

SB 63      INTRODUCED BY GAGE  
CLARIFY PROCEDURE FOR ASSESSING PERSONAL PROPERTY

1/06	INTRODUCED		
1/06	REFERRED TO LOCAL GOVERNMENT		
1/13	HEARING		
1/15	FISCAL NOTE REQUESTED		
1/16	FISCAL NOTE RECEIVED		
1/17	ADVERSE COMMITTEE REPORT ADOPTED	39	11
1/19	RECONSIDERED ACTION IN ADOPTING ADVERSE COMMITTEE REPORT	47	3
1/19	REREFERRED TO TAXATION		
1/23	HEARING		
2/04	COMMITTEE REPORT--BILL PASSED AS AMENDED		
2/07	2ND READING PASS MOTION FAILED	18	28
2/07	2ND READING INDEFINITELY POSTPONED	25	20

1 *Senate* BILL NO. *63*  
 2 INTRODUCED BY *Boyer*  
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE  
 5 PROCEDURE FOR ASSESSING PERSONAL PROPERTY; AMENDING SECTIONS  
 6 15-8-201, 15-8-408, 15-8-601, 15-16-111, 15-24-301 THROUGH  
 7 15-24-304, AND 61-3-707, MCA; REPEALING SECTIONS 15-8-204  
 8 AND 15-8-308, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE  
 9 AND A RETROACTIVE APPLICABILITY DATE."  
 10

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

12 Section 1. Section 15-8-201, MCA, is amended to read:  
 13 "15-8-201. General assessment day. (1) The department  
 14 of revenue or its agent must, between January 1 and the  
 15 second Monday of July in each year, ascertain the names of  
 16 all taxable inhabitants and assess all property subject to  
 17 taxation in each county. The department or its agent must  
 18 assess property to the person by whom it was owned or  
 19 claimed or in whose possession or control it was at midnight  
 20 of January 1 next-preceding of the tax year. It must also  
 21 ascertain and assess all mobile homes arriving in the county  
 22 on or after midnight of January 1 next-preceding. Except as  
 23 provided in 15-8-601, 15-24-301, and subsection (2), no  
 24 other personal property may be assessed unless it has its  
 25 taxable situs in Montana on January 1 and is assessed no

1 later than the second Monday in July. No mistake in the name  
 2 of the owner or supposed owner of real property, however,  
 3 renders the assessment invalid.

4 (2) The procedure provided by this section may not  
 5 apply to:

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

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

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

13 (d) motorcycles and quadricycles;

14 (e) livestock;

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

19 (g) mobile homes held by a distributor or dealer of  
 20 mobile homes as a part of his stock in trade.

21 (3) Credits must be assessed as provided in  
 22 15-1-101(1)(d)."

23 Section 2. Section 15-8-408, MCA, is amended to read:  
 24 "15-8-408. Personal property. Personal property which  
 25 was in the state and subject to taxation on January 1 of



-2- INTRODUCED BILL  
 SB-63

1 any year shall be taxable, wherever ~~and--whenever~~ found in  
 2 any county in the state, ~~whether-the-same-be-owned,-claimed,~~  
 3 ~~or---possessed---by~~ to the person owning, claiming, or  
 4 possessing it on January 1 ~~or-not~~; provided that in case the  
 5 same property is assessed in more than one county, the  
 6 county ~~first-making-the-assessment~~ in which the property was  
 7 located on January 1 shall be entitled to collect the  
 8 taxes."

9 Section 3. Section 15-8-601, MCA, is amended to read:  
 10 "15-8-601. Assessment revision -- conference for  
 11 review. (1) Whenever the department of revenue discovers  
 12 that any taxable property of any person has in any year  
 13 escaped assessment, been erroneously assessed, or been  
 14 omitted from taxation, the department may assess the same  
 15 provided that, on January 1 of the year correctly assessed,  
 16 the property is under the ownership or control of the same  
 17 person who owned or controlled it at the time it escaped  
 18 assessment, was erroneously assessed, or was omitted from  
 19 taxation. All such revised assessments must be made within  
 20 10 years after the end of the calendar year in which the  
 21 original assessment was or should have been made.

22 (2) Whenever the department or its agent proposes to  
 23 increase the valuation of locally assessed property above  
 24 the value reported by the taxpayer under 15-8-301, the  
 25 action of the department is subject to the notice and

1 conference provisions of this section.

2 (3) (a) Notice of revised assessment pursuant to this  
 3 section shall be made by the department or its agent by  
 4 postpaid letter addressed to the person interested within 10  
 5 days after the revised assessment has been made. The notice  
 6 shall include opportunity for a conference on the matter, at  
 7 the request of the person interested, not less than 15 or  
 8 more than 30 days after notice is given.

9 (b) An assessment revision review conference is not a  
 10 contested case as defined in the Montana Administrative  
 11 Procedure Act. The department shall keep minutes in writing  
 12 of each assessment review conference, which are public  
 13 records.

14 (c) Following an assessment review conference or  
 15 expiration of opportunity therefor, the department shall  
 16 order such assessment as it considers proper. Any party to  
 17 the conference aggrieved by the action of the department may  
 18 appeal directly to the state tax appeal board within 30 days  
 19 or, if the property is locally assessed, may appeal to the  
 20 county tax appeal board at its next meeting.

21 (4) The department must record in a book to be kept  
 22 for that purpose all changes, corrections, and orders made  
 23 by it and must direct its agent to enter upon the assessment  
 24 book all changes and corrections made by it.

25 (5) Immediately upon receipt of a revised assessment,

1 the county official possessing the assessment roll book  
2 shall enter the revised assessment. If the revised  
3 assessment corrects an original assessment, the previous  
4 entry shall be canceled upon order of the department."

5 Section 4. Section 15-16-111, MCA, is amended to read:

6 "15-16-111. Personal property -- duty of department.

7 (1) It shall be the duty of the department of revenue or its  
8 agent, upon discovery of any personal property in the county  
9 the taxes upon which are not a lien upon real property  
10 sufficient to secure the payment of such taxes, to  
11 immediately and in any event not more than 5 days thereafter  
12 make a report to the treasurer, setting forth the nature,  
13 kind, description, and character of such property in such a  
14 definite manner that the treasurer can identify the same,  
15 the amount and assessed valuation of such property, where  
16 the same is located, the amount of taxes due thereon, and  
17 the name and address of the owner, claimant, or other person  
18 in possession of the same.

19 (2) Where such personal property is located in any  
20 city or town which shall have provided by ordinance for the  
21 collection of its taxes for general, municipal, and  
22 administrative purposes by its city treasurer or town clerk,  
23 the department also and at the same time shall furnish to  
24 said city treasurer or town clerk a duplicate of such notice  
25 to the county treasurer. For the purpose of determining the

1 taxes due on such personal property, the department or its  
2 agent must use the levy made during the previous year.

3 (3) Nothing in this section authorizes assessment of  
4 personal property after the second Monday of July in each  
5 tax year."

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

7 "15-24-301. Personal property brought into the state  
8 -- assessment -- exceptions -- custom combine equipment. (1)  
9 Except as provided in subsections (2) through ~~(6)~~ (5),  
10 property-in-the-following-cases any mobile home not held by  
11 a distributor or dealer as inventory that enters the state  
12 after January 1 and any personal property (including  
13 livestock) entering the state after January 1 that is used  
14 in the state for hire, compensation, or profit is subject to  
15 taxation and assessment for all taxes levied that year in  
16 the county in which it is first located; and assessed.

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

21 ~~(b) property whose owner or user is engaged in gainful~~  
22 ~~occupation or business enterprise in the state; or~~

23 ~~(c) property which comes to rest and becomes a part of~~  
24 ~~the general property of the state;~~

25 (2) The taxes on this property are levied in the same

1 manner and to the same extent, except as otherwise provided,  
 2 as though the property had been in the county on ~~the regular~~  
 3 ~~assessment--date,--provided--that--the--property--has--not--been~~  
 4 ~~regularly--assessed--for--the--year--in--some--other--county--of--the~~  
 5 ~~state~~ January 1.

6 ~~(3)~~(2) Nothing in this section shall be construed to  
 7 levy a tax against a merchant or dealer within this state on  
 8 goods, wares, or merchandise brought into the county to  
 9 replenish the stock of the merchant or dealer.

10 ~~(4)~~(3) Any motor vehicle not subject to the light  
 11 vehicle license fee or a fee in lieu of tax brought, driven,  
 12 or coming into this state by any nonresident person  
 13 temporarily employed in Montana and used exclusively for  
 14 transportation of such person is subject to taxation and  
 15 assessment for taxes as follows:

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

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

22 (c) The quarterly taxes are due the first day of the  
 23 quarter.

24 ~~(5)~~(4) Agricultural harvesting machinery classified  
 25 under class eight, licensed in other states, and operated on

1 the lands of persons other than the owner of the machinery  
 2 under contracts for hire shall be subject to a fee in lieu  
 3 of taxation of \$35 per machine for the calendar year in  
 4 which the fee is collected. The machines shall be subject to  
 5 taxation under class eight only if they are sold in Montana.

6 ~~(6)~~(5) The provisions of this part do not apply to  
 7 automobiles and trucks having a rated capacity of  
 8 three-quarters of a ton or less, motorcycles, or  
 9 quadricycles. These vehicles are subject to the fee provided  
 10 for in 61-3-532 or 61-3-541."

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

12 "15-24-302. Collection procedure. ~~All~~ Unless otherwise  
 13 provided, all property mentioned in 15-24-301 is assessed at  
 14 the same value as property of like kind and character, and  
 15 the assessment, levy, and collection of the tax are governed  
 16 by the provisions of 15-8-408; 15-16-111 through 15-16-115;  
 17 15-16-404; chapter 17, part 9; and 15-24-202; as amended,  
 18 except:

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

22 (2) livestock taxation governed by 81-7-104 and Title  
 23 81, chapter 7, part 2."

24 Section 7. Section 15-24-303, MCA, is amended to read:

25 "15-24-303. Proration of tax on personal property. If

1 such personal property is brought or driven or comes into  
 2 any county before ~~the assessment date~~ January 1 of the tax  
 3 year, the tax shall be the full amount of the tax computed  
 4 ~~as--provided--above~~, but if brought, driven, or coming into  
 5 the county after the assessment date, the tax shall be  
 6 prorated according to the ratio which the number of months  
 7 the property has its taxable situs in the county bears to  
 8 the total number of months in said year."

9 Section 8. Section 15-24-304, MCA, is amended to read:  
 10 "15-24-304. Prorated taxes -- aircraft. A person who  
 11 acquires an aircraft required to be registered under  
 12 subsections (2) through (7) of 67-3-201 ~~after-March-1-in-any~~  
 13 ~~year~~ shall register the aircraft within 30 days of acquiring  
 14 it. ~~The~~ If the aircraft is taxable under 15-24-301(1), the  
 15 county assessor shall prorate the personal property tax due  
 16 on the aircraft for the remaining portion of the year in the  
 17 manner provided in 15-24-303."

18 Section 9. Section 61-3-707, MCA, is amended to read:  
 19 "61-3-707. Foreign vehicles used for transportation in  
 20 connection with employment. (1) Before a motor vehicle taxed  
 21 pursuant to 15-24-301~~(4)~~(3) may be operated in Montana for a  
 22 calendar quarter, the person responsible for payment of  
 23 taxes must apply for and obtain a window decal.

24 (2) Decals must be color-coded to distinguish the four  
 25 quarterly registration periods of the year.

1 (3) An applicant may purchase a decal for more than  
 2 one registration quarter at a time by paying the appropriate  
 3 amount.

4 (4) There is a \$2 fee for each decal, and money  
 5 collected from this fee shall be deposited to the county  
 6 general fund. The \$2 fee is in addition to the tax.

7 (5) A current window decal must be displayed on the  
 8 lower right-hand corner of the windshield."

9 NEW SECTION. Section 10. Repealer. Sections 15-8-204  
 10 and 15-8-308, MCA, are repealed.

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

15 NEW SECTION. Section 12. Effective date --  
 16 applicability. (1) This act is effective on passage and  
 17 approval.

18 (2) This act applies retroactively, within the meaning  
 19 of 1-2-109, to taxable years beginning after December 31,  
 20 1986.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB063, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An Act clarifying the procedure for assessing personal property; and providing an immediate effective date and a retroactive applicability date.

ASSUMPTIONS:

N/A

FISCAL IMPACT:

The proposal has little effect on current administrative procedures and should not effect state property tax revenue generated by the university and school foundation levies.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

The proposal can affect the distribution of the taxable value of personal property between taxing jurisdictions and change the distribution of local property tax revenues. The requirement that property is to be assessed where it is located on January 1 of the tax year can result in the migration of mobile personal property to low tax jurisdictions; increasing the revenue of the low tax jurisdiction and reducing high tax jurisdiction revenues.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

N/A

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:

The retroactive applicability date of the proposal will result in additional administrative costs at the state and local levels. By the time the proposal is passed, most personal property will be assessed for tax year 1987. Adjustments in assessments may be required due to the proposal.

David L Hunter DATE 1/15/87  
DAVID I. HUNTER, BUDGET DIRECTOR  
Office of Budget and Program Planning

Delwyn Gage DATE 1/16/87  
DELWYN GAGE, PRIMARY SPONSOR  
Fiscal Note for SB063, as introduced.

**SB 63**

RE-REFERRED AND  
APPROVED BY COMMITTEE  
ON TAXATION  
AS AMENDED

1 SENATE BILL NO. 63  
 2 INTRODUCED BY GAGE  
 3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE  
 5 PROCEDURE FOR ASSESSING PERSONAL PROPERTY; AMENDING SECTIONS  
 6 15-8-201, 15-8-408, ~~15-8-601~~, 15-16-111, 15-24-301 THROUGH  
 7 15-24-304, AND 61-3-707, MCA; REPEALING SECTIONS 15-8-204  
 8 AND 15-8-308, MCA; AND PROVIDING AN ~~IMMEDIATE-EFFECTIVE-DATE~~  
 9 ~~AND-A-RETROACTIVE~~ APPLICABILITY DATE."  
 10  
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 12 Section 1. Section 15-8-201, MCA, is amended to read:  
 13 "15-8-201. General assessment day. (1) The department  
 14 of revenue or its agent must, between January 1 and the  
 15 second Monday of July in each year, ascertain the names of  
 16 all taxable inhabitants and assess all property subject to  
 17 taxation in each county. The department or its agent must  
 18 assess property to the person by whom it was owned or  
 19 claimed or in whose possession or control it was at midnight  
 20 of January 1 ~~next-preceding of the tax year~~. It must also  
 21 ascertain and assess all mobile homes arriving WITH TAXABLE  
 22 SITUS in the county on or after midnight-of January 1 next  
 23 preceding. Except as provided in 15-8-601, 15-24-301, and  
 24 subsection (2), no other personal property may be assessed  
 25 unless it has its taxable situs in Montana on January 1 and

1 is assessed no later than the second Monday in July. No  
 2 mistake in the name of the owner or supposed owner of real  
 3 property, however, renders the assessment invalid.  
 4 (2) The procedure provided by this section may not  
 5 apply to:  
 6 (a) motor vehicles that are required by 15-8-202 to be  
 7 assessed on January 1 or upon their anniversary registration  
 8 date;  
 9 (b) automobiles and trucks having a rated capacity of  
 10 three-quarters of a ton or less;  
 11 (c) motor homes and travel trailers subject to a fee  
 12 in lieu of property tax;  
 13 (d) motorcycles and quadricycles;  
 14 (e) livestock;  
 15 (f) property defined in 61-1-104 as "special mobile  
 16 equipment" that is subject to assessment for personal  
 17 property taxes on the date that application is made for a  
 18 special mobile equipment plate; and  
 19 (g) mobile homes held by a distributor or dealer of  
 20 mobile homes as a part of his stock in trade.  
 21 (3) Credits must be assessed as provided in  
 22 15-1-101(1)(d)."  
 23 Section 2. Section 15-8-408, MCA, is amended to read:  
 24 "15-8-408. Personal property. Personal property which  
 25 was in the state and subject to taxation on January 1 of





1 any year shall be taxable, wherever and whenever found in  
 2 any county in the state, whether the same be owned, claimed,  
 3 or possessed by to the person owning, claiming, or  
 4 possessing it on January 1 or not; provided that in case the  
 5 same property is assessed in more than one county, the  
 6 county first making the assessment in which the property was  
 7 located on January 1 shall be entitled to collect the taxes  
 8 EXCEPT THAT IN THE CASE OF PERSONAL PROPERTY USED FOR HIRE,  
 9 COMPENSATION, OR PROFIT, THE COUNTY IN WHICH THE PROPERTY IS  
 10 FIRST SO USED IN A TAX YEAR IS THE COUNTY THAT SHALL BE  
 11 ENTITLED TO COLLECT THE TAXES."

12 Section 3. Section 15-8-601, MCA, is amended to read:

13 "15-8-601. Assessment revision conference for  
 14 review. (1) Whenever the department of revenue discovers  
 15 that any taxable property of any person has in any year  
 16 escaped assessment, been erroneously assessed, or been  
 17 omitted from taxation, the department may assess the same  
 18 provided that, on January 1 of the year correctly assessed,  
 19 the property is under the ownership or control of the same  
 20 person who owned or controlled it at the time it escaped  
 21 assessment, was erroneously assessed, or was omitted from  
 22 taxation. All such revised assessments must be made within  
 23 10 years after the end of the calendar year in which the  
 24 original assessment was or should have been made:

25 (2) Whenever the department or its agent proposes to

1 increase the valuation of locally assessed property above  
 2 the value reported by the taxpayer under 15-8-301, the  
 3 action of the department is subject to the notice and  
 4 conference provisions of this section.

5 (3) (a) Notice of revised assessment pursuant to this  
 6 section shall be made by the department or its agent by  
 7 postpaid letter addressed to the person interested within 10  
 8 days after the revised assessment has been made. The notice  
 9 shall include opportunity for a conference on the matter, at  
 10 the request of the person interested, not less than 15 or  
 11 more than 30 days after notice is given.

12 (b) An assessment revision review conference is not a  
 13 contested case as defined in the Montana Administrative  
 14 Procedure Act. The department shall keep minutes in writing  
 15 of each assessment review conference, which are public  
 16 records.

17 (c) Following an assessment review conference or  
 18 expiration of opportunity therefor, the department shall  
 19 order such assessment as it considers proper. Any party to  
 20 the conference aggrieved by the action of the department may  
 21 appeal directly to the state tax appeal board within 30 days  
 22 or, if the property is locally assessed, may appeal to the  
 23 county tax appeal board at its next meeting.

24 (4) The department must record in a book to be kept  
 25 for that purpose all changes, corrections, and orders made

1 by-it-and-must-direct-its-agent-to-enter-upon-the-assessment  
2 book-all-changes-and-corrections-made-by-it;

3 ~~{5}--immediately-upon-receipt-of-a-revised--assessment;~~  
4 ~~the--county--official--possessing--the--assessment-roll-book~~  
5 ~~shall--enter--the--revised--assessment.---If---the---revised~~  
6 ~~assessment--corrects--an--original--assessment,--the--previous~~  
7 ~~entry--shall--be--canceled-upon-order-of-the-department.:"~~

8 Section 3. Section 15-16-111, MCA, is amended to read:

9 "15-16-111. Personal property -- duty of department.

10 (1) It shall be the duty of the department of revenue or its  
11 agent, upon discovery of any personal property in the county  
12 the taxes upon which are not a lien upon real property  
13 sufficient to secure the payment of such taxes, to  
14 immediately and in any event not more than 5 days thereafter  
15 make a report to the treasurer, setting forth the nature,  
16 kind, description, and character of such property in such a  
17 definite manner that the treasurer can identify the same,  
18 the amount and assessed valuation of such property, where  
19 the same is located, the amount of taxes due thereon, and  
20 the name and address of the owner, claimant, or other person  
21 in possession of the same.

22 (2) Where such personal property is located in any  
23 city or town which shall have provided by ordinance for the  
24 collection of its taxes for general, municipal, and  
25 administrative purposes by its city treasurer or town clerk,

1 the department also and at the same time shall furnish to  
2 said city treasurer or town clerk a duplicate of such notice  
3 to the county treasurer. For the purpose of determining the  
4 taxes due on such personal property, the department or its  
5 agent must use the levy made during the previous year.

6 (3) Nothing in this section authorizes assessment of  
7 personal property after the second Monday of July in each  
8 tax year."

9 Section 4. Section 15-24-301, MCA, is amended to read:

10 "15-24-301. Personal property brought into the state  
11 -- assessment -- exceptions -- custom combine equipment. (1)  
12 Except as provided in subsections (2) through ~~{6}~~ (5),  
13 property-in-the-following-cases any mobile home not held by  
14 a distributor or dealer as inventory that enters the state  
15 after January 1 and any personal property (including  
16 livestock) entering the state after January 1 that is used  
17 in the state for hire, compensation, or profit is subject to  
18 taxation and assessment for all taxes levied that year in  
19 the county in which it is first located; and, assessed, AND  
20 USED FOR HIRE, COMPENSATION, OR PROFIT.

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

25 ~~{b)--property-whose-owner-or-user-is-engaged-in-gainful~~

1 ~~occupation or business enterprise in the state; or~~  
 2 ~~{2} property which comes to rest and becomes a part of~~  
 3 ~~the general property of the state.~~

4 {2} The taxes on this property are levied in the same  
 5 manner and to the same extent, except as otherwise provided,  
 6 as though the property had been in the county on the regular  
 7 assessment date, provided that the property has not been  
 8 regularly assessed for the year in some other county of the  
 9 state January 1.

10 {3}{2} Nothing in this section shall be construed to  
 11 levy a tax against a merchant or dealer within this state on  
 12 goods, wares, or merchandise brought into the county to  
 13 replenish the stock of the merchant or dealer.

14 {4}{3} Any motor vehicle not subject to the light  
 15 vehicle license fee or a fee in lieu of tax brought, driven,  
 16 or coming into this state by any nonresident person  
 17 temporarily employed in Montana and used exclusively for  
 18 transportation of such person is subject to taxation and  
 19 assessment for taxes as follows:

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

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

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

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

10 {6}{5} The provisions of this part do not apply to  
 11 automobiles and trucks having a rated capacity of  
 12 three-quarters of a ton or less, motorcycles, or  
 13 quadricycles. These vehicles are subject to the fee provided  
 14 for in 61-3-532 or 61-3-541."

15 Section 5. Section 15-24-302, MCA, is amended to read:

16 "15-24-302. Collection procedure. All Unless otherwise  
 17 provided, all property mentioned in 15-24-301 is assessed at  
 18 the same value as property of like kind and character, and  
 19 the assessment, levy, and collection of the tax are governed  
 20 by the 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}{3}  
 24 to 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 7, part 2."

3 Section 6. Section 15-24-303, MCA, is amended to read:

4 "15-24-303. Proration of tax on personal property. If  
5 such personal property is brought or driven or comes into  
6 any county before ~~the assessment date~~ January 1 of the tax  
7 year, the tax shall be the full amount of the tax ~~computed~~  
8 ~~as provided above~~, but if brought, driven, or coming into  
9 the county after the assessment date, the tax shall be  
10 prorated according to the ratio which the number of months  
11 the property has its taxable situs in the county bears to  
12 the total number of months in said year."

13 Section 7. Section 15-24-304, MCA, is amended to read:

14 "15-24-304. Prorated taxes -- aircraft. A person who  
15 acquires an aircraft required to be registered under  
16 subsections (2) through (7) of 67-3-201 ~~after-March-1-in-any~~  
17 ~~year~~ shall register the aircraft within 30 days of acquiring  
18 it. ~~The~~ If the aircraft is taxable under 15-24-301(1), the  
19 county assessor shall prorate the personal property tax due  
20 on the aircraft for the remaining portion of the year in the  
21 manner provided in 15-24-303."

22 Section 8. Section 61-3-707, MCA, is amended to read:

23 "61-3-707. Foreign vehicles used for transportation in  
24 connection with employment. (1) Before a motor vehicle taxed  
25 pursuant to 15-24-301~~(4)~~(3) may be operated in Montana for a

1 calendar quarter, the person responsible for payment of  
2 taxes must apply for and obtain a window decal.

3 (2) Decals must be color-coded to distinguish the four  
4 quarterly registration periods of the year.

5 (3) An applicant may purchase a decal for more than  
6 one registration quarter at a time by paying the appropriate  
7 amount.

8 (4) There is a \$2 fee for each decal, and money  
9 collected from this fee shall be deposited to the county  
10 general fund. The \$2 fee is in addition to the tax.

11 (5) A current window decal must be displayed on the  
12 lower right-hand corner of the windshield."

13 NEW SECTION. Section 9. Repealer. Sections 15-8-204  
14 and 15-8-308, MCA, are repealed.

15 NEW SECTION. Section 10. Extension of authority. Any  
16 existing authority of the department of revenue to make  
17 rules on the subject of the provisions of this act is  
18 extended to the provisions of this act.

19 NEW SECTION. Section 11. ~~Effective-----date-----~~  
20 ~~applicability.~~ APPLICABILITY. ~~{1}-This-act-is-effective-on~~  
21 ~~passage-and-approval.~~

22 (2) This act applies ~~retroactively,~~ retroactively, ~~within-the-meaning~~  
23 ~~of-1-2-1997~~ to taxable years beginning after December 31,  
24 ~~1986~~ 1987.

-End-