of bonds issued to provide funds for the district and  
24 outstanding at any time shall not exceed 28% 29% of the  
25 taxable value of taxable property therein as ascertained by

1 the last assessment for state and county taxes previous to  
2 the issuance of such bonds."

3 Section 21. Section 7-14-2524, MCA, is amended to  
4 read:

5 "7-14-2524. Limitation on amount of bonds issued --  
6 excess void. (1) Except as otherwise provided hereafter and  
7 in 7-7-2203 and 7-7-2204, no county shall issue bonds which,  
8 with all outstanding bonds and warrants except county high  
9 school bonds and emergency bonds, will exceed ~~11.25%~~ 11.66%  
10 of the total of the taxable value of the property therein,  
11 plus the amount of new production taxes levied divided by  
12 the appropriate tax rates described in 15-23-607(2)(a) or  
13 (2)(b) and multiplied by 60%. The taxable property and the  
14 amount of new production taxes levied shall be ascertained  
15 by the last assessment for state and county taxes prior to  
16 the issuance of such bonds.

17 (2) A county may issue bonds which, with all  
18 outstanding bonds and warrants except county high school  
19 bonds, will exceed ~~11.25%~~ 11.66% but will not exceed ~~22.5%~~  
20 23.3% of the total of the taxable value of such property,  
21 plus the amount of new production taxes levied divided by  
22 the appropriate tax rates described in 15-23-607(2)(a) or  
23 (2)(b) and multiplied by 60%, when necessary for the purpose  
24 of replacing, rebuilding, or repairing county buildings,  
25 bridges, or highways which have been destroyed or damaged by

1 an act of God, disaster, catastrophe, or accident.

2 (3) The value of the bonds issued and all other  
3 outstanding indebtedness of the county, except county high  
4 school bonds, shall not exceed ~~22-5%~~ 23.3% of the total of  
5 the taxable value of the property within the county, plus  
6 the amount of new production taxes levied divided by the  
7 appropriate tax rates described in 15-23-607(2)(a) or (2)(b)  
8 and multiplied by 60%, as ascertained by the last preceding  
9 general assessment."

10 Section 22. Section 7-14-2525, MCA, is amended to  
11 read:

12 "7-14-2525. Refunding agreements and refunding bonds  
13 authorized. (1) Whenever the total indebtedness of a county  
14 exceeds ~~22-5%~~ 23.3% of the total of the taxable value of the  
15 property therein, plus the amount of new production taxes  
16 levied divided by the appropriate tax rates described in  
17 15-23-607(2)(a) or (2)(b) and multiplied by 60%, and the  
18 board determines that the county is unable to pay such  
19 indebtedness in full, the board may:

20 (a) negotiate with the bondholders for an agreement  
21 whereby the bondholders agree to accept less than the full  
22 amount of the bonds and the accrued unpaid interest thereon  
23 in satisfaction thereof;

24 (b) enter into such agreement;

25 (c) issue refunding bonds for the amount agreed upon.

1 (2) These bonds may be issued in more than one series,  
2 and each series may be either amortization or serial bonds.

3 (3) The plan agreed upon between the board and the  
4 bondholders shall be embodied in full in the resolution  
5 providing for the issue of the bonds."

6 Section 23. Section 7-14-4402, MCA, is amended to  
7 read:

8 "7-14-4402. Limit on indebtedness to provide bus  
9 service. The total amount of indebtedness authorized under  
10 7-14-4401(1) to be contracted in any form, including the  
11 then-existing indebtedness, may not at any time exceed ~~20%~~  
12 29% of the total taxable value of the property of the city  
13 or town subject to taxation as ascertained by the last  
14 assessment for state and county taxes. No money may be  
15 borrowed or bonds issued for the purposes specified in  
16 7-14-4401(1) until the proposition has been submitted to the  
17 vote of the taxpayers of the city or town and the majority  
18 vote cast in its favor."

19 Section 24. Section 7-16-2327, MCA, is amended to  
20 read:

21 "7-16-2327. Indebtedness for park purposes. (1)  
22 Subject to the provisions of subsection (2), a county park  
23 board, in addition to powers and duties now given under law,  
24 shall have the power and duty to contract an indebtedness in  
25 behalf of a county, upon the credit thereof, for the

1 purposes of 7-16-2321(1) and (2).

2 (2) (a) The total amount of indebtedness authorized to  
3 be contracted in any form, including the then-existing  
4 indebtedness, must not at any time exceed ~~13%~~ 13.5% of the  
5 total of the taxable value of the taxable property in the  
6 county, plus the amount of new production taxes levied  
7 divided by the appropriate tax rates described in  
8 15-23-607(2)(a) or (2)(b) and multiplied by 60%, ascertained  
9 by the last assessment for state and county taxes previous  
10 to the incurring of such indebtedness.

11 (b) No money may be borrowed on bonds issued for the  
12 purchase of lands and improving same for any such purpose  
13 until the proposition has been submitted to the vote of  
14 those qualified under the provisions of the state  
15 constitution to vote at such election in the county affected  
16 thereby and a majority vote is cast in favor thereof."

17 Section 25. Section 7-16-4104, MCA, is amended to  
18 read:

19 "7-16-4104. Authorization for municipal indebtedness  
20 for various cultural, social, and recreational purposes. (1)  
21 A city or town council or commission may contract an  
22 indebtedness on behalf of the city or town, upon the credit  
23 thereof, by borrowing money or issuing bonds:

24 (a) for the purpose of purchasing and improving lands  
25 for public parks and grounds;

1 (b) for procuring by purchase, construction, or  
2 otherwise swimming pools, athletic fields, skating rinks,  
3 playgrounds, museums, a golf course, a site and building for  
4 a civic center, a youth center, or combination thereof; and

5 (c) for furnishing and equipping the same.

6 (2) The total amount of indebtedness authorized to be  
7 contracted in any form, including the then-existing  
8 indebtedness, may not at any time exceed ~~16.5%~~ 17.1% of the  
9 taxable value of the taxable property of the city or town as  
10 ascertained by the last assessment for state and county  
11 taxes previous to the incurring of such indebtedness. No  
12 money may be borrowed on bonds issued for the purchase of  
13 lands and improving the same for any such purpose until the  
14 proposition has been submitted to the vote of the qualified  
15 electors of the city or town and a majority vote is cast in  
16 favor thereof."

17 Section 26. Section 7-31-106, MCA, is amended to read:

18 "7-31-106. Authorization for county to issue bonds --  
19 election required. (1) If the petition is presented to the  
20 board of county commissioners, it shall be the duty of the  
21 board, for the purpose of raising money to meet the payments  
22 under the terms and conditions of said contract and other  
23 necessary and proper expenses in and about the same and for  
24 the approval or disapproval thereof:

25 (a) to ascertain, within 30 days after submission of

1 the petition, the existing indebtedness of the county in the  
2 aggregate; and

3 (b) to submit, within 60 days after ascertaining the  
4 same, to the electors of such county the proposition to  
5 approve or disapprove the contract and the issuance of bonds  
6 necessary to carry out the same.

7 (2) The amount of the bonds authorized by this section  
8 may not exceed ~~22.5%~~ 23.3% of the taxable value of the  
9 taxable property therein, inclusive of the existing  
10 indebtedness thereof, to be ascertained by the last  
11 assessment for state and county taxes previous to the  
12 issuance of said bonds and incurring of said indebtedness."

13 Section 27. Section 7-31-107, MCA, is amended to read:

14 "7-31-107. Authorization for municipality to issue  
15 bonds -- election required. (1) If said petition is  
16 presented to the council of any incorporated city or town,  
17 the council, for the purpose of raising money to meet the  
18 payments under the terms and conditions of said contract and  
19 other necessary and proper expenses in and about the same  
20 and for the approval or disapproval thereof:

21 (a) shall ascertain, within 30 days after submission  
22 of the petition, the aggregate indebtedness of such city or  
23 town; and

24 (b) shall submit, within 60 days after ascertaining  
25 the same, to the electors of such city or town the

1 proposition to approve or disapprove said contract and the  
2 issuance of bonds necessary to carry out the same.

3 (2) The amount of the bonds authorized by this section  
4 may not exceed ~~16.5%~~ 17.1% of the taxable value of the  
5 taxable property therein, inclusive of the existing  
6 indebtedness thereof, to be ascertained in the manner  
7 provided in this part."

8 Section 28. Section 7-34-2131, MCA, is amended to  
9 read:

10 "7-34-2131. Hospital district bonds authorized. (1) A  
11 hospital district may borrow money by the issuance of its  
12 bonds to provide funds for payment of part or all of the  
13 cost of acquisition, furnishing, equipment, improvement,  
14 extension, and betterment of hospital facilities and to  
15 provide an adequate working capital for a new hospital.

16 (2) The amount of bonds issued for such purpose and  
17 outstanding at any time may not exceed ~~22.5%~~ 23.5% of the  
18 taxable value of the property therein as ascertained by the  
19 last assessment for state and county taxes previous to the  
20 issuance of such bonds.

21 (3) Such bonds shall be authorized, sold, and issued  
22 and provisions made for their payment in the manner and  
23 subject to the conditions and limitations prescribed for  
24 bonds of second- or third-class school districts by Title  
25 20, chapter 9, part 4.



1 (4) Nothing herein shall be construed to preclude the  
2 provisions of Title 50, chapter 6, part 1, allowing the  
3 state to apply for and accept federal funds."

4 Section 29. Section 15-1-101, MCA, is amended to read:  
5 "15-1-101. Definitions. (1) Except as otherwise  
6 specifically provided, when terms mentioned in this section  
7 are used in connection with taxation, they are defined in  
8 the following manner:

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

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

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

20 (d) (i) The term "commercial", when used to describe  
21 property, means any property used or owned by a business, a  
22 trade, or a nonprofit corporation as defined in 35-2-102 or  
23 used for the production of income, except that property  
24 described in subsection (ii).

25 (ii) The following types of property are not

1 commercial:

2 (A) agricultural lands;

3 (B) timberlands;

4 (C) single-family residences and ancillary  
5 improvements and improvements necessary to the function of a  
6 bona fide farm, ranch, or stock operation;

7 (D) mobile homes used exclusively as a residence  
8 except when held by a distributor or dealer of trailers or  
9 mobile homes as his stock in trade; and

10 (E) all property described in 15-6-135; [section 5].

11 ~~(F) all property described in 15-6-136; and~~

12 ~~(G) all property described in 15-6-146.~~

13 (e) The term "comparable property" means property that  
14 has similar use, function, and utility; that is influenced  
15 by the same set of economic trends and physical,  
16 governmental, and social factors; and that has the potential  
17 of a similar highest and best use.

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

20 (g) The term "farmstead" means agricultural land  
21 consisting of 1 acre on which is located the owner's primary  
22 residence.

23 ~~(g)~~(h) The term "improvements" includes all buildings,  
24 structures, fences, and improvements situated upon, erected  
25 upon, or affixed to land. When the department of revenue or

1 its agent determines that the permanency of location of a  
 2 mobile home or housetrailer has been established, the mobile  
 3 home or housetrailer is presumed to be an improvement to  
 4 real property. A mobile home or housetrailer ~~may--be~~  
 5 ~~determined--to--be--permanently--located--only--when--it--is~~  
 6 ~~attached-to-a-foundation-which-cannot-feasibly-be-relocated~~  
 7 ~~and--only-when-the-wheels-are-removed~~ used as a residence is  
 8 an improvement whether or not it is affixed to the land.

9 {h}{i} The term "leasehold improvements" means  
 10 improvements to mobile homes and mobile homes located on  
 11 land owned by another person. This property is assessed  
 12 under the appropriate classification and the taxes are due  
 13 and payable in two payments as provided in ~~15-24-202~~  
 14 ~~15-16-102~~. Delinquent taxes on such leasehold improvements  
 15 are a lien only on such leasehold improvements.

16 {i}{j} The term "livestock" means cattle, sheep,  
 17 swine, goats, horses, mules, and asses.

18 {j}{k} The term "mobile home" means forms of housing  
 19 shelter known as "trailers", "housetrailers", or "trailer  
 20 coaches" exceeding 8 feet in width or 45 feet in length,  
 21 designed to be moved from one place to another by an  
 22 independent power connected to them, or any "trailer",  
 23 "housetrailer", or "trailer coach" up to 8 feet in width or  
 24 45 feet in length used as a principal residence.

25 {k}{l} The term "personal property" includes

1 everything that is the subject of ownership but that is not  
 2 included within the meaning of the terms "real estate" and  
 3 "improvements".

4 {l}{m} The term "poultry" includes all chickens,  
 5 turkeys, geese, ducks, and other birds raised in  
 6 domestication to produce food or feathers.

7 {m}{n} The term "property" includes moneys, credits,  
 8 bonds, stocks, franchises, and all other matters and things,  
 9 real, personal, and mixed, capable of private ownership.  
 10 This definition must not be construed to authorize the  
 11 taxation of the stocks of any company or corporation when  
 12 the property of such company or corporation represented by  
 13 the stocks is within the state and has been taxed.

14 {n}{o} The term "real estate" includes:

15 (i) the possession of, claim to, ownership of, or  
 16 right to the possession of land;

17 (ii) all mines, minerals, and quarries in and under the  
 18 land subject to the provisions of 15-23-501 and Title 15,  
 19 chapter 23, part 8; all timber belonging to individuals or  
 20 corporations growing or being on the lands of the United  
 21 States; and all rights and privileges appertaining thereto.

22 {o}{p} The term "taxable value" means the percentage  
 23 of market or assessed value as provided for in ~~15-6-131~~  
 24 ~~through-15-6-140~~ this title.

25 {p}{q} The term "timberland" means contiguous land

1 exceeding 15 acres in one ownership that is capable of  
 2 producing timber that can be harvested in commercial  
 3 quantity.

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

14 "15-6-201. Exempt categories. (1) The following  
 15 categories of property are exempt from taxation:

16 (a) the property of:

17 (i) the United States, the state, counties, cities,  
 18 towns, school districts, except, if congress passes  
 19 legislation that allows the state to tax property owned by  
 20 an agency created by congress to transmit or distribute  
 21 electrical energy, the property constructed, owned, or  
 22 operated by a public agency created by the congress to  
 23 transmit or distribute electric energy produced at privately  
 24 owned generating facilities (not including rural electric  
 25 cooperatives);

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

3 (iii) municipal corporations; and

4 (iv) public libraries;

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

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

13 (d) property that meets the following conditions:

14 (i) is owned and held by any association or  
 15 corporation organized under Title 35, chapter 2, 3, 20, or  
 16 21;

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

21 (iii) is not maintained and operated for private or  
 22 corporate profit;

23 (e) institutions of purely public charity;

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

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

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

8 (i) a truck canopy cover or topper weighing less than  
9 300 pounds and having no accommodations attached. Such  
10 property is also exempt from the fee in lieu of tax.

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

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

15 (l) motorcycles and quadricycles;

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

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

25 (o) property owned and used by a corporation or

1 association organized and operated exclusively for the care  
2 of the developmentally disabled, mentally ill, or  
3 vocationally handicapped as defined in 18-5-101, which is  
4 not operated for gain or profit; and

5 (p) all farm buildings with a market value of less  
6 than \$500 and all agricultural implements and machinery with  
7 a market value of less than \$100-;

8 (q) all aircraft that are not considered airline  
9 transportation property as described in the Tax Equity and  
10 Fiscal Responsibility Act of 1982 and thereby included in  
11 [section 7];

12 (r) all watercraft;

13 (s) all all-terrain vehicles;

14 (t) all harness, saddlery, and other tack equipment;

15 (u) all furniture, fixtures, and equipment not  
16 specifically included in a class of property under [sections  
17 2 through 7];

18 (v) items of personal property intended for lease in  
19 the ordinary course of business, provided each item of  
20 personal property satisfies all of the following:

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

23 (ii) the personal property is owned by a business whose  
24 primary business income is from rental or lease of personal  
25 property to individuals and no one customer of the business

1 accounts for more than 10% of the total rentals or leases  
 2 during a calendar year; and

3 (iii) the lease of the personal property is generally  
 4 on an hourly, daily, or weekly basis; and

5 (w) all tangible supplies and materials used or  
 6 consumed in a business except those which are held by a  
 7 taxpayer as his stock in trade for sale in the ordinary  
 8 course of business.

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

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

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

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

25 (b) \$100,000 in the case of a multifamily residential

1 dwelling or a nonresidential structure."

2 Section 31. Section 15-6-207, MCA, is amended to read:

3 "15-6-207. Agricultural exemptions. (1) The following  
 4 agricultural products are exempt from taxation:

5 (a) ~~all unprocessed, perishable fruits and vegetables~~  
 6 agricultural products in farm storage and owned by the  
 7 producer; and

8 ~~(b) all nonperishable unprocessed agricultural~~  
 9 ~~products, except livestock, held in possession of the~~  
 10 ~~original producer for less than 9 months following harvest;~~

11 ~~(c) except as provided in subsection (1)(d), livestock~~  
 12 ~~which have not attained the age of 9 months as of the last~~  
 13 ~~day of any month if assessed on the average inventory basis~~  
 14 ~~or on March 1 if assessed as provided in 15-24-911(a);~~  
 15 and

16 ~~(d) swine which have not attained the age of 3 months~~  
 17 ~~as of January 1;~~

18 (b) all livestock, poultry, bees, and other species of  
 19 domestic animals and wildlife raised in a captive  
 20 environment, and their unprocessed products.

21 (2) Any beet digger, beet topper, beet defoliator,  
 22 beet thinner, beet cultivator, beet planter, or beet top  
 23 saver designed exclusively to plant, cultivate, and harvest  
 24 sugar beets is exempt from taxation if such implement has  
 25 not been used to plant, cultivate, or harvest sugar beets

1 for the 2 years immediately preceding the current assessment  
2 date and there are no available sugar beet contracts in the  
3 sugar beet grower's marketing area."

4 Section 32. Section 15-7-103, MCA, is amended to read:

5 "15-7-103. Classification and appraisal -- general and  
6 uniform methods. (1) It is the duty of the department of  
7 revenue to implement the provisions of 15-7-101 through  
8 15-7-103 by providing:

9 (a) for a general and uniform method of classifying  
10 lands in the state for the purpose of securing an equitable  
11 and uniform basis of assessment of said lands for taxation  
12 purposes;

13 (b) for a general and uniform method of appraising  
14 city and town lots;

15 (c) for a general and uniform method of appraising  
16 rural and urban improvements;

17 (d) for a general and uniform method of appraising  
18 timberlands.

19 (2) All lands shall be classified according to their  
20 use or uses and graded within each class according to soil  
21 and productive capacity. In such classification work, use  
22 shall be made of soil surveys and maps and all other  
23 pertinent available information.

24 (3) All lands must be classified by parcels or  
25 subdivisions not exceeding 1 section each, by the sections,

1 fractional sections, or lots of all tracts of land that have  
2 been sectionized by the United States government, or by  
3 metes and bounds, whichever yields a true description of the  
4 land.

5 (4) All agricultural lands must be classified and  
6 appraised as agricultural lands without regard to the best  
7 and highest value use of adjacent or neighboring lands.

8 (5) In any periodic revaluation of taxable property  
9 completed under the provisions of 15-7-111 after January 1,  
10 1979, all property classified ~~in 15-6-134~~ as class four or  
11 class five-A must be appraised on its market value in the  
12 same year. The department must publish a rule specifying the  
13 year used in the appraisal.

14 (6) All sewage disposal systems and domestic use water  
15 supply systems of all dwellings may not be appraised,  
16 assessed, and taxed separately from the land, house, or  
17 other improvements in which they are located. In no event  
18 may the sewage disposal or domestic water supply systems be  
19 included twice by including them in the valuation and  
20 assessing them separately."

21 Section 33. Section 15-8-111, MCA, is amended to read:

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

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

5 (b) Except as provided in subsection (3), the market  
6 value of all motor trucks; agricultural tools, implements,  
7 and machinery; and vehicles of all kinds, ~~including but not~~  
8 ~~limited to aircraft and boats and all watercraft,~~ is the  
9 average wholesale value shown in national appraisal guides  
10 and manuals or the value of the vehicle before  
11 reconditioning and profit margin. The department of revenue  
12 shall prepare valuation schedules showing the average  
13 wholesale value when no national appraisal guide exists.

14 (3) The department of revenue or its agents may not  
15 adopt a lower or different standard of value from market  
16 value in making the official assessment and appraisal of the  
17 value of property in ~~15-6-134 through 15-6-140 and 15-6-145~~  
18 ~~through 15-6-149~~ [sections 2 through 5 and 7], except:

19 (a) the wholesale value for agricultural implements  
20 and machinery is the loan value as shown in the Official  
21 Guide, Tractor and Farm Equipment, published by the national  
22 farm and power equipment dealers association, St. Louis,  
23 Missouri; and

24 (b) for agricultural implements and machinery not  
25 listed in the official guide, the department shall prepare a

1 supplemental manual where the values reflect the same  
2 depreciation as those found in the official guide.

3 (4) For purposes of taxation, assessed value is the  
4 same as appraised value.

5 (5) The taxable value for all property in classes four  
6 through ~~eleven and fifteen through nineteen~~ eight is the  
7 percentage of market value established for each class of  
8 property in ~~15-6-134 through 15-6-141 and 15-6-145 through~~  
9 ~~15-6-149~~ [sections 2 through 7].

10 (6) The assessed value of properties in 15-6-131  
11 through 15-6-133 is as follows:

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

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

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

22 (d) ~~Properties in 15-6-143 under class thirteen~~ are  
23 Timberland is assessed at 100% of the combined appraised  
24 value of the standing timber and grazing productivity of the  
25 land when valued as timberland.

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

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

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

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

7 (8) The taxable value of all property in 15-6-131 and  
8 classes two, and three, ~~and-thirteen~~ is the percentage of  
9 assessed value established in 15-6-131(2), 15-6-132, and  
10 15-6-133, ~~and-15-6-143~~ for each class of property."

11 Section 34. Section 15-8-205, MCA, is amended to read:

12 "15-8-205. Initial assessment of ~~class-twelve-property~~  
13 mobile homes -- when. The county assessor shall assess all  
14 ~~class-twelve-property~~ mobile homes immediately upon their  
15 arrival in the county if the taxes have not been previously  
16 paid for that year in another county in Montana."

17 Section 35. Section 15-8-301, MCA, is amended to read:

18 "15-8-301. Statement -- what to contain. (1) The  
19 department of revenue or its agent must require from each  
20 person a statement under oath setting forth specifically all  
21 the real and personal property owned by such person or in  
22 his possession or under his control at midnight on January  
23 1. Such statement must be in writing, showing separately:

24 (a) all property belonging to, claimed by, or in the  
25 possession or under the control or management of such

1 person;

2 (b) all property belonging to, claimed by, or in the  
3 possession or under the control or management of any firm of  
4 which such person is a member;

5 (c) all property belonging to, claimed by, or in the  
6 possession or under the control or management of any  
7 corporation of which such person is president, secretary,  
8 cashier, or managing agent;

9 (d) the county in which such property is situated or  
10 in which it is liable to taxation and (if liable to taxation  
11 in the county in which the statement is made) also the city,  
12 town, school district, road district, or other revenue  
13 districts in which it is situated;

14 (e) an exact description of all lands in parcels or  
15 subdivisions not exceeding 640 acres each and the sections  
16 and fractional sections of all tracts of land containing  
17 more than 640 acres which have been sectionized by the  
18 United States government; improvements and personal  
19 property, ~~including all vessels, steamers, and other~~  
20 watercraft; all taxable state, county, city, or other  
21 municipal or public bonds and the taxable bonds of any  
22 person, firm, or corporation and deposits of money, gold  
23 dust, or other valuables and the names of the persons with  
24 whom such deposits are made and the places in which they may  
25 be found; all mortgages, deeds of trust, contracts, and



1 other obligations by which a debt is secured and the  
2 property in the county affected thereby;

3 (f) all solvent credits, secured or unsecured, due or  
4 owing to such person or any firm of which he is a member or  
5 due or owing to any corporation of which he is president,  
6 secretary, cashier, or managing agent;

7 (g) all depots, shops, stations, buildings, and other  
8 structures erected on the space covered by the right-of-way  
9 and all other property owned by any person owning or  
10 operating any railroad within the county.

11 (2) Whenever one member of a firm or one of the proper  
12 officers of a corporation has made a statement showing the  
13 property of the firm or corporation, another member of the  
14 firm or another officer need not include such property in  
15 the statement made by him but this statement must show the  
16 name of the person or officer who made the statement in  
17 which such property is included.

18 (3) The fact that such statement is not required or  
19 that a person has not made such statement, under oath or  
20 otherwise, does not relieve his property from taxation."

21 Section 36. Section 15-8-404, MCA, is amended to read:

22 "15-8-404. Property of particular types of firms. (1)  
23 The personal property belonging to the business of a  
24 merchant or of a manufacturer must be listed in the town or  
25 district where his business is carried on.

1 (2) The personal property of express, transportation,  
2 and stage companies, ~~steamboats, vessels, and other~~  
3 ~~watercraft~~ must be listed and assessed in the county, town,  
4 or district where such property is usually kept.

5 (3) The personal property and franchises of gas and  
6 water companies must be listed and assessed in the county,  
7 town, or district where the principal works are located.  
8 Gas and water mains and pipes laid in roads, streets, or  
9 alleys are personal property."

10 Section 37. Section 15-8-405, MCA, is amended to read:

11 "15-8-405. Street railroads, and bridges, ~~and ferries~~.  
12 Street railroads and bridges ~~and ferries~~ and their  
13 franchises owned by persons or corporations must be listed  
14 and assessed in the county, town, or district where such  
15 property or any portion thereof is located, and the track of  
16 the railroad and the bridge are personal property."

17 Section 38. Section 15-8-706, MCA, is amended to read:

18 "15-8-706. Statement by agent to the department. (1)  
19 On the second Monday in July in each year, the agent of the  
20 department of revenue in each county must transmit to the  
21 department a statement showing:

22 (a) the several kinds of personal property;

23 (b) the average and total value of each kind;

24 (c) the number of livestock, ~~number of bushels of~~  
25 ~~grain, number of pounds or tons of any article sold by the~~

1 ~~pound-or-ton; and~~

2 (d) when practicable, the separate value of each class  
3 of land, specifying the classes and the number of acres in  
4 each.

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

10 Section 39. Section 15-16-611, MCA, is amended to  
11 read:

12 "15-16-611. Reduction of property tax for property  
13 destroyed by natural disaster. (1) The department of revenue  
14 shall, upon showing by a taxpayer that some or all of the  
15 improvements on his real property or a trailer or mobile  
16 home ~~as-described-in-15-6-142~~ have been destroyed to such an  
17 extent that such improvements have been rendered unsuitable  
18 for their previous use by natural disaster, adjust the  
19 taxable value on the property, accounting for the  
20 destruction.

21 (2) The county treasurer shall adjust the tax due and  
22 payable for the current year on the property under 15-16-102  
23 as provided in subsection (3) of this section.

24 (3) To determine the amount of tax due for destroyed  
25 property, the county treasurer shall:

1 (a) multiply the amount of tax levied and assessed on  
2 the original taxable value of the property for the year by  
3 the ratio that the number of days in the year that the  
4 property existed before destruction bears to 365; and

5 (b) multiply the amount of tax levied and assessed on  
6 the adjusted taxable value of the property for the remainder  
7 of the year by the ratio that the number of days remaining  
8 in the year after the destruction of the property bears to  
9 365.

10 (4) This section does not apply to delinquent taxes  
11 owed on the destroyed property for a year prior to the year  
12 in which the property was destroyed.

13 (5) For the purposes of this section, "natural  
14 disaster" includes but is not limited to fire, flood,  
15 earthquake, or wind."

16 Section 40. Section 15-23-202, MCA, is amended to  
17 read:

18 "15-23-202. Assessment -- how made. (1) The department  
19 must assess the franchise, roadway, roadbed, rails, rolling  
20 stock, and all other operating properties of all railroads  
21 operated in more than one county or more than one state.  
22 All rolling stock must be assessed in the name of the person  
23 owning, leasing, or using the same. Assessment must be made  
24 to the person owning or leasing or using the same and must  
25 be made upon the entire railroad within the state. The

1 depots, stations, shops, and buildings erected upon the  
 2 space covered by the right-of-way and all other property  
 3 owned or leased by such person, except as above provided,  
 4 shall be assessed by the department.

5 (2) In determining the taxable value of railroad  
 6 property, the department shall determine the percentage rate  
 7 "R" provided for in 15-6-145 [section 7] in order to achieve  
 8 compliance with the requirements of the federal Railroad  
 9 Revitalization and Regulatory Reform Act of 1976, as  
 10 amended."

11 Section 41. Section 15-24-301, MCA, is amended to  
 12 read:

13 "15-24-301. Personal property brought into the state  
 14 -- assessment -- exceptions -- custom combine equipment. (1)  
 15 Except as provided in subsections (2) through (6), property  
 16 in the following cases is subject to taxation and assessment  
 17 for all taxes levied that year in the county in which it is  
 18 located:

19 (a) any personal property (~~including~~ excluding  
 20 livestock, poultry, and bees) brought, driven, or coming  
 21 into this state at any time during the year that is used in  
 22 the state for hire, compensation, or profit;

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

25 (c) property which comes to rest and becomes a part of

1 the general property of the state.

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

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

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

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

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

24 (c) The quarterly taxes are due the first day of the  
 25 quarter.

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

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

14 Section 42. Section 15-24-302, MCA, is amended to  
 15 read:

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

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

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

3 Section 43. Section 15-24-1102, MCA, is amended to  
 4 read:

5 "15-24-1102. Federal property held under contract of  
 6 sale. When the property is held under a contract of sale or  
 7 other agreement whereby upon payment the legal title is or  
 8 may be acquired by the person, the real property shall be  
 9 assessed and taxed as ~~defined in 15-6-131 through 15-6-140~~  
 10 provided in Title 15, chapter 6, part 1, and 15-8-111  
 11 without deduction on account of the whole or any part of the  
 12 purchase price or other sum due on the property remaining  
 13 unpaid. The lien for the tax may not attach to, impair, or  
 14 be enforced against any interest of the United States in the  
 15 real property."

16 Section 44. Section 15-24-1103, MCA, is amended to  
 17 read:

18 "15-24-1103. Federal property held under lease. When  
 19 the property is held under lease, other interest, or estate  
 20 therein less than the fee, except under contract of sale,  
 21 the property shall be assessed and taxed as for the value,  
 22 as ~~defined in 15-6-131 through 15-6-140~~ provided in Title  
 23 15, chapter 6, part 1, of such leasehold, interest, or  
 24 estate in the property and the lien for the tax shall attach  
 25 to and be enforced against only the leasehold, interest, or

1 estate in the property. When the United States authorizes  
2 the taxation of the property for the full assessed value of  
3 the fee thereof, the property shall be assessed for full  
4 assessed value as defined in 15-8-111."

5 Section 45. Section 19-11-503, MCA, is amended to  
6 read:

7 "19-11-503. Special tax levy for fund required. (1)  
8 The purpose of this section is to provide a means by which  
9 each disability and pension fund may be maintained at a  
10 level equal to ~~3%~~ 3.1% of the taxable valuation of all  
11 taxable property within the limits of the city or town.

12 (2) Whenever the fund contains less than ~~3%~~ 3.1% of  
13 the taxable valuation of all taxable property within the  
14 limits of the city or town, the governing body of the city  
15 or town shall, at the time of the levy of the annual tax,  
16 levy a special tax as provided in 19-11-504. The special tax  
17 shall be collected as other taxes are collected and, when so  
18 collected, shall be paid into the disability and pension  
19 fund.

20 (3) If a special tax for the disability and pension  
21 fund is levied by a third-class city or town using the  
22 all-purpose mill levy, the special tax levy must be made in  
23 addition to the all-purpose levy."

24 Section 46. Section 19-11-504, MCA, is amended to  
25 read:

1 "19-11-504. Amount of special tax levy. Whenever the  
2 fund contains an amount which is less than ~~3%~~ 3.1% of the  
3 taxable valuation of all taxable property in the city or  
4 town, the city council shall levy an annual special tax of  
5 not less than 1 mill and not more than 4 mills on each  
6 dollar of taxable valuation of all taxable property within  
7 the city or town."

8 Section 47. Section 20-9-406, MCA, is amended to read:

9 "20-9-406. Limitations on amount of bond issue. (1)  
10 The maximum amount for which each school district may become  
11 indebted by the issuance of bonds, including all  
12 indebtedness represented by outstanding bonds of previous  
13 issues and registered warrants, is ~~45%~~ 46.6% of the taxable  
14 value of the property subject to taxation as ascertained by  
15 the last completed assessment for state, county, and school  
16 taxes previous to the incurring of such indebtedness. The  
17 ~~45%~~ 46.6% maximum, however, may not pertain to indebtedness  
18 imposed by special improvement district obligations or  
19 assessments against the school district. All bonds issued in  
20 excess of such amount shall be null and void, except as  
21 provided in this section.

22 (2) When the total indebtedness of a school district  
23 has reached the ~~45%~~ 46.6% limitation prescribed in this  
24 section, the school district may pay all reasonable and  
25 necessary expenses of the school district on a cash basis in

1 accordance with the financial administration provisions of  
2 this chapter.

3 (3) Whenever bonds are issued for the purpose of  
4 refunding bonds, any moneys to the credit of the debt  
5 service fund for the payment of the bonds to be refunded are  
6 applied towards the payment of such bonds and the refunding  
7 bond issue is decreased accordingly."

8 Section 48. Section 20-9-407, MCA, is amended to read:

9 "20-9-407. Industrial facility agreement for bond  
10 issue in excess of maximum. (1) In a school district within  
11 which a new major industrial facility which seeks to qualify  
12 for taxation as class five six property under ~~15-6-135~~  
13 [section 5] is being constructed or is about to be  
14 constructed, the school district may require, as a  
15 precondition of the new major industrial facility qualifying  
16 as class five six property, that the owners of the proposed  
17 industrial facility enter into an agreement with the school  
18 district concerning the issuing of bonds in excess of the  
19 ~~45% 46.6%~~ limitation prescribed in 20-9-406. Under such an  
20 agreement, the school district may, with the approval of the  
21 voters, issue bonds which exceed the limitation prescribed  
22 in this section by a maximum of ~~45% 46.6%~~ of the estimated  
23 taxable value of the property of the new major industrial  
24 facility subject to taxation when completed. The estimated  
25 taxable value of the property of the new major industrial

1 facility subject to taxation shall be computed by the  
2 department of revenue when requested to do so by a  
3 resolution of the board of trustees of the school district.  
4 A copy of the department's statement of estimated taxable  
5 value shall be printed on each ballot used to vote on a bond  
6 issue proposed under this section.

7 (2) Pursuant to the agreement between the new major  
8 industrial facility and the school district and as a  
9 precondition to qualifying as class ~~five~~ six property, the  
10 new major industrial facility and its owners shall pay, in  
11 addition to the taxes imposed by the school district on  
12 property owners generally, so much of the principal and  
13 interest on the bonds provided for under this section as  
14 represents payment on an indebtedness in excess of the  
15 limitation prescribed in 20-9-406. After the completion of  
16 the new major industrial facility and when the indebtedness  
17 of the school district no longer exceeds the limitation  
18 prescribed in this section, the new major industrial  
19 facility shall be entitled, after all the current  
20 indebtedness of the school district has been paid, to a tax  
21 credit over a period of no more than 20 years. The credit  
22 shall as a total amount be equal to the amount which the  
23 facility paid the principal and interest of the school  
24 district's bonds in excess of its general liability as a  
25 taxpayer within the district.

1 (3) A major industrial facility is a facility subject  
 2 to the taxing power of the school district, whose  
 3 construction or operation will increase the population of  
 4 the district, imposing a significant burden upon the  
 5 resources of the district and requiring construction of new  
 6 school facilities. A significant burden is an increase in  
 7 ANB of at least 20% in a single year."

8 Section 49. Section 20-9-502, MCA, is amended to read:

9 "20-9-502. Purpose and authorization of a building  
 10 reserve fund by an election. (1) The trustees of any  
 11 district, with the approval of the qualified electors of the  
 12 district, may establish a building reserve for the purpose  
 13 of raising money for the future construction, equipping, or  
 14 enlarging of school buildings or for the purpose of  
 15 purchasing land needed for school purposes in the district.  
 16 In order to submit to the qualified electors of the district  
 17 a building reserve proposition for the establishment of or  
 18 addition to a building reserve, the trustees shall pass a  
 19 resolution that specifies:

20 (a) the purpose or purposes for which the new or  
 21 addition to the building reserve will be used;

22 (b) the duration of time over which the new or  
 23 addition to the building reserve will be raised in annual,  
 24 equal installments;

25 (c) the total amount of money that will be raised

1 during the duration of time specified in subsection (1)(b);  
 2 and

3 (d) any other requirements under 20-20-201 for the  
 4 calling of an election.

5 (2) The total amount of building reserve when added to  
 6 the outstanding indebtedness of the district shall not be  
 7 more than ~~45%~~ 46.6% of the taxable value of the taxable  
 8 property of the district. Such limitation shall be  
 9 determined in the manner provided in 20-9-406. A building  
 10 reserve tax authorization shall not be for more than 20  
 11 years.

12 (3) The election shall be conducted in accordance with  
 13 the school election laws of this title, and the electors  
 14 qualified to vote in the election shall be qualified under  
 15 the provisions of 20-20-301. The ballot for a building  
 16 reserve proposition shall be substantially in the following  
 17 form:

18 OFFICIAL BALLOT

19 SCHOOL DISTRICT BUILDING RESERVE ELECTION

20 INSTRUCTIONS TO VOTERS: Make an X or similar mark in  
 21 the vacant square before the words "BUILDING RESERVE--YES"  
 22 if you wish to vote for the establishment of a building  
 23 reserve (addition to the building reserve); if you are  
 24 opposed to the establishment of a building reserve (addition  
 25 to the building reserve) make an X or similar mark in the

1 square before the words "BUILDING RESERVE--NO".

2 Shall the trustees be authorized to impose an  
3 additional levy each year for .... years to establish a  
4 building reserve (add to the building reserve) of this  
5 school district to raise a total amount of .... dollars  
6 (\$....), for the purpose(s) .... (here state the purpose or  
7 purposes for which the building reserve will be used)?

8 BUILDING RESERVE--YES.

9 BUILDING RESERVE--NO.

10 (4) The building reserve proposition shall be approved  
11 if a majority of those electors voting at the election  
12 approve the establishment of or addition to such building  
13 reserve. The annual budgeting and taxation authority of the  
14 trustees for a building reserve shall be computed by  
15 dividing the total authorized amount by the specified number  
16 of years. The authority of the trustees to budget and  
17 impose the taxation for the annual amount to be raised for  
18 the building reserve shall lapse when, at a later time, a  
19 bond issue is approved by the qualified electors of the  
20 district for the same purpose or purposes for which the  
21 building reserve fund of the district was established.  
22 Whenever a subsequent bond issue is made for the same  
23 purpose or purposes of a building reserve, the money in the  
24 building reserve shall be used for such purpose or purposes  
25 before any money realized by the bond issue is used."

1 Section 50. Section 67-3-201, MCA, is amended to read:

2 "67-3-201. Aircraft registration and licensing. (1)  
3 Except as provided in 67-3-102 and in subsection ~~(7)~~ (6) of  
4 this section, a person may not operate or cause or authorize  
5 to be operated a civil aircraft within this state unless the  
6 aircraft has an appropriate effective registration, license,  
7 certificate, or permit issued or approved by the United  
8 States government which has been registered with the  
9 department and the registration with the department is in  
10 force.

11 (2) Aircraft customarily kept in this state shall be  
12 registered with the department, which may charge a fee  
13 therefor of not more than \$10. The registration shall be  
14 renewed annually on or before March 1 each year.

15 (3) Section 67-3-202 and subsections (2) through ~~(7)~~  
16 (6) of this section shall not apply to:

17 (a) aircraft owned and operated by the federal  
18 government, the state, or any political subdivision thereof;

19 (b) aircraft owned and held by an aircraft dealer  
20 solely for the purpose of resale;

21 (c) aircraft operated by an airline company and  
22 regularly scheduled for the primary purpose of carrying  
23 persons or property for hire in interstate or international  
24 transportation; or

25 (d) dismantled or otherwise nonflyable aircraft.



1 (4) An aircraft shall be registered as property within  
 2 a particular county of the state. This county shall be the  
 3 county of the owner's principal residence, if the owner is a  
 4 natural person, or the owner's principal place of doing  
 5 business in the state, if the owner is not a natural person.  
 6 However, if the owner declares by affidavit that the  
 7 aircraft is customarily kept at a landing facility in  
 8 another county within the state, he may register the  
 9 aircraft as property within such other county.

10 ~~(5) Except as provided in 15-6-210, all aircraft shall~~  
 11 ~~be subject to all state, county, and school district tax~~  
 12 ~~levies and all other levies designated for aircraft or~~  
 13 ~~airport-related uses. Such aircraft shall not be liable for~~  
 14 ~~other city tax levies.~~

15 ~~(6)~~ Aircraft not registered in the state but  
 16 entering the state to engage in commercial operations shall  
 17 be registered prior to commencing operation.

18 ~~(7)~~ Owners of ultralight aircraft for which no  
 19 appropriate effective license, certificate, or permit is  
 20 issued by the United States government shall file with the  
 21 department an appropriate registration recognized and  
 22 approved by the United States government."

23 Section 51. Section 67-3-202, MCA, is amended to read:

24 "67-3-202. Penalty for registration violations. (1)  
 25 When an aircraft required to be registered under the

1 provisions of subsections (2) through ~~(7)~~ (6) of 67-3-201 is  
 2 not registered on or before March 1 of the current calendar  
 3 year, a penalty fee of \$100 shall be added to the  
 4 registration fee and collected. Registration of an aircraft  
 5 in the name of the applicant for the year immediately  
 6 preceding the year for which application for registration is  
 7 made shall be prima facie evidence that the aircraft has  
 8 been based in this state during the year for which  
 9 application for registration is made.

10 ~~(2) Except for aircraft exempt from property taxation~~  
 11 ~~as provided in 15-6-210, an application for registration~~  
 12 ~~shall be accompanied by a copy of the receipt for or~~  
 13 ~~statement of personal property tax paid, signed by the~~  
 14 ~~treasurer of the county where the aircraft is registered, or~~  
 15 ~~a statement of lien assignment against real property, signed~~  
 16 ~~by the county assessor where the aircraft is registered. A~~  
 17 ~~person who pays personal property tax on his aircraft to any~~  
 18 ~~jurisdiction other than the county where the aircraft is~~  
 19 ~~required to be registered is liable for the tax in that~~  
 20 ~~county without credit for such other taxes paid. In addition~~  
 21 ~~to this civil liability, a person who attempts to establish~~  
 22 ~~the situs of his aircraft in any jurisdiction other than the~~  
 23 ~~county where the aircraft is required to be registered with~~  
 24 ~~intent to avoid payment of taxes to that county commits the~~  
 25 ~~offense of false swearing as defined in 45-7-202.~~

1        ~~(3)~~(2) A person who operates an aircraft required to  
2 be registered in the state without having displayed upon  
3 such aircraft a certificate of registration issued by the  
4 department for that aircraft commits a misdemeanor."

5        Section 52. Section 81-6-101, MCA, is amended to read:

6        "81-6-101. Petition for county livestock protective  
7 committee -- members -- term. (1) The board of county  
8 commissioners must, upon receipt of a petition or petitions  
9 to do so, set up a county livestock protective committee of  
10 three members. The petition or petitions must be signed by  
11 at least 51% of the owners of cattle in the county, and such  
12 petitioners owning shall own at least 55% of the cattle as  
13 shown-by-the-most-recent-completed-assessment-records-of-the  
14 county--assessor,--set--up--a--county--livestock--protective  
15 committee-of-three-members in the county.

16        (2) Members appointed to serve on such committee shall  
17 be residents of the county engaged in the business of  
18 raising cattle. If there be in the county any organization  
19 of cattle growers, the county commissioners shall give  
20 preference to names submitted by any such group for  
21 appointment to such committee. The term for which said  
22 committee members shall be appointed shall be 2 years, with  
23 two members of the first committee named to serve for 2  
24 years, one member to serve for 1 year. Members of such  
25 committee shall receive no remuneration or reimbursement for

1 expenses for serving on said committee.

2        (3) By "organization of cattle growers", as used in  
3 this section, is meant any group or organization holding  
4 regular meetings at least annually, having officers, and  
5 composed predominantly of cattle growers resident in the  
6 county, with its membership open to cattle growers willing  
7 to abide by its governing rules or bylaws, and its general  
8 purpose being the promotion of the interests of its members  
9 in matters pertaining to the cattle or livestock industry.

10        (4) If owners of sheep in the county desire to come  
11 under the provisions of this part in cooperation with owners  
12 of cattle, they shall file a like petition to that set out  
13 herein for owners of cattle, and in such case at least one  
14 member of said livestock protective committee shall be a  
15 sheep grower and where the word "cattle" appears in this  
16 part, it shall be deemed to comprehend also the word  
17 "sheep".

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

24        Section 53. Section 81-6-104, MCA, is amended to read:

25        "81-6-104. ~~tax--levy~~ Levy -- special fund. ~~Said~~ The

1 county livestock protective committee may recommend to the  
 2 board of county commissioners ~~the a levy of-a-tax-in-an~~  
 3 ~~amount~~ not to exceed 50 cents per head on all ~~assessable~~  
 4 cattle in the county on January 1, and the board of county  
 5 commissioners shall thereupon be empowered to impose the  
 6 ~~levy such--tax~~, to be collected as ~~other taxes~~ on personal  
 7 property and when collected to be deposited by the county  
 8 treasurer in a special fund to be known as the stockmen's  
 9 special deputy fund, together with any other funds made  
 10 available from county, state, federal, or private sources  
 11 for the purposes of this part. The board of livestock shall  
 12 provide the board of county commissioners of each county  
 13 with the number of cattle in the county on January 1 for the  
 14 purpose of imposing the levy."

15 Section 54. Section 81-6-204, MCA, is amended to read:

16 "81-6-204. ~~tax-levy Levy~~ -- deposit of proceeds. ~~Said~~  
 17 ~~The~~ district cattle protective committee may recommend to  
 18 the board of county commissioners ~~the a levy of-a-tax-in--an~~  
 19 ~~amount~~ not to exceed 50 cents per head on all ~~assessable~~  
 20 cattle in the district on January 1, and the board of county  
 21 commissioners shall thereupon be empowered to impose the  
 22 ~~levy such--tax~~, to be collected as ~~other taxes~~ on personal  
 23 property and when collected to be deposited in the county  
 24 treasury of one of the counties in the district, to be  
 25 selected by the district cattle protective committee, in a

1 special fund to be known as the stockmen's special deputy  
 2 fund, together with any other funds made available from  
 3 county, state, federal, or private sources for the purposes  
 4 of this part. The board of livestock shall provide the board  
 5 of county commissioners of each county with the number of  
 6 cattle in the county on January 1 for the purpose of  
 7 imposing the levy."

8 Section 55. Section 81-6-209, MCA, is amended to read:

9 "81-6-209. ~~tax-levy Levy~~ -- deposit of proceeds. ~~Said~~  
 10 ~~The~~ district cattle protective committee may recommend to  
 11 the board of county commissioners ~~the a levy of-a-tax-in--an~~  
 12 ~~amount~~ not to exceed 50 cents per head on all ~~assessable~~  
 13 cattle in the district on January 1, and the board of county  
 14 commissioners shall thereupon be empowered to impose the  
 15 ~~levy such--tax~~, to be collected as ~~other taxes~~ on personal  
 16 property and when collected to be deposited in the county  
 17 treasury in a special fund to be known as the stockmen's  
 18 special deputy fund, together with any other funds made  
 19 available from county, state, federal, or private sources  
 20 for the purposes of this part. The board of livestock shall  
 21 provide the board of county commissioners of each county  
 22 with the number of cattle in the county on January 1 for the  
 23 purpose of imposing the levy."

24 Section 56. 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 57. 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 [section 63] for the purpose of  
 20 protecting ~~them~~ livestock and poultry against destruction,  
 21 depredation, and injury by wild animals, whether the  
 22 livestock or poultry 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.~~ 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 shall be  
 18 available for the payment of bounty claims and for  
 19 expenditures for planned, seasonal, or other campaigns  
 20 directed or operated by the department in cooperation with  
 21 other agencies for the systematic destruction,  
 22 extermination, and control of predatory wild animals, as  
 23 determined by the department and its advisory committee. No  
 24 claims may be approved in excess of moneys available for  
 25 such purposes, and no warrants may be registered against the

1 moneys."

2 Section 58. Section 81-7-201, MCA, is amended to read:

3 "81-7-201. County levy for bounties on predatory  
4 animals. Whenever the owners, agent, or agents of the owners  
5 representing 51% of the livestock of any county in this  
6 state present a petition to the board of county  
7 commissioners of such county asking for the levy of a tax  
8 upon the livestock of the county for the purpose of paying  
9 bounties on predatory animals killed in the county, it is  
10 the duty of the board of county commissioners to make the  
11 levy, which may not exceed ~~50 mills on the dollar of the~~  
12 ~~taxable value of~~ \$1 per head of livestock on all livestock  
13 in the county. The tax levy shall be assessed and collected  
14 in the same manner as ~~all other~~ state and county taxes."

15 Section 59. Section 81-7-202, MCA, is amended to read:

16 "81-7-202. Signers of petition -- time for presenting  
17 -- limitation on bounties -- bounty inspectors. (1) The  
18 petition provided for in 81-7-201 shall be signed by the  
19 owners, agent, or agents of not less than 51% of the  
20 livestock of such county ~~as ascertained from the assessment~~  
21 ~~books of such county~~ and shall recommend to the board of  
22 county commissioners the bounties to be paid on such  
23 predatory animals, which shall not exceed the following:

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

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

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

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

3 (2) Such petition shall be presented not later than  
4 August 1 of each year, and the board of county commissioners  
5 on determining the sufficiency of such petition shall make  
6 an order granting such petition, which order shall fix the  
7 levy for that year and the amount of the bounties to be paid  
8 for the killing of each such predatory animal, which shall  
9 not exceed the amounts recommended in such petition, and  
10 appoint not less than 10 or more than 20 stockowners of such  
11 county to be bounty inspectors under this part, without  
12 compensation, who shall hold their offices for 1 year."

13 Section 60. Section 81-7-303, MCA, is amended to read:

14 "81-7-303. County commissioners permitted to require  
15 per capita license fee on sheep. (1) To defray the expense  
16 of such protection the board of county commissioners of any  
17 county shall have the power to require all owners or persons  
18 in possession of any sheep coming 1 year old or over in the  
19 county on ~~the regular assessment date~~ January 1 of each year  
20 to pay a license fee in an amount to be determined by the  
21 board on a per head basis for sheep so owned or possessed by  
22 him in the county. All owners or persons in possession of  
23 any sheep coming 1 year old or over coming into the county  
24 after ~~the regular assessment date and subject to taxation~~  
25 ~~under the provisions of 15-24-301~~ January 1 shall also be

1 subject to payment of the license fee herein prescribed.

2 (2) Upon the order of the board of county  
3 commissioners such license fees may be imposed by the entry  
4 thereof in the name of the licensee upon the property tax  
5 rolls of the county by the county assessor. Said license  
6 fees shall be payable to and collected by the county  
7 treasurer, and when so levied, shall be a lien upon the  
8 property, both real and personal, of the licensee. In case  
9 the person against whom said license fee is levied owns no  
10 real estate against which said license fee is or may become  
11 a lien, then said license fee shall be payable immediately  
12 upon its levy and the treasurer shall collect the same in  
13 the manner provided by law for the collection of personal  
14 property taxes which are not a lien upon real estate.

15 (3) When collected, said fees shall be placed by the  
16 treasurer in the predatory animal control fund and the  
17 moneys in said fund shall be expended on order of the board  
18 of county commissioners of the county for predatory animal  
19 control only."

20 Section 61. Section 81-7-305, MCA, is amended to read:

21 "81-7-305. Duty of county commissioners -- petition of  
22 sheep owners -- license fees. (1) In conducting a predatory  
23 animal control program, the board of county commissioners  
24 shall give preference to recommendations for such program  
25 and its incidents as made by organized associations of sheep

1 growers in the county. Upon petition of the resident owners  
2 of at least 51% of the sheep in the county, as shown by the  
3 ~~assessment-rolls-of-the-last-preceding-assessment~~ best  
4 available records of the board of livestock, which petition  
5 shall be filed with the board of county commissioners on or  
6 before the first Monday in December in any year, such board  
7 shall establish the predatory animal control program and  
8 cause said licenses to be secured and issued and the fees  
9 collected for the following year in such amount as will  
10 defray the cost of administering the program so established.  
11 The license fee determined and set by the board shall remain  
12 in full force and effect from year to year without change,  
13 unless there is filed with the board a petition subscribed  
14 by the resident owners of at least 51% of the sheep in the  
15 county, as shown by the ~~assessment-rolls-of-the-last~~  
16 ~~assessment-preceding-the-filing-of-the-petition~~ best  
17 available records of the board of livestock, for termination  
18 of the program and repeal of the license fee, in which event  
19 the program shall by order of the board of county  
20 commissioners be disestablished and the license fee shall  
21 not be further levied.

22 (2) If the resident owners of at least 51% of the  
23 sheep in the county either petition for an increase in the  
24 license fee or petition for a decrease in the license fee  
25 then in force, the board of county commissioners shall upon

1 receipt of any such petition fix a new license fee to  
2 continue from year to year and the program shall thereupon  
3 continue within the limits of the aggregate amount of the  
4 license fee as collected from year to year."

5 Section 62. Section 81-8-804, MCA, is amended to read:

6 "81-8-804. Assessments -- refunds. (1) There is  
7 levied, in addition to ~~the tax on livestock prescribed in~~  
8 ~~Title 15, chapter 24, part 9, a per head tax~~ other fees  
9 levied, an amount of 25 cents on each head of cattle that is  
10 more than 9 months of age and is owned or possessed within a  
11 county for the support and maintenance of research into beef  
12 production as provided in this part. The tax levy shall be  
13 paid to the county treasurer of that county on or before  
14 March 1 of each year.

15 (2) The tax levy required in subsection (1) must be  
16 paid for each head of cattle that is more than 9 months of  
17 age and is brought into the county after March 1 ~~and is~~  
18 ~~subject to taxation and assessment under 15-24-301.~~

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

21 (4) A person who has paid the tax levy required by  
22 this section may obtain a refund of the tax levy upon  
23 submission of a written request to the department. The  
24 application must be made within 30 days after the payment of  
25 the tax levy and on forms furnished by the department. The

1 department shall, upon receipt of a timely and otherwise  
2 properly submitted refund request, refund the tax levy."

3 NEW SECTION. Section 63. Per capita fee for expenses  
4 of enforcing livestock and poultry laws. (1) In addition to  
5 appropriations made for such purposes, a per capita fee is  
6 authorized and directed to be paid on all livestock and  
7 poultry in this state for the purpose of aiding in the  
8 payment of the expenses, including salaries, connected with  
9 administration and enforcement of the livestock and poultry  
10 laws of the state, for predator control, and for the payment  
11 of bounties on wild animals.

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

14 NEW SECTION. Section 64. Board of livestock to  
15 prescribe per capita fee. (1) The board of livestock shall  
16 annually prescribe the per capita fee for livestock and  
17 poultry of all classes for the payment of the expenses,  
18 including salaries, connected with administration and  
19 enforcement of the livestock and poultry laws of the state,  
20 for predator control, and for the payment of bounties on  
21 wild animals.

22 (2) The per capita fee must be calculated each year to  
23 provide not more than 110% of the average annual revenue  
24 generated in the 3 previous years, beginning with revenue  
25 generated in taxable years 1985, 1986, and 1987, by

1 15-24-922, 81-7-104, and 81-7-118, as those statutes read in  
 2 those years. The calculation must include a factor to  
 3 account for nonpayment and late payment of fees.

4 NEW SECTION. Section 65. Collection of fee. (1) On or  
 5 before January 15 of each year, an owner of livestock or  
 6 poultry or his agent shall make and deliver to the board of  
 7 livestock a verified statement showing as of January 1 the  
 8 number of each kind of livestock or poultry within the state  
 9 belonging to him or under his charge, with their marks and  
 10 brands and the county in which the majority of the livestock  
 11 or poultry is located.

12 (2) Upon determination of the numbers of each class of  
 13 livestock and poultry and assessment of the amount of the  
 14 levy set by the board of livestock, the county treasurer  
 15 shall send to each owner or agent who filed a report a  
 16 statement indicating the total fee due for the year, the  
 17 fact that payment is to be made to the county treasurer on  
 18 or before June 1 following assessment of the fee, and the  
 19 penalty and lien provisions that apply.

20 (3) The county treasurer may withhold 2% of the money  
 21 received for the per capita fee for livestock and poultry as  
 22 reimbursement to the county for the collection of the fee on  
 23 livestock and poultry.

24 NEW SECTION. Section 66. Transmission of fees from  
 25 county to state treasurer. Except for the money withheld by

1 the county, the fees levied and the money collected pursuant  
 2 to the provisions of [sections 63 through 67] must be  
 3 transmitted to the state treasurer by the county treasurer  
 4 of each county as provided in 15-1-504 but not later than  
 5 July 1 following assessment. The county treasurer shall  
 6 designate the amount received from the fee paid on poultry,  
 7 the amount received from the fee paid on sheep, and the  
 8 amount received from the fee paid on all other livestock and  
 9 shall specify the separate amounts in his report to the  
 10 state treasurer. The money, when received by the state  
 11 treasurer, must be deposited to the credit of the department  
 12 of livestock.

13 NEW SECTION. Section 67. Penalty for failure to file  
 14 statement on livestock or poultry -- lien upon real and  
 15 personal property. (1) If a person who is the owner of  
 16 livestock or poultry within the state fails to file or have  
 17 his agent file the statement required in [section 65], the  
 18 county treasurer shall, after 10 days' notice to the person  
 19 who failed to file the statement, assess the fee imposed by  
 20 [sections 63 through 67] based on the estimate of the board  
 21 of livestock of the number of livestock or poultry owned by  
 22 the person in the state. The county treasurer shall add a  
 23 10% penalty to the assessment.

24 (2) The fee imposed pursuant to [sections 63 through  
 25 67] is a lien upon the real and personal property of the



1 livestock or poultry owner who fails to pay the fees on or  
 2 before June 1 following assessment and is to be collected  
 3 under the tax lien enforcement provisions of Title 15.

4 NEW SECTION. Section 68. Repealer. Sections 15-6-134  
 5 through 15-6-149, 15-6-151 through 15-6-154, 15-24-304,  
 6 15-24-901 through 15-24-906, 15-24-908 through 15-24-911,  
 7 15-24-921 through 15-24-926, 15-24-931, 15-24-941 through  
 8 15-24-943, and 81-7-118, MCA, are repealed.

9 NEW SECTION. Section 69. Codification instructions.  
 10 (1) Sections 2 through 7 are intended to be codified as an  
 11 integral part of Title 15, chapter 6, and the provisions of  
 12 Title 15 apply to sections 2 through 7.

13 (2) Sections 63 through 67 are intended to be codified  
 14 as an integral part of Title 81, and the provisions of Title  
 15 81 apply to sections 63 through 67.

16 NEW SECTION. Section 70. Extension of authority. Any  
 17 existing authority of the department of revenue, department  
 18 of livestock, board of livestock, department of commerce, or  
 19 board of aeronautics to make rules on the subject of the  
 20 provisions of this act is extended to the provisions of this  
 21 act.

22 NEW SECTION. Section 71. Severability. If a part of  
 23 this act is invalid, all valid parts that are severable from  
 24 the invalid part remain in effect. If a part of this act is  
 25 invalid in one or more of its applications, the part remains

1 in effect in all valid applications that are severable from  
 2 the invalid applications.

3 NEW SECTION. Section 72. Saving clause. This act does  
 4 not affect rights and duties that matured, penalties that  
 5 were incurred, or proceedings that were begun before the  
 6 effective date of this act.

7 NEW SECTION. Section 73. Effective date. This act is  
 8 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 HB892, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to generally revise the classification of property for property tax purposes; to establish taxable rates for each class of property; to classify and tax income-producing property separately from nonincome-producing property; to exempt livestock, agricultural products, aircraft, watercraft, all-terrain vehicles, and certain other property from taxation; to provide a per capita fee on livestock; and providing a delayed effective date.

ASSUMPTIONS:

1. The taxable value of the state will be \$1,997,193,000 in FY88 and \$2,024,661,000 in FY89 (REAC).
2. The university mill levy is 6 mills; the school equalization mill levy is 45 mills; the average local levy is 189 mills.
3. It is the intent of the proposed law that class 4 property owned by individuals whose income exceeds \$10,000 (single person) or \$12,000 (married couple) be taxed at 3.86% of its market value.
4. Under the proposed law, computer systems would have to be modified in 40 counties @ \$1,000 per county. The central computer would also have to be modified @ \$18,911. (One time expenses.)
5. Under the proposed law, assessment lists would have to be revised and taxpayer awareness notices would have to be distributed @ \$112,282 per year.
6. The changes embodied in the proposed law would result in a decline in taxable value of approximately \$95,872,351 in FY89 and fiscal years there after.
7. Exempting livestock, agricultural products, and other personal property, under the proposed law, would result in FY89 expenditure reductions as follows: personal services- \$980,245; operating expense- \$80,175. The net increase in operating costs (including assumptions 4 & 5) would be \$91,018 in FY89.
8. The proposal is effective January 1, 1988, so there is no impact in FY88.
9. The per capita tax on livestock will generate the same amount of revenue as the current livestock levy in FY89.

*David L. Hunter*

DATE 3/28/89

DAVID L. HUNTER, BUDGET DIRECTOR  
Office of Budget and Program Planning

*B. Cohen*

DATE

March 24, 1987

BEN COHEN, PRIMARY SPONSOR

Fiscal Note for HB892, as introduced.

HB 892

Fiscal Note Request, HB892, as introduced.

Form BD-15

Page 2

FISCAL IMPACT:

Revenue Impact:

FY88 - No Impact.

University Levy  
School Equalization  
Total

		<u>FY89</u>	
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
	\$ 12,147,966	\$ 11,572,732	(\$ 575,234)
	91,109,745	86,795,489	( 4,341,256)
	<u>\$103,257,711</u>	<u>\$ 98,368,221</u>	<u>(\$4,889,490)</u>

Expenditure Impact: (General Fund)

FY88 - No Impact.

Operating expenses  
Personal services  
Total

	\$ 0	\$ 91,018	\$ 91,018
	0	(980,245)	( 980,245)
	<u>\$ 0</u>	<u>(889,227)</u>	<u>( 889,247)</u>

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

Passage of the proposed law would result in a loss of property tax revenue of approximately \$18,119,874 in FY89. This loss would probably be offset, to some extent, by savings in administrative expenses associated with exempting livestock, agricultural products, and other personal property from taxation.

TECHNICAL OR MECHANICAL DEFECTS OR CONFLICTS WITH EXISTING LEGISLATION:

Section 2(2) does not say what the taxable value rate will be for property owned by individuals whose income exceeds \$10,000 (single person) or \$12,000 (married couple).

Section 3(4) is unnecessary because the taxable value rates for classes 4 and 5-a are statutorily based.

HB 892