



APRIL 14, 1987

THIRD READING, CONCURRED IN.  
AYES, 55; NOES, 44.

RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

APRIL 16, 1987

RECEIVED FROM HOUSE.

SECOND READING, AMENDMENTS  
CONCURRED IN.

APRIL 17, 1987

THIRD READING, AMENDMENTS  
CONCURRED IN.

SENT TO ENROLLING.

1 Senate BILL NO. 200  
 2 INTRODUCED BY Ed Smith, Severson, Bob Brown  
 3 Travis, Mafellbaum, NATHA  
 4 A BILL FOR AN ACT ENTITLED: AN ACT TO REPLACE THE FEE IN  
 5 LIEU OF TAX ON LIGHT VEHICLES, MOTORCYCLES, QUADRICYCLES,  
 6 MOTOR HOMES, TRAVEL TRAILERS, AND CAMPERS WITH A PROPERTY  
 7 TAX; AMENDING SECTIONS 7-1-2111, 15-1-501, 15-6-138,  
 8 15-6-140, 15-6-201, 15-8-201, 15-8-202, 15-24-101,  
 9 15-24-105, 15-24-301, 15-30-121, 15-31-114, 15-36-112,  
 10 15-50-207, 20-9-141, 20-9-331, 20-9-333, 20-9-352, 20-9-501,  
 11 20-10-144, 61-1-130, 61-1-131, 61-3-303, 61-3-332, 61-3-431,  
 12 61-3-501 THROUGH 61-3-504, 61-3-506, 61-3-509, 61-3-524,  
 13 61-3-531, 61-3-533 THROUGH 61-3-535, 61-3-701, AND 61-6-302,  
 14 MCA; REPEALING SECTIONS 7-6-301 THROUGH 7-6-309, 61-3-521  
 15 THROUGH 61-3-523, 61-3-532, 61-3-536, 61-3-541, AND  
 16 61-3-542, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND  
 17 AN APPLICABILITY DATE."  
 18  
 19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 20 Section 1. Section 7-1-2111, MCA, is amended to read:  
 21 "7-1-2111. Classification of counties. (1) For the  
 22 purpose of regulating the compensation and salaries of all  
 23 county officers, not otherwise provided for, and for fixing  
 24 the penalties of officers' bonds, the several counties of  
 25 this state shall be classified according to that percentage

1 of the true and full valuation of the property therein upon  
 2 which the tax levy is made, except for vehicles subject to  
 3 taxation under 61-3-504(2), as follows:  
 4 (a) first class--all counties having such a taxable  
 5 valuation of \$50 million or over;  
 6 (b) second class--all counties having such a taxable  
 7 valuation of more than \$30 million and less than \$50  
 8 million;  
 9 (c) third class--all counties having such a taxable  
 10 valuation of more than \$20 million and less than \$30  
 11 million;  
 12 (d) fourth class--all counties having such a taxable  
 13 valuation of more than \$15 million and less than \$20  
 14 million;  
 15 (e) fifth class--all counties having such a taxable  
 16 valuation of more than \$10 million and less than \$15  
 17 million;  
 18 (f) sixth class--all counties having such a taxable  
 19 valuation of more than \$5 million and less than \$10 million;  
 20 (g) seventh class--all counties having such a taxable  
 21 valuation of less than \$5 million.  
 22 (2) As used in this section, taxable valuation means  
 23 the taxable value of taxable property in the county as of  
 24 the time of determination plus:  
 25 (a) that portion of the taxable value of the county on



1 December 31, 1981, attributable to automobiles and trucks  
 2 having a rated capacity of three-quarters of a ton or less;  
 3 and

4 (b) the amount of new production taxes levied, as  
 5 provided in 15-23-607, divided by the appropriate tax rates  
 6 described in 15-23-607(2)(a) or (2)(b) and multiplied by  
 7 60%."

8 Section 2. Section 15-1-501, MCA, is amended to read:

9 "15-1-501. Disposition of moneys from certain  
 10 designated license and other taxes. (1) The state treasurer  
 11 shall deposit to the credit of the state general fund all  
 12 moneys received by him from the collection of:

13 (a) fees from driver's licenses, motorcycle  
 14 endorsements, and duplicate driver's licenses as provided in  
 15 61-5-121;

16 (b) electrical energy producer's license taxes under  
 17 chapter 51;

18 (c) severance taxes allocated to the general fund  
 19 under chapter 36;

20 (d) liquor license taxes under Title 16;

21 (e) telephone [company] license taxes under chapter  
 22 53; and

23 (f) inheritance and estate taxes under Title 72,  
 24 chapter 16.

25 (2) Seventy-five percent of all moneys received from

1 the collection of income taxes under chapter 30 and  
 2 corporation license and income taxes under chapter 31,  
 3 except as provided in 15-31-702, shall be deposited in the  
 4 general fund subject to the prior pledge and appropriation  
 5 of such income tax and corporation license tax collections  
 6 for the payment of long-range building program bonds. The  
 7 remaining 25% of the proceeds of the corporation license  
 8 tax, excluding that allocated to the counties under  
 9 15-31-702, corporation income tax, and income tax shall be  
 10 deposited to the credit of the state special revenue fund  
 11 for state equalization aid to the public schools of Montana.

12 (3) The state treasurer shall also deposit to the  
 13 credit of the state general fund all moneys received by him  
 14 from the collection of license taxes, fees, and all net  
 15 revenues and receipts from all other sources under the  
 16 operation of the Montana Alcoholic Beverage Code.

17 ~~(4) Thirty-three--and--one-third--percent--of--the--total~~  
 18 ~~collections--of--the--oil--severance--tax--under--chapter--36--shall~~  
 19 ~~be--deposited--into--the--local--government--block--grant--account~~  
 20 ~~within--the--state--special--revenue--fund.~~ After the  
 21 distribution provided for in 15-36-112, the remainder of the  
 22 oil severance tax collections shall be deposited in the  
 23 general fund."

24 Section 3. Section 15-6-138, MCA, is amended to read:

25 "15-6-138. Class eight property -- description --

1 taxable percentage. (1) Class eight property includes:  
 2 (a) all agricultural implements and equipment;  
 3 (b) all mining machinery, fixtures, equipment, tools,  
 4 and supplies except:  
 5 (i) those included in class five; and  
 6 (ii) coal and ore haulers;  
 7 (c) all manufacturing machinery, fixtures, equipment,  
 8 tools, and supplies except those included in class five;  
 9 (d) all trailers up to and including 18,000 pounds  
 10 maximum gross loaded weight, except those subject to ~~a-fee~~  
 11 ~~in-lieu-of-property-tax~~ taxation under 61-3-504(2);  
 12 (e) aircraft;  
 13 (f) all goods and equipment intended for rent or  
 14 lease, except goods and equipment specifically included and  
 15 taxed in another class; and  
 16 (g) all other machinery except that specifically  
 17 included in another class.  
 18 (2) Class eight property is taxed at 11% of its market  
 19 value."  
 20 Section 4. Section 15-6-140, MCA, is amended to read:  
 21 "15-6-140. Class ten property -- description --  
 22 taxable percentage. (1) Class ten property includes:  
 23 (a) radio and television broadcasting and transmitting  
 24 equipment;  
 25 (b) cable television systems;

1 (c) coal and ore haulers;  
 2 (d) trucks having a rated capacity of more than 1 1/2  
 3 tons, including those prorated under 15-24-102;  
 4 (e) all trailers exceeding 18,000 pounds maximum gross  
 5 loaded weight, including those prorated under 15-24-102 and  
 6 except those subject to ~~a-fee-in-lieu-of-property-tax~~  
 7 taxation under 61-3-504(2);  
 8 (f) theater projectors and sound equipment; and  
 9 (g) all other property not included in any other class  
 10 in this part except that property subject to a fee in lieu  
 11 of a property tax.  
 12 (2) Class ten property is taxed at 16% of its market  
 13 value."  
 14 Section 5. Section 15-6-201, MCA, is amended to read:  
 15 "15-6-201. Exempt categories. (1) The following  
 16 categories of property are exempt from taxation:  
 17 (a) the property of:  
 18 (i) the United States, the state, counties, cities,  
 19 towns, school districts, except, if congress passes  
 20 legislation that allows the state to tax property owned by  
 21 an agency created by congress to transmit or distribute  
 22 electrical energy, the property constructed, owned, or  
 23 operated by a public agency created by the congress to  
 24 transmit or distribute electric energy produced at privately  
 25 owned generating facilities (not including rural electric

1 cooperatives);

2 (ii) irrigation districts organized under the laws of

3 Montana and not operating for profit;

4 (iii) municipal corporations; and

5 (iv) public libraries;

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

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

8 worship or for residences of the clergy, together with

9 adjacent land reasonably necessary for convenient use of

10 such buildings;

11 (c) property used exclusively for agricultural and

12 horticultural societies, for educational purposes, and for

13 hospitals;

14 (d) property that meets the following conditions:

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

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

17 21;

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

19 cemetery or cemeteries for which a permanent care and

20 improvement fund has been established as provided for in

21 Title 35, chapter 20, part 3; and

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

23 corporate profit;

24 (e) institutions of purely public charity;

25 (f) evidence of debt secured by mortgages of record

1 upon real or personal property in the state of Montana;

2 (g) public art galleries and public observatories not

3 used or held for private or corporate profit;

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

5 not limited to clocks, musical instruments, sewing machines,

6 and wearing apparel of members of the family, used by the

7 owner for personal and domestic purposes or for furnishing

8 or equipping the family residence;

9 (i) a truck canopy cover or topper weighing less than

10 300 pounds and having no accommodations attached. Such

11 property is also exempt from ~~the-fee-in-lieu-of-tax~~ taxation

12 under 61-3-504(2).

13 (j) a bicycle, as defined in 61-1-123, used by the

14 owner for personal transportation purposes;

15 ~~{k}--automobiles--and-trucks-having-a-rated-capacity-of~~

16 ~~three-quarters-of-a-ton-or-less;~~

17 ~~{i}--motorcycles-and-quadracycles;~~

18 ~~{m}{k}~~ fixtures, buildings, and improvements owned by

19 a cooperative association or nonprofit corporation organized

20 to furnish potable water to its members or customers for

21 uses other than the irrigation of agricultural land;

22 ~~{n}{l}~~ the right of entry that is a property right

23 reserved in land or received by mesne conveyance (exclusive

24 of leasehold interests), devise, or succession to enter land

25 whose surface title is held by another to explore, prospect,

1 or dig for oil, gas, coal, or minerals;

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

7 ~~(p)~~(n) all farm buildings with a market value of less  
8 than \$500 and all agricultural implements and machinery with  
9 a market value of less than \$100.

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

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

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

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

1 (b) \$100,000 in the case of a multifamily residential  
2 dwelling or a nonresidential structure. (Subsection (1)(p)  
3 ~~(now (1)(n))~~ applicable to taxable years beginning after  
4 December 31, 1985--sec. 4, Ch. 463, L. 1985.)"

5 Section 6. Section 15-8-201, MCA, is amended to read:  
6 "15-8-201. General assessment day. (1) The department  
7 of revenue or its agent must, between January 1 and the  
8 second Monday of July in each year, ascertain the names of  
9 all taxable inhabitants and assess all property subject to  
10 taxation in each county. The department or its agent must  
11 assess property to the person by whom it was owned or  
12 claimed or in whose possession or control it was at midnight  
13 of January 1 next preceding. It must also ascertain and  
14 assess all mobile homes arriving in the county after  
15 midnight of January 1 next preceding. No mistake in the name  
16 of the owner or supposed owner of real property, however,  
17 renders the assessment invalid.

18 (2) The procedure provided by this section may not  
19 apply to:

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

23 ~~(b)--automobiles-and-trucks-having-a-rated-capacity--of~~  
24 ~~three-quarters-of-a-ton-or-less;~~

25 ~~(c)--motor--homes--and-travel-trailers-subject-to-a-fee~~

1 in-lieu-of-property-tax;

2 (d)--motorcycles-and-quadracycles;

3 (e)(b) livestock;

4 (f)(c) property defined in 61-1-104 as "special mobile  
5 equipment" that is subject to assessment for personal  
6 property taxes on the date that application is made for a  
7 special mobile equipment plate; and

8 (g)(d) mobile homes held by a distributor or dealer of  
9 mobile homes as a part of his stock in trade.

10 (3) Credits must be assessed as provided in  
11 15-1-101(1)(d)."

12 Section 7. Section 15-8-202, MCA, is amended to read:

13 "15-8-202. Motor vehicle assessment. (1) The  
14 department, or its agent, or the county treasurer under  
15 61-3-503, must, in each year, ascertain and assess all motor  
16 vehicles other--than--automobiles,--trucks--having--a--rated  
17 capacity--of--three-quarters--of--a-ton-or-less,--motorcycles,  
18 quadracycles,--motor-homes,--travel-trailers, or mobile homes  
19 in each county subject to taxation as of January 1 or as of  
20 the anniversary registration date of those vehicles subject  
21 to 61-3-313 through 61-3-316 and 61-3-501. The assessment  
22 for all motor vehicles will must be made using--the--market  
23 value--as--of--January--1--of--the-year-of-assessment-of-the  
24 vehicle-as-contained--in--the--most--recent--volume--of--the  
25 Mountain--States--Edition-of-the-National-Automobile-Dealers

1 ~~Association-Official--Used--Car--Guide~~ in accordance with  
2 61-3-503. The motor vehicles shall be assessed in each year  
3 to the persons by whom owned or claimed or in whose  
4 possession or control they were at midnight of January 1 or  
5 the anniversary registration date thereof, whichever is  
6 applicable.

7 (2) No tax may be assessed against motor vehicles  
8 subject to taxation that constitute inventory of motor  
9 vehicle dealers as of January 1. These vehicles and all  
10 other motor vehicles subject to taxation brought into the  
11 state subsequent to January 1 as motor vehicle dealers'  
12 inventories shall be assessed to their respective purchasers  
13 as of the dates the vehicles are registered by the  
14 purchasers.

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

18 (4) Goods, wares, and merchandise of motor vehicle  
19 dealers, other than new motor vehicles and new mobile homes,  
20 shall be assessed at market value as of January 1."

21 Section 8. Section 15-24-101, MCA, is amended to read:

22 "15-24-101. Assessment of proportionally registered  
23 interstate motor vehicle fleets -- tax payment required for  
24 registration. (1) The department of revenue shall assess,  
25 for the purpose of personal property taxes, the taxable



1 vehicles in interstate motor vehicle fleets proportionally  
 2 registered under the provisions of 61-3-711 through  
 3 61-3-733, and the assessment shall be apportioned on the  
 4 ratio of total miles traveled to in-state miles traveled  
 5 formula as prescribed by 61-3-721. Interstate motor vehicle  
 6 fleets are assessable for taxation purposes upon application  
 7 for proportional registration and are assessed to the  
 8 persons who own or claim or in whose possession or control  
 9 the fleet is at the time of the application.

10 (2) With respect to any fleet contained in an original  
 11 application which has a situs for purpose of property  
 12 taxation in Montana by the terms of this part or any other  
 13 provision of the laws of Montana between January 1 and April  
 14 1, the taxable vehicles are taxed for a full year. With  
 15 respect to any fleet contained in an original application  
 16 which acquires a situs for the purpose of property taxation  
 17 in Montana under the provisions of this part or any other  
 18 law of the state of Montana after April 1, the taxes on  
 19 taxable vehicles are apportioned as provided in 15-24-303.

20 (3) With respect to any fleet contained in a renewal  
 21 application, the taxable vehicles are assessed and taxed for  
 22 a full year.

23 (4) Automobiles and trucks having a rated capacity of  
 24 three-quarters of a ton or less that are part of an  
 25 interstate motor vehicle fleet are subject to ~~the--light~~

1 ~~vehicle-license-fee-imposed-by-61-3-532~~ property tax. If the  
 2 fleet is proportionally registered, the fee tax is  
 3 apportioned in the same fashion as the registration fee  
 4 under 61-3-721.

5 (5) Vehicles contained in a fleet for which current  
 6 taxes, fees, or both have been assessed and paid shall not  
 7 be assessed or charged fees under this section upon  
 8 presentation to the department of proof of payment of taxes,  
 9 or fees, or both for the current registration year. The  
 10 payment of personal property taxes, fees, or both, is a  
 11 condition precedent to proportional registration or  
 12 reregistration of an interstate motor vehicle fleet."

13 Section 9. Section 15-24-105, MCA, is amended to read:  
 14 "15-24-105. Deposit and distribution of taxes and fees  
 15 on proportionally registered fleets. The personal property  
 16 taxes and license fees collected under this part shall be  
 17 deposited with the state treasurer for distribution to the  
 18 general fund of each county on the following basis:

19 (1) for personal property taxes, according to the  
 20 ratio of the taxable valuation of each county to the total  
 21 state taxable valuation; and

22 (2) for ~~light~~ vehicle license fees, according to the  
 23 ratio of ~~light~~ vehicle license fees, other than fees derived  
 24 from interstate motor vehicle fleets, collected in each  
 25 county to the sum of all such fees collected in all the

1 counties."

2 Section 10. Section 15-24-301, MCA, is amended to  
3 read:

4 "15-24-301. Personal property brought into the state  
5 -- assessment -- exceptions -- custom combine equipment. (1)  
6 Except as provided in subsections (2) through ~~(6)~~ (5),  
7 property in the following cases is subject to taxation and  
8 assessment for all taxes levied that year in the county in  
9 which it is located:

10 (a) any personal property (including livestock)  
11 brought, driven, or coming into this state at any time  
12 during the year that is used in the state for hire,  
13 compensation, or profit;

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

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

18 (2) The taxes on this property are levied in the same  
19 manner and to the same extent, except as otherwise provided,  
20 as though the property had been in the county on the regular  
21 assessment date, provided that the property has not been  
22 regularly assessed for the year in some other county of the  
23 state.

24 (3) Nothing in this section shall be construed to levy  
25 a tax against a merchant or dealer within this state on

1 goods, wares, or merchandise brought into the county to  
2 replenish the stock of the merchant or dealer.

3 (4) Any motor vehicle ~~not-subject-to-the-tight-vehicle~~  
4 ~~license-fee-or-a-fee-in-lieu-of--tax~~ brought, driven, or  
5 coming into this state by any nonresident person temporarily  
6 employed in Montana and used exclusively for transportation  
7 of such person is subject to taxation and assessment for  
8 taxes as follows:

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

11 (b) One-fourth of the annual tax liability of the  
12 motor vehicle must be paid for each quarter or portion of a  
13 quarter of the year that the motor vehicle is located in  
14 Montana.

15 (c) The quarterly taxes are due the first day of the  
16 quarter.

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

24 ~~(6) The provisions of this part do not apply to~~  
25 ~~automobiles and trucks having a rated capacity of~~

1 ~~three-quarters--of--a---ton---or---less,---motorcycles,---or~~  
 2 ~~quadricycles. These vehicles are subject to the fee provided~~  
 3 ~~for in 61-3-532 or 61-3-541."~~

4 Section 11. Section 15-30-121, MCA, is amended to  
 5 read:

6 "15-30-121. Deductions allowed in computing net  
 7 income. In computing net income, there are allowed as  
 8 deductions:

9 (1) the items referred to in sections 161 and 211 of  
 10 the Internal Revenue Code of 1954, or as sections 161 and  
 11 211 shall be labeled or amended, subject to the following  
 12 exceptions which are not deductible:

- 13 (a) items provided for in 15-30-123;  
 14 (b) state income tax paid;
- 15 (2) federal income tax paid within the taxable year;  
 16 (3) expenses of household and dependent care services  
 17 as outlined in subsections (3)(a) through (3)(c) and subject  
 18 to the limitations and rules as set out in subsections  
 19 (3)(d) through (3)(f) as follows:

20 (a) expenses for household and dependent care services  
 21 necessary for gainful employment incurred for:

- 22 (i) a dependent under 15 years of age for whom an  
 23 exemption can be claimed;  
 24 (ii) a dependent as allowable under 15-30-112(5),  
 25 except that the limitations for age and gross income do not

1 apply, who is unable to care for himself because of physical  
 2 or mental illness; and

3 (iii) a spouse who is unable to care for himself  
 4 because of physical or mental illness;

5 (b) employment-related expenses incurred for the  
 6 following services, but only if such expenses are incurred  
 7 to enable the taxpayer to be gainfully employed:

8 (i) household services which are attributable to the  
 9 care of the qualifying individual; and

10 (ii) care of an individual who qualifies under  
 11 subsection (3)(a);

12 (c) expenses incurred in maintaining a household if  
 13 over half of the cost of maintaining the household is  
 14 furnished by an individual or, if the individual is married  
 15 during the applicable period, is furnished by the individual  
 16 and his spouse;

17 (d) the amounts deductible in subsection (3)(a)  
 18 through (3)(c) are subject to the following limitations:

19 (i) a deduction is allowed under subsection (3)(a) for  
 20 employment-related expenses incurred during the year only to  
 21 the extent such expenses do not exceed \$4,800;

22 (ii) expenses for services in the household are  
 23 deductible under subsection (3)(a) for employment-related  
 24 expenses only if they are incurred for services in the  
 25 taxpayer's household, except that employment-related

1 expenses incurred for services outside the taxpayer's  
2 household are deductible, but only if incurred for the care  
3 of a qualifying individual described in subsection (3)(a)(i)  
4 and only to the extent such expenses incurred during the  
5 year do not exceed:

6 (A) \$2,400 in the case of one qualifying individual;

7 (B) \$3,600 in the case of two qualifying individuals;

8 and

9 (C) \$4,800 in the case of three or more qualifying  
10 individuals;

11 (e) if the combined adjusted gross income of the  
12 taxpayers exceeds \$18,000 for the taxable year during which  
13 the expenses are incurred, the amount of the  
14 employment-related expenses incurred must be reduced by  
15 one-half of the excess of the combined adjusted gross income  
16 over \$18,000;

17 (f) for purposes of this subsection (3):

18 (i) married couples shall file a joint return or file  
19 separately on the same form;

20 (ii) if the taxpayer is married during any period of  
21 the taxable year, employment-related expenses incurred are  
22 deductible only if:

23 (A) both spouses are gainfully employed on a  
24 substantially full-time basis; or

25 (B) the spouse is a qualifying individual described in

1 subsection (3)(a)(iii);

2 (iii) an individual legally separated from his spouse  
3 under a decree of divorce or of separate maintenance may not  
4 be considered as married;

5 (iv) the deduction for employment-related expenses must  
6 be divided equally between the spouses when filing  
7 separately on the same form;

8 (v) payment made to a child of the taxpayer who is  
9 under 19 years of age at the close of the taxable year and  
10 payments made to an individual with respect to whom a  
11 deduction is allowable under 15-30-112(5) are not deductible  
12 as employment-related expenses;

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

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

20 ~~{6}--light--vehicle--license--fees--as--provided--by~~  
21 ~~61-3-532,--paid-during-the-taxable-year;~~

22 ~~{7}--fees--in--lieu--of--taxes--on--motorcycles--and~~  
23 ~~quadracycles--as--provided--by--61-3-541,--paid--during--the~~  
24 ~~taxable-year; and~~

25 ~~{8}{6}~~ contributions to the child abuse and neglect

1 prevention program provided for in 41-3-701, subject to the  
 2 conditions set forth in 15-30-156. (Subsection (8) [now  
 3 subsection (6)] terminates January 1, 1990--sec. 13, Ch.  
 4 610, L. 1985.)"

5 Section 12. Section 15-31-114, MCA, is amended to  
 6 read:

7 "15-31-114. Deductions allowed in computing income. In  
 8 computing the net income, the following deductions shall be  
 9 allowed from the gross income received by such corporation  
 10 within the year from all sources:

11 (1) All the ordinary and necessary expenses paid or  
 12 incurred during the taxable year in the maintenance and  
 13 operation of its business and properties, including  
 14 reasonable allowance for salaries for personal services  
 15 actually rendered, subject to the limitation hereinafter  
 16 contained, rentals or other payments required to be made as  
 17 a condition to the continued use or possession of property  
 18 to which the corporation has not taken or is not taking  
 19 title or in which it has no equity. No deduction shall be  
 20 allowed for salaries paid upon which the recipient thereof  
 21 has not paid Montana state income tax; provided, however,  
 22 that where domestic corporations are taxed on income derived  
 23 from without the state, salaries of officers paid in  
 24 connection with securing such income shall be deductible.

25 (2) (a) All losses actually sustained and charged off

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

15 (b) (i) There shall be allowed as a deduction for the  
 16 taxable period a net operating loss deduction determined  
 17 according to the provisions of this subsection. The net  
 18 operating loss deduction is the aggregate of net operating  
 19 loss carryovers to such taxable period plus the net  
 20 operating loss carrybacks to such taxable period. The term  
 21 "net operating loss" means the excess of the deductions  
 22 allowed by this section, 15-31-114, over the gross income,  
 23 with the modifications specified in (ii) of this subsection.  
 24 If for any taxable period beginning after December 31, 1970,  
 25 a net operating loss is sustained, such loss shall be a net

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

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

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

24 (B) The deduction for depletion shall not exceed the  
 25 amount which would be allowable if computed under the cost

1 method.

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

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

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

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

21 (vi) The net operating loss deduction shall not be  
 22 allowed with respect to taxable periods which ended on or  
 23 before December 31, 1970, but shall be allowed only with  
 24 respect to taxable periods beginning on or after January 1,  
 25 1971.

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

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

18 (5) (a) Taxes paid within the year, except the  
 19 following:

20 (i) Taxes imposed by this part.

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

23 (iii) Taxes on or according to or measured by net  
 24 income or profits imposed by authority of the government of  
 25 the United States.

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

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

6 ~~(6) Light vehicle license fees, as provided by~~  
 7 ~~61-3-532, and fees in lieu of taxes for motorcycles and~~  
 8 ~~quadricycles, as provided by 61-3-541, paid within the year.~~

9 ~~(7)(6)~~ That portion of an energy-related investment  
 10 allowed as a deduction under 15-32-103.

11 ~~(8)(7)~~ (a) Except as provided in subsection (b),  
 12 charitable contributions and gifts that qualify for  
 13 deduction under section 170 of the Internal Revenue Code, as  
 14 amended.

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

18 ~~(9)(8)~~ In lieu of the deduction allowed under  
 19 subsection ~~(8)~~ ~~(7)~~, the taxpayer may deduct the fair market  
 20 value, not to exceed 30% of the taxpayer's net income, of a  
 21 computer or other sophisticated technological equipment or  
 22 apparatus intended for use with the computer donated to an  
 23 elementary, secondary, or accredited postsecondary school  
 24 located in Montana if:

25 (a) the contribution is made no later than 5 years

1 after the manufacture of the donated property is  
2 substantially completed;

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

5 (c) the taxpayer receives a written statement from the  
6 donee in which the donee agrees to accept the property and  
7 representing that the use and disposition of the property  
8 will be in accordance with the provisions of (b) of this  
9 subsection ~~(9)~~ (8)."

10 Section 13. Section 15-36-112, MCA, is amended to  
11 read:

12 "15-36-112. Disposition of oil and gas severance  
13 taxes. (1) Each year the department of revenue shall  
14 determine the amount of tax collected under this chapter  
15 from within each county.

16 (2) The severance taxes collected under this chapter  
17 are allocated as follows:

18 ~~(a) 33 1/3% of the oil severance tax, not to exceed~~  
19 ~~\$42 million for the biennium ending June 30, 1985, is~~  
20 ~~deposited in the local government block grant account within~~  
21 ~~the state special revenue fund;~~

22 ~~(b)(a)~~ the amount, if any, by which the tax collected  
23 from within a county for any fiscal year exceeds the total  
24 amount collected from within that county for the previous  
25 fiscal year, by reason of increased production and not

1 because of increase in or elimination of federal price  
2 ceilings on oil and gas, is statutorily appropriated, as  
3 provided in 17-7-502, for allocation to the general fund of  
4 the county for distribution as provided in subsection (3);

5 ~~(c)(b)~~ any amount not allocated to the ~~local~~  
6 ~~government block grant account or~~ the county under  
7 subsection (2)(a) ~~or (2)(b)~~ is allocated to the state  
8 general fund.

9 (3) (a) The county treasurer shall distribute the  
10 money received under subsection ~~(2)(b)~~ (2)(a) of this  
11 section to the county and to all the incorporated cities and  
12 towns within the county in the following manner. The county  
13 receives the available money multiplied by the ratio of the  
14 rural population to the county population. Each incorporated  
15 municipality receives the available money multiplied by the  
16 ratio of the population of the incorporated municipality to  
17 the county population. The rural population is that  
18 population of the county living outside the boundaries of an  
19 incorporated municipality. Population shall be based on the  
20 most recent figures as determined by the department of  
21 commerce.

22 (b) The money distributed under this subsection may be  
23 used for any purpose as determined by the governing body of  
24 the county, city, or town."

25 Section 14. Section 15-50-207, MCA, is amended to



1 read:

2 "15-50-207. Credit against other taxes -- credit for  
3 personal property taxes and certain fees. (1) The additional  
4 license fees withheld or otherwise paid as provided herein  
5 may be used as a credit on the contractor's corporation  
6 license tax provided for in chapter 31 of this title or on  
7 the contractor's income tax provided for in chapter 30,  
8 depending upon the type of tax the contractor is required to  
9 pay under the laws of the state.

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

23 Section 15. Section 20-9-141, MCA, is amended to read:

24 "20-9-141. Computation of general fund net levy  
25 requirement by county superintendent. (1) The county

1 superintendent shall compute the levy requirement for each  
2 district's general fund on the basis of the following  
3 procedure:

4 (a) Determine the total of the funding required for  
5 the district's final general fund budget less the amount  
6 established by the schedules in 20-9-316 through 20-9-321 by  
7 totaling:

8 (i) the district's nonisolated school foundation  
9 program requirement to be met by a district levy as provided  
10 in 20-9-303;

11 (ii) the district's permissive levy amount as provided  
12 in 20-9-352; and

13 (iii) any general fund budget amount adopted by the  
14 trustees of the district under the provisions of 20-9-353,  
15 including any additional levies authorized by the electors  
16 of the district.

17 (b) Determine the total of the moneys available for  
18 the reduction of the property tax on the district for the  
19 general fund by totaling:

20 (i) anticipated federal moneys received under the  
21 provisions of Title I of Public Law 81-874 or other  
22 anticipated federal moneys received in lieu of such federal  
23 act;

24 (ii) anticipated tuition payments for out-of-district  
25 pupils under the provisions of 20-5-303, 20-5-307, 20-5-312,

1 and 20-5-313;

2 (iii) general fund cash reappropriated, as established

3 under the provisions of 20-9-104;

4 (iv) anticipated or reappropriated state impact aid

5 received under the provisions of 20-9-304;

6 (v) anticipated ~~or reappropriated motor vehicle fees~~

7 ~~and reimbursement under the provisions of 61-3-532 and~~

8 ~~61-3-536~~ revenue from vehicle property taxes imposed under

9 61-3-504(2);

10 (vi) anticipated net proceeds taxes for new production,

11 as defined in 15-23-601;

12 (vii) anticipated interest to be earned or

13 reappropriated interest earned by the investment of general

14 fund cash in accordance with the provisions of 20-9-213(4);

15 and

16 (viii) any other revenue anticipated by the trustees to

17 be received during the ensuing school fiscal year which may

18 be used to finance the general fund.

19 (c) Subtract the total of the moneys available to

20 reduce the property tax required to finance the general fund

21 that has been determined in subsection (1)(b) from the total

22 requirement determined in subsection (1)(a).

23 (2) The net general fund levy requirement determined

24 in subsection (1)(c) shall be reported to the county

25 commissioners on the second Monday of August by the county

1 superintendent as the general fund levy requirement for the

2 district, and a levy shall be made by the county

3 commissioners in accordance with 20-9-142."

4 Section 16. Section 20-9-331, MCA, is amended to read:

5 "20-9-331. Basic county tax and other revenues for

6 county equalization of the elementary district foundation

7 program. (1) It shall be the duty of the county

8 commissioners of each county to levy an annual basic tax of

9 28 mills on the dollars of the taxable value of all taxable

10 property within the county, except for vehicles subject to

11 taxation under 61-3-504(2), for the purposes of local and

12 state foundation program support. The revenue to be

13 collected from this levy shall be apportioned to the support

14 of the foundation programs of the elementary school

15 districts in the county and to the state special revenue

16 fund, state equalization aid account, in the following

17 manner:

18 (a) In order to determine the amount of revenue raised

19 by this levy which is retained by the county, the sum of the

20 estimated revenues identified in subsection (2) below shall

21 be subtracted from the sum of the county elementary

22 transportation obligation and the total of the foundation

23 programs of all elementary districts of the county.

24 (b) If the basic levy prescribed by this section

25 produces more revenue than is required to finance the

1 difference determined above, the county treasurer shall  
 2 remit the surplus funds to the state treasurer for deposit  
 3 to the state special revenue fund, state equalization aid  
 4 account, immediately upon occurrence of a surplus balance  
 5 and each subsequent month thereafter, with any final  
 6 remittance due no later than June 20 of the fiscal year for  
 7 which the levy has been set.

8 (2) The proceeds realized from the county's portion of  
 9 the levy prescribed by this section and the revenues from  
 10 the following sources shall be used for the equalization of  
 11 the elementary district foundation programs of the county as  
 12 prescribed in 20-9-334, and a separate accounting shall be  
 13 kept of such proceeds and revenues by the county treasurer  
 14 in accordance with 20-9-212(1):

15 (a) the portion of the federal Taylor Grazing Act  
 16 funds distributed to a county and designated for the common  
 17 school fund under the provisions of 17-3-222;

18 (b) the portion of the federal flood control act funds  
 19 distributed to a county and designated for expenditure for  
 20 the benefit of the county common schools under the  
 21 provisions of 17-3-232;

22 (c) all money paid into the county treasury as a  
 23 result of fines for violations of law and the use of which  
 24 is not otherwise specified by law;

25 (d) any money remaining at the end of the immediately

1 preceding school fiscal year in the county treasurer's  
 2 account for the various sources of revenue established or  
 3 referred to in this section;

4 (e) any federal or state money, ~~including anticipated~~  
 5 ~~or-reappropriated-motor-vehicle-fees-and-reimbursement-under~~  
 6 ~~the-provisions-of-61-3-532-and-61-3-536,~~ distributed to the  
 7 county as payment in lieu of the property taxation  
 8 established by the county levy required by this section; and

9 (f) net proceeds taxes for new production, as defined  
 10 in 15-23-601-; and

11 (g) anticipated revenue from vehicle property taxes  
 12 imposed under 61-3-504(2)."

13 Section 17. Section 20-9-333, MCA, is amended to read:

14 "20-9-333. Basic special levy and other revenues for  
 15 county equalization of high school district foundation  
 16 program. (1) It shall be the duty of the county  
 17 commissioners of each county to levy an annual basic special  
 18 tax for high schools of 17 mills on the dollar of the  
 19 taxable value of all taxable property within the county,  
 20 except for vehicles subject to taxation under 61-3-504(2),  
 21 for the purposes of local and state foundation program  
 22 support. The revenue to be collected from this levy shall  
 23 be apportioned to the support of the foundation programs of  
 24 high school districts in the county and to the state special  
 25 revenue fund, state equalization aid account, in the

1 following manner:

2 (a) In order to determine the amount of revenue raised  
3 by this levy which is retained by the county, the estimated  
4 revenues identified in subsections (2)(a) and (2)(b) below  
5 shall be subtracted from the sum of the county's high school  
6 tuition obligation and the total of the foundation programs  
7 of all high school districts of the county.

8 (b) If the basic levy prescribed by this section  
9 produces more revenue than is required to finance the  
10 difference determined above, the county treasurer shall  
11 remit the surplus to the state treasurer for deposit to the  
12 state special revenue fund, state equalization aid account,  
13 immediately upon occurrence of a surplus balance and each  
14 subsequent month thereafter, with any final remittance due  
15 no later than June 20 of the fiscal year for which the levy  
16 has been set.

17 (2) The proceeds realized from the county's portion of  
18 the levy prescribed in this section and the revenues from  
19 the following sources shall be used for the equalization of  
20 the high school district foundation programs of the county  
21 as prescribed in 20-9-334, and a separate accounting shall  
22 be kept of these proceeds by the county treasurer in  
23 accordance with 20-9-212(1):

24 (a) any money remaining at the end of the immediately  
25 preceding school fiscal year in the county treasurer's

1 accounts for the various sources of revenue established in  
2 this section;

3 (b) any federal or state moneys, ~~including anticipated~~  
4 ~~or-reappropriated-motor-vehicle-fees-and-reimbursement-under~~  
5 ~~the-provisions-of-61-3-532-and-61-3-536,~~ distributed to the  
6 county as a payment in lieu of the property taxation  
7 established by the county levy required by this section; and

8 (c) net proceeds taxes for new production, as defined  
9 in 15-23-601; and

10 (d) anticipated revenue from vehicle property taxes  
11 imposed under 61-3-504(2)."

12 Section 18. Section 20-9-352, MCA, is amended to read:

13 "20-9-352. Permissive amount and permissive levy. (1)  
14 Whenever the trustees of any district shall deem it  
15 necessary to adopt a general fund budget in excess of the  
16 foundation program amount but not in excess of the maximum  
17 general fund budget amount for such district as established  
18 by the schedules in 20-9-316 through 20-9-321, the trustees  
19 shall adopt a resolution stating the reasons and purposes  
20 for exceeding the foundation program amount. Such excess  
21 above the foundation program amount shall be known as the  
22 "permissive amount", and it shall be financed by a levy, as  
23 prescribed in 20-9-141, on the taxable value of all taxable  
24 property within the district, ~~as prescribed in 20-9-141~~  
25 except for vehicles subject to taxation under 61-3-504(2),

1 supplemented with any biennial appropriation by the  
2 legislature for this purpose. The proceeds of such an  
3 appropriation shall be deposited to the state special  
4 revenue fund, permissive account.

5 (2) The district levies to be set for the purpose of  
6 funding the permissive amount are determined as follows:

7 (a) For each elementary school district, the county  
8 commissioners shall annually set a levy not exceeding 6  
9 mills on all the taxable property in the district, except  
10 for vehicles subject to taxation under 61-3-504(2), for the  
11 purpose of funding the permissive amount of the district.  
12 The permissive levy in mills shall be obtained by  
13 multiplying the ratio of the permissive amount to the  
14 maximum permissive amount by 6 or by using the number of  
15 mills which would fund the permissive amount, whichever is  
16 less. If the amount of revenue raised by this levy, plus  
17 anticipated ~~or--reappropriated--motor--vehicle---fees---and~~  
18 ~~reimbursement-under-the-provisions-of-61-3-532-and-61-3-536,~~  
19 revenue from vehicle property taxes imposed under  
20 61-3-504(2), is not sufficient to fund the permissive amount  
21 in full, the amount of the deficiency shall be paid to the  
22 district from the state special revenue fund according to  
23 the provisions of subsections (3) and (4) of this section.

24 (b) For each high school district, the county  
25 commissioners shall annually set a levy not exceeding 4

1 mills on all taxable property in the district, except for  
2 vehicles subject to taxation under 61-3-504(2), for the  
3 purpose of funding the permissive amount of the district.  
4 The permissive levy in mills shall be obtained by  
5 multiplying the ratio of the permissive levy to the maximum  
6 permissive amount by 4 or by using the number of mills which  
7 would fund the permissive amount, whichever is less. If the  
8 amount of revenue raised by this levy, plus anticipated  
9 ~~motor-vehicle-fees-and-reimbursement-under-the-provisions-of~~  
10 ~~61-3-532-and-61-3-536,~~ revenue from vehicle property taxes  
11 imposed under 61-3-504(2), and plus net proceeds taxes for  
12 new production, as defined in 15-23-601, is not sufficient  
13 to fund the permissive amount in full, the amount of the  
14 deficiency shall be paid to the district from the state  
15 special revenue fund according to the provisions of  
16 subsections (3) and (4) of this section.

17 (3) The superintendent of public instruction shall, if  
18 the appropriation by the legislature for the permissive  
19 account for the biennium is insufficient, request the budget  
20 director to submit a request for a supplemental  
21 appropriation in the second year of the biennium. The  
22 supplemental appropriation shall provide enough revenue to  
23 fund the permissive deficiency of the elementary and high  
24 school districts of the state. The proceeds of this  
25 appropriation shall be deposited to the state special

1 revenue fund, permissive account, and shall be distributed  
2 to the elementary and high school districts in accordance  
3 with their entitlements as determined by the superintendent  
4 of public instruction according to the provisions of  
5 subsections (1) and (2) of this section.

6 (4) Distribution under this section from the state  
7 special revenue fund shall be made in two payments. The  
8 first payment shall be made at the same time as the first  
9 distribution of state equalization aid is made after January  
10 1 of the fiscal year. The second payment shall be made at  
11 the same time as the last payment of state equalization aid  
12 is made for the fiscal year. If the appropriation is not  
13 sufficient to finance the deficiencies of the districts as  
14 determined according to subsection (2), each district will  
15 receive the same percentage of its deficiency. Surplus  
16 revenue in the second year of the biennium may be used to  
17 reduce the appropriation required for the next succeeding  
18 biennium or may be transferred to the state equalization aid  
19 state special revenue fund if revenues in that fund are  
20 insufficient to meet foundation program requirements."

21 Section 19. Section 20-9-501, MCA, is amended to read:

22 "20-9-501. Retirement fund. (1) The trustees of any  
23 district employing personnel who are members of the  
24 teachers' retirement system or the public employees'  
25 retirement system or who are covered by unemployment

1 insurance or who are covered by any federal social security  
2 system requiring employer contributions shall establish a  
3 retirement fund for the purposes of budgeting and paying the  
4 employer's contributions to such systems. The district's  
5 contribution for each employee who is a member of the  
6 teachers' retirement system shall be calculated in  
7 accordance with Title 19, chapter 4, part 6. The district's  
8 contribution for each employee who is a member of the public  
9 employees' retirement system shall be calculated in  
10 accordance with 19-3-801. The district may levy a special  
11 tax to pay its contribution to the public employees'  
12 retirement system under the conditions prescribed in  
13 19-3-204. The district's contributions for each employee  
14 covered by any federal social security system shall be paid  
15 in accordance with federal law and regulation. The  
16 district's contribution for each employee who is covered by  
17 unemployment insurance shall be paid in accordance with  
18 Title 39, chapter 51, part 11.

19 (2) The trustees of any district required to make a  
20 contribution to any such system shall include in the  
21 retirement fund of the preliminary budget the estimated  
22 amount of the employer's contribution and such additional  
23 moneys, within legal limitations, as they may wish to  
24 provide for the retirement fund cash reserve. After the  
25 final retirement fund budget has been adopted, the trustees

1 shall pay the employer contributions to such systems in  
2 accordance with the financial administration provisions of  
3 this title.

4 (3) When the final retirement fund budget has been  
5 adopted, the county superintendent shall establish the levy  
6 requirement by:

7 (a) determining the sum of the moneys available to  
8 reduce the retirement fund levy requirement by adding:

9 (i) any anticipated moneys that may be realized in the  
10 retirement fund during the ensuing school fiscal year,  
11 including anticipated ~~motor-vehicle-fees-and-reimbursement~~  
12 ~~under-the-provisions-of-61-3-532-and-61-3-536~~ revenue from  
13 vehicle property taxes imposed under 61-3-504(2);

14 (ii) net proceeds taxes for new production, as defined  
15 in 15-23-601; and

16 (iii) any cash available for reappropriation as  
17 determined by subtracting the amount of the end-of-the-year  
18 cash balance earmarked as the retirement fund cash reserve  
19 for the ensuing school fiscal year by the trustees from the  
20 end-of-the-year cash balance in the retirement fund. The  
21 retirement fund cash reserve shall not be more than 35% of  
22 the final retirement fund budget for the ensuing school  
23 fiscal year and shall be used for the purpose of paying  
24 retirement fund warrants issued by the district under the  
25 final retirement fund budget.

1 (b) subtracting the total of the moneys available for  
2 reduction of the levy requirement as determined in  
3 subsection (3)(a) from the budgeted amount for expenditures  
4 in the final retirement fund budget.

5 (4) The county superintendent shall total the net  
6 retirement fund levy requirements separately for all  
7 elementary school districts, all high school districts, and  
8 all community college districts of the county, including any  
9 prorated joint district or special education cooperative  
10 agreement levy requirements, and shall report each such levy  
11 requirement to the county commissioners on the second Monday  
12 of August as the respective county levy requirements for  
13 elementary district, high school district, and community  
14 college district retirement funds. The county commissioners  
15 shall fix and set such county levy in accordance with  
16 20-9-142.

17 (5) The net retirement fund levy requirement for a  
18 joint elementary district or a joint high school district  
19 shall be prorated to each county in which a part of such  
20 district is located in the same proportion as the district  
21 ANB of the joint district is distributed by pupil residence  
22 in each such county. The county superintendents of the  
23 counties affected shall jointly determine the net retirement  
24 fund levy requirement for each county as provided in  
25 20-9-151.

1 (6) The net retirement fund levy requirement for  
 2 districts that are members of special education cooperative  
 3 agreements shall be prorated to each county in which such  
 4 district is located in the same proportion as the budget for  
 5 the special education cooperative agreement of the district  
 6 bears to the total budget of the cooperative. The county  
 7 superintendents of the counties affected shall jointly  
 8 determine the net retirement fund levy requirement for each  
 9 county in the same manner as provided in 20-9-151 and fix  
 10 and levy the net retirement fund levy for each county in the  
 11 same manner as provided in 20-9-152."

12 Section 20. Section 20-10-144, MCA, is amended to  
 13 read:

14 "20-10-144. Computation of revenues and net tax levy  
 15 requirements for the transportation fund budget. Before the  
 16 fourth Monday of July and in accordance with 20-9-123, the  
 17 county superintendent shall compute the revenue available to  
 18 finance the transportation fund budget of each district. The  
 19 county superintendent shall compute the revenue for each  
 20 district on the following basis:

21 (1) The "schedule amount" of the preliminary budget  
 22 expenditures that is derived from the rate schedules in  
 23 20-10-141 and 20-10-142 shall be determined by adding the  
 24 following amounts:

25 (a) the sum of the maximum reimbursable expenditures

1 for all approved school bus routes maintained by the  
 2 district (to determine the maximum reimbursable expenditure,  
 3 multiply the applicable rate per bus mile by the total  
 4 number of miles to be traveled during the ensuing school  
 5 fiscal year on each bus route approved by the county  
 6 transportation committee and maintained by such district);  
 7 plus

8 (b) the total of all individual transportation per  
 9 diem reimbursement rates for such district as determined  
 10 from the contracts submitted by the district multiplied by  
 11 the number of pupil-instruction days scheduled for the  
 12 ensuing school attendance year; plus

13 (c) any estimated costs for supervised home study or  
 14 supervised correspondence study for the ensuing school  
 15 fiscal year; plus

16 (d) the amount budgeted on the preliminary budget for  
 17 the contingency amount permitted in 20-10-143, except if  
 18 such amount exceeds 10% of the total of subsections (1)(a),  
 19 (1)(b), and (1)(c) or \$100, whichever is larger, the  
 20 contingency amount on the preliminary budget shall be  
 21 reduced to such limitation amount and used in this  
 22 determination of the schedule amount.

23 (2) The schedule amount determined in subsection (1)  
 24 or the total preliminary transportation fund budget,  
 25 whichever is smaller, shall be divided by 3 and the



1 resulting one-third amount shall be used to determine the  
2 available state and county revenue to be budgeted on the  
3 following basis:

4 (a) the resulting one-third amount shall be the  
5 budgeted state transportation reimbursement, except that the  
6 state transportation reimbursement for the transportation of  
7 special education pupils under the provisions of 20-7-442  
8 shall be two-thirds of the schedule amount attributed to the  
9 transportation of special education pupils;

10 (b) the resulting one-third amount, except as provided  
11 for joint elementary districts in subsection (2)(e), shall  
12 be the budgeted county transportation reimbursement for  
13 elementary districts and shall be financed by the basic  
14 county tax under the provisions of 20-9-334;

15 (c) the resulting one-third amount multiplied by 2  
16 shall be the budgeted county transportation reimbursement  
17 amount for high school districts financed under the  
18 provisions of subsection (5) of this section, except as  
19 provided for joint high school districts in subsection  
20 (2)(e), and except that the county transportation  
21 reimbursement for the transportation of special education  
22 pupils under the provisions of 20-7-442 shall be one-third  
23 of the schedule amount attributed to the transportation of  
24 special education pupils;

25 (d) when the district has a sufficient amount of cash

1 for reappropriation and other sources of district revenue,  
2 as determined in subsection (3), to reduce the total  
3 district obligation for financing to zero, any remaining  
4 amount of such district revenue and cash reappropriated  
5 shall be used to reduce the county financing obligation in  
6 subsections (2)(b) or (2)(c) and, if such county financing  
7 obligations are reduced to zero, to reduce the state  
8 financial obligation in subsection (2)(a); and

9 (e) the county revenue requirement for a joint  
10 district, after the application of any district moneys under  
11 subsection (2)(d) above, shall be prorated to each county  
12 incorporated by the joint district in the same proportion as  
13 the ANB of the joint district is distributed by pupil  
14 residence in each such county.

15 (3) The total of the moneys available for the  
16 reduction of property tax on the district for the  
17 transportation fund shall be determined by totaling:

18 (a) anticipated federal moneys received under the  
19 provisions of Title I of Public Law 81-874 or other  
20 anticipated federal moneys received in lieu of such federal  
21 act; plus

22 (b) anticipated payments from other districts for  
23 providing school bus transportation services for such  
24 district; plus

25 (c) anticipated payments from a parent or guardian for

1 providing school bus transportation services for his child;  
2 plus

3 (d) anticipated interest to be earned by the  
4 investment of transportation fund cash in accordance with  
5 the provisions of 20-9-213(4); plus

6 (e) anticipated ~~motor--vehicle-fees-and-reimbursement~~  
7 ~~under-the-provisions-of-61-3-532-and-61-3-536~~ revenue from  
8 vehicle property taxes imposed under 61-3-504(2); plus

9 (f) net proceeds taxes for new production, as defined  
10 in 15-23-601; plus

11 (g) any other revenue anticipated by the trustees to  
12 be earned during the ensuing school fiscal year which may be  
13 used to finance the transportation fund; plus

14 (h) any cash available for reappropriation as  
15 determined by subtracting the amount of the end-of-the-year  
16 cash balance earmarked as the transportation fund cash  
17 reserve for the ensuing school fiscal year by the trustees  
18 from the end-of-the-year cash balance in the transportation  
19 fund. Such cash reserve shall not be more than 20% of the  
20 final transportation fund budget for the ensuing school  
21 fiscal year and shall be for the purpose of paying  
22 transportation fund warrants issued by the district under  
23 the final transportation fund budget.

24 (4) The district levy requirement for each district's  
25 transportation fund shall be computed by:

1 (a) subtracting the schedule amount calculated in  
2 subsection (1) from the total preliminary transportation  
3 budget amount and, for an elementary district, adding such  
4 difference to the district obligation to finance one-third  
5 of the schedule amount as determined in subsection (2); and

6 (b) subtracting the amount of moneys available to  
7 reduce the property tax on the district, as determined in  
8 subsection (3), from the amount determined in subsection  
9 (4)(a) above.

10 (5) The county levy requirement for the financing of  
11 the county transportation reimbursement to high school  
12 districts shall be computed by adding all such requirements  
13 for all the high school districts of the county, including  
14 the county's obligation for reimbursements in joint high  
15 school districts.

16 (6) The transportation fund levy requirements  
17 determined in subsection (4) for each district and in  
18 subsection (5) for the county shall be reported to the  
19 county commissioners on the second Monday of August by the  
20 county superintendent as the transportation fund levy  
21 requirements for the district and for the county, and such  
22 levies shall be made by the county commissioners in  
23 accordance with 20-9-142."

24 Section 21. Section 61-1-130, MCA, is amended to read:  
25 "61-1-130. Motor home. "Motor home" ~~as--used--in~~

1 ~~61-3-521 and 61-3-522~~ means a self-propelled motor vehicle  
 2 originally designed or permanently altered to provide  
 3 temporary facilities for recreational, travel, or camping  
 4 use."

5 Section 22. Section 61-1-131, MCA, is amended to read:

6 "61-1-131. Travel trailer. "Travel trailer" ~~as used in~~  
 7 ~~61-3-521 and 61-3-523~~ means a trailer 45 feet or less in  
 8 length and 8 feet or less in width originally designed or  
 9 permanently altered to provide temporary facilities for  
 10 recreational, travel, or camping use and not used as a  
 11 principal residence."

12 Section 23. Section 61-3-303, MCA, is amended to read:

13 "61-3-303. Application for registration. (1) Every  
 14 owner of a motor vehicle operated or driven upon the public  
 15 highways of this state shall for each motor vehicle owned,  
 16 except as herein otherwise expressly provided, file or cause  
 17 to be filed in the office of the county treasurer where the  
 18 motor vehicle is owned or taxable an application for  
 19 registration or reregistration upon a blank form to be  
 20 prepared and furnished by the department. The application  
 21 shall contain:

22 (a) name and address of owner, giving county, school  
 23 district, and town or city within whose corporate limits the  
 24 motor vehicle is taxable, if taxable, or within whose  
 25 corporate limits the owner's residence is located if the

1 motor vehicle is not taxable;

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

4 (c) description of motor vehicle, including make, year  
 5 model, engine or serial number, manufacturer's model or  
 6 letter, gross weight, type of body, and if truck, the rated  
 7 capacity;

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

10 (e) such other information as the department may  
 11 require.

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

16 (a) the registration fee, as provided in 61-3-311 and  
 17 61-3-321; and

18 (b) unless it has been previously paid:

19 (i) the personal property taxes assessed against the  
 20 vehicle for the current year of registration and the  
 21 immediately previous year; or

22 (ii) the new motor vehicle sales tax against the  
 23 vehicle for the current year of registration, and/or the  
 24 ~~license fee imposed by 61-3-532 for the current year of~~  
 25 ~~registration and the immediately previous year; or~~

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

(3) The application may not be accepted by the county treasurer unless the payments required by subsection (2) accompany the application. The county treasurer may not assess or collect taxes or fees for a period other than:

(a) the current year; and

(b) the immediately previous year, if the vehicle was not registered or operated on the highways of the state, regardless of the period of time since the vehicle was previously registered or operated.

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

Section 24. Section 61-3-332, MCA, is amended to read:

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

trucks, one for dealers in vehicles of the motorcycle or quadricycle type which shall bear the distinctive letters "MCD" or the letters "MC" and the word "DEALER", one for franchised dealers in new motorcars (including trucks and trailers) or new and used motorcars (including trucks and trailers) which shall bear the distinctive letter "D" or the word "DEALER", one for dealers in used motorcars only (including used trucks and trailers) which shall bear the distinctive letters "UD" or the letter "U" and the word "DEALER", and one for dealers in trailers and/or semitrailers (new or used) which shall bear the distinctive letters "DTR" or the letters "TR" and the word "DEALER". All such markings for the aforementioned kinds of dealers' plates shall be placed on the number plates assigned thereto in such position thereon as the department may designate.

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

(3) In the case of motorcars and trucks, plates shall be of metal 6 inches wide and 12 inches in length. The outline of the state of Montana shall be used as a

1 distinctive border on such license plates, and the word  
 2 "Montana" with the year shall be placed across the plates.  
 3 Such registration plates shall be treated with a  
 4 reflectorized background material according to  
 5 specifications prescribed by the department.

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

19 (5) For the use of tax-exempt motor vehicles ~~that--are~~  
 20 ~~also--exempt--from--the--light--vehicle--license--fee--as--provided~~  
 21 ~~in--subsection--(2)(a)--of--62-3-532~~, in addition to the  
 22 markings herein provided, number plates shall have thereon  
 23 the following distinctive markings:

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

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

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

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

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

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

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

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

8 Section 25. Section 61-3-431, MCA, is amended to read:  
 9 "61-3-431. Special mobile equipment -- exemption from  
 10 registration and payment of fees and charges --  
 11 identification plate -- publicly owned special mobile  
 12 equipment. (1) A person, firm, partnership, or corporation  
 13 who owns, leases, or rents special mobile equipment as  
 14 defined in 61-1-104 and occasionally moves that equipment  
 15 on, over, or across the highways of the state is not subject  
 16 to registration of that equipment or required to pay the  
 17 fees and charges provided for in 61-3-502, 61-4-301 through  
 18 61-4-308, or part 2 of chapter 10. Prior to movement on the  
 19 highways, however, each piece of equipment shall display an  
 20 equipment identification plate or a dealer's license plate  
 21 attached to the equipment.

22 (2) Annual application for the identification plate  
 23 shall be made to the county treasurer before any piece of  
 24 equipment is moved on the highways. Application shall be  
 25 made on a form furnished by the department of justice,

1 together with the payment of a fee of \$5. The equipment for  
 2 which a special mobile equipment plate is sought is subject  
 3 to the assessment of personal property taxes on the date  
 4 application is made for the plate. The personal property  
 5 taxes assessed against the special mobile equipment must be  
 6 paid before the issuance of a special mobile equipment  
 7 plate. The fees collected under this section belong to the  
 8 county road fund.

9 (3) The identification plate expires on December 31 of  
 10 each year. If the expired identification plate is displayed,  
 11 an owner of special mobile equipment registered under the  
 12 provisions of this section is entitled to operate the  
 13 equipment between January 1 and February 15 following  
 14 expiration without displaying the identification plate or  
 15 receipt of the current year.

16 (4) Publicly owned special mobile equipment and  
 17 implements of husbandry used exclusively by an owner in the  
 18 conduct of his own farming operations are exempt from this  
 19 section."

20 Section 26. Section 61-3-501, MCA, is amended to read:

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

1 (2) If the anniversary date for reregistration of a  
 2 vehicle passes while the vehicle is owned and held for sale  
 3 by a licensed new or used car dealer, property taxes, ~~light~~  
 4 ~~vehicle-license-fees, or the fee-in-lieu-of--property--taxes~~  
 5 abate on such vehicle properly reported with the department  
 6 of revenue until the vehicle is sold and thereafter the  
 7 purchaser shall pay the pro rata balance of the taxes ~~or the~~  
 8 ~~fee-in-lieu-of-tax~~ due and owing on the vehicle.

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

22 Section 27. Section 61-3-502, MCA, is amended to read:

23 "61-3-502. Sales tax on new motor vehicles --  
 24 exemptions. (1) In consideration of the right to use the  
 25 highways of the state, there is imposed a tax upon all sales

1 of new motor vehicles for which a license is sought and an  
 2 original application for title is made. The tax shall be  
 3 paid by the purchaser when he applies for his original  
 4 Montana license through the county treasurer.

5 (2) Except as provided in subsection (4), the sales  
 6 tax shall be:

7 (a) 1 1/2% of the f.o.b. factory list price or f.o.b.  
 8 port-of-entry list price, during the first quarter of the  
 9 year or for a registration period other than a calendar year  
 10 or calendar quarter;

11 (b) 1 1/8% of the list price during the second quarter  
 12 of the year;

13 (c) 3/4 of 1% during the third quarter of the year;

14 (d) 3/8 of 1% during the fourth quarter of the year.

15 (3) If the manufacturer or importer fails to furnish  
 16 the f.o.b. factory list price or f.o.b. port-of-entry list  
 17 price, the department may use published price lists.

18 (4) The new car sales tax on vehicles subject to the  
 19 provisions of 61-3-313 through 61-3-316 is 1 1/2% of the  
 20 f.o.b. factory list price or f.o.b. port-of-entry list price  
 21 regardless of the month in which the new vehicle is  
 22 purchased.

23 (5) The proceeds from this tax shall be remitted to  
 24 the state treasurer every 30 days for credit to the state  
 25 highway account of the state special revenue fund.

1 (6) The new vehicle ~~is subject to the light vehicle~~  
 2 ~~license fee if applicable but~~ is not subject to any other  
 3 ~~assessment, taxation, or fee in lieu of tax or tax~~ during  
 4 the calendar year in which the original application for  
 5 title is made.

6 (7) (a) The applicant for original registration of any  
 7 new and unused motor vehicle, or a new motor vehicle  
 8 furnished without charge by a dealer to a school district  
 9 for use as a traffic education motor vehicle by a school  
 10 district operating a state-approved traffic education  
 11 program within the state, whether or not previously licensed  
 12 or titled to the school district (except a mobile home as  
 13 defined in 15-1-101(1)), acquired by original contract after  
 14 January 1 of any year, is required, whenever the vehicle has  
 15 not been otherwise assessed, to pay the motor vehicle sales  
 16 tax provided by this section irrespective of whether the  
 17 vehicle was in the state of Montana on January 1 of the  
 18 year.

19 (b) No motor vehicle may be registered or licensed  
 20 under the provisions of this subsection unless the  
 21 application for registration is accompanied by a statement  
 22 of origin to be furnished by the dealer selling the vehicle,  
 23 showing that the vehicle has not previously been registered  
 24 or owned, except as otherwise provided herein, by any  
 25 person, firm, corporation, or association that is not a new



1 motor vehicle dealer holding a franchise or distribution  
2 agreement from a new car manufacturer, distributor, or  
3 importer.

4 (8) (a) Motor vehicles operating exclusively for  
5 transportation of persons for hire within the limits of  
6 incorporated cities or towns and within 15 miles from such  
7 limits are exempt from subsection (1).

8 (b) Motor vehicles brought or driven into Montana by a  
9 nonresident, migratory, bona fide agricultural worker  
10 temporarily employed in agricultural work in this state  
11 where those motor vehicles are used exclusively for  
12 transportation of agricultural workers are also exempt from  
13 subsection (1).

14 (c) Vehicles lawfully displaying a licensed dealer's  
15 plate as provided in 61-4-103 are exempt from subsection (1)  
16 when moving to or from a dealer's place of business when  
17 unloaded or loaded with dealer's property only, and in the  
18 case of vehicles having a gross loaded weight of less than  
19 24,000 pounds, while being demonstrated in the course of the  
20 dealer's business."

21 Section 28. Section 61-3-503, MCA, is amended to read:

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

25 (a) Except as provided in subsection subsections

1 (1)(c) through (1)(e), a person who files an application for  
2 registration or reregistration of a motor vehicle shall  
3 before filing such application with the county treasurer  
4 submit the application to the county assessor. The county  
5 assessor shall enter on the application in a space to be  
6 provided for that purpose the market value and taxable value  
7 of the vehicle as of January 1 of the year for which the  
8 application for registration is made.

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

17 (c) Vehicles subject to the provisions of 61-3-313  
18 through 61-3-316 shall be assessed by the county treasurer  
19 as of the first day of the registration period, using the  
20 market average trade-in, or wholesale, value as of January 1  
21 of the year of assessment of the vehicle as contained in the  
22 most recent volume of the Mountain States Edition of the  
23 National Automobile Dealers Association (N.A.D.A.) Official  
24 Used Car Guide or of the National Edition of N.A.D.A.  
25 Appraisal Guides Official Older Used Car Guide, not

1 including additions or deductions for options and mileage;  
 2 and a lien for taxes and fees due thereon shall occur on the  
 3 anniversary date of the registration and shall continue  
 4 until such fees and taxes have been paid.

5 (d) Motorcycles, quadricycles, motor homes, travel  
 6 trailers, and campers shall be assessed by the county  
 7 treasurer, using the greater of the following:

8 (i) \$1,000; or

9 (ii) the average trade-in, or wholesale, value as of  
 10 January 1 of the year of assessment of the vehicle as  
 11 contained in the most recent volume of the applicable  
 12 National Edition of the N.A.D.A. Motorcycle/Moped/ATV  
 13 Appraisal Guide or N.A.D.A. Recreational Vehicle Appraisal  
 14 Guide, not including additions or deductions for options and  
 15 mileage.

16 (e) If a vehicle assessed under subsection (1)(c) or  
 17 (1)(d) is not originally listed in the applicable N.A.D.A.  
 18 guide, the county treasurer shall depreciate the original  
 19 f.o.b. factory list price or f.o.b. port-of-entry list  
 20 price at the rate of 10% a year until a minimum value of  
 21 \$1,000 is attained, and the value shall remain at that  
 22 amount so long as the vehicle is registered. When a vehicle  
 23 is no longer listed in the applicable N.A.D.A. guide, the  
 24 county treasurer shall depreciate the value of the vehicle  
 25 at the rate of 10% a year until a minimum amount of \$1,000

1 is attained, and the value shall remain at that amount so  
 2 long as the vehicle is registered. If the treasurer is  
 3 unable to determine the original f.o.b. list price or the  
 4 proper N.A.D.A. value for a motor vehicle, the assessor  
 5 shall determine the value.

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

11 Section 29. Section 61-3-504, MCA, is amended to read:

12 "61-3-504. Computation of tax. (1) The amount of taxes  
 13 on a motor vehicle, other than an automobile, truck having a  
 14 rated capacity of three-quarters of a ton or less,  
 15 motorcycle, quadricycle, motor home, travel trailer, camper,  
 16 ~~or mobile home as defined in 15-1-101(1),~~ is computed and  
 17 determined by the county treasurer on the basis of the levy  
 18 of the year preceding the current year of application for  
 19 registration or reregistration.

20 (2) The amount of tax on an automobile or truck having  
 21 a rated capacity of three-quarters of a ton or less and on a  
 22 motorcycle, quadricycle, motor home, travel trailer, or  
 23 camper is determined by the county treasurer and is based on  
 24 2.5% of the value determined under 61-3-503.

25 (3) The determination For all motor vehicles, the

1 amount of tax is entered on the application form in a space  
2 provided therefor."

3 Section 30. Section 61-3-506, MCA, is amended to read:  
4 "61-3-506. Rules. The department of revenue shall  
5 adopt rules for the payment of property taxes ~~and fees in~~  
6 ~~lieu of property taxes~~ and the department of highways shall  
7 adopt rules for the payment of new car taxes under the  
8 provisions of 61-3-313 through 61-3-316 and 61-3-501. The  
9 department of revenue may adopt rules for the proration of  
10 taxes ~~and fees in lieu of taxes~~ for the implementation and  
11 administration of 61-3-313 through 61-3-316 and 61-3-501,  
12 but shall specifically provide that new car taxes shall be  
13 for a 12-month period."

14 Section 31. Section 61-3-509, MCA, is amended to read:  
15 "61-3-509. (Temporary) Disposition of taxes ~~and fees~~  
16 ~~in lieu of tax~~. (1) Except as provided in subsections  
17 subsection (2) ~~and (3)~~, the county treasurer shall credit  
18 all taxes on motor vehicles, ~~light vehicle license fees~~  
19 ~~provided for in 61-3-532, and fees in lieu of tax on~~  
20 ~~motorcycles, quadricycles, motor homes, and travel trailers~~  
21 collected under 61-3-504 to a motor vehicle suspense fund,  
22 and at some time between March 1 and March 10 of each year  
23 and every 60 days thereafter, the county treasurer shall  
24 distribute the money in the motor vehicle suspense fund in  
25 the relative proportions required by the levies for state,

1 county, school district, and municipal purposes in the same  
2 manner as personal property taxes are distributed.

3 (2) The county treasurer shall credit the fee for  
4 district courts ~~from each light vehicle license fee~~ provided  
5 for in 61-3-533 to a separate suspense account and shall  
6 forward the amount in the account to the state treasurer at  
7 the time the county treasurer distributes the motor vehicle  
8 suspense fund. The state treasurer shall credit amounts  
9 received under this subsection to the general fund to be  
10 used for purposes of state funding of the district court  
11 expenses enumerated in 3-5-901.

12 ~~(3) The county treasurer shall credit each block grant~~  
13 ~~fee to a separate suspense fund. At the time he distributes~~  
14 ~~the motor vehicle suspense fund, the treasurer shall~~  
15 ~~distribute the suspense fund provided for in this subsection~~  
16 ~~to the state treasurer for deposit in the local government~~  
17 ~~block grant account provided for in 7-6-302. The funds~~  
18 ~~distributed pursuant to this subsection must be used for the~~  
19 ~~local government block grant program as provided in 7-6-304.~~

20 61-3-509. (Effective July 1, 1987) Disposition of  
21 taxes ~~and fees in lieu of tax~~. The (1) Except as provided  
22 in subsection (2), the county treasurer shall credit all  
23 taxes on motor vehicles, ~~light vehicle license fees~~ provided  
24 for in 61-3-532, and fees in lieu of tax on motorcycles,  
25 ~~quadricycles, motor homes, and travel trailers~~ collected

1 under 61-3-504 to a motor vehicle suspense fund, and at some  
 2 time between March 1 and March 10 of each year and every 60  
 3 days thereafter, the county treasurer shall distribute the  
 4 money in the motor vehicle suspense fund in the relative  
 5 proportions required by the levies for state, county, school  
 6 district, and municipal purposes in the same manner as  
 7 personal property taxes are distributed.

8 (2) The county treasurer shall credit the fee for  
 9 district courts provided for in 61-3-533 to a separate  
 10 suspense account and shall forward the amount in the account  
 11 to the state treasurer at the time the county treasurer  
 12 distributes the motor vehicle suspense fund. The state  
 13 treasurer shall credit amounts received under this  
 14 subsection to the general fund to be used for purposes of  
 15 state funding of the district court expenses enumerated in  
 16 3-5-901."

17 Section 32. Section 61-3-524, MCA, is amended to read:

18 "61-3-524. ~~Fee-paid~~ Tax-paid decal required on camper  
 19 -- application for decal -- application fee -- issuance. (1)  
 20 No camper, subject to taxation in Montana, may be operated  
 21 by any person on the public highways or streets in this  
 22 state unless there is displayed in a conspicuous place  
 23 thereon a decal as visual proof that the ~~fee-in-lieu-of~~ tax  
 24 has been paid thereon for the current year.

25 (2) Application for the issuance of the decal shall be

1 made to the department of revenue or the county treasurer  
 2 upon forms to be furnished for this purpose, which may be  
 3 obtained from the department or at the county treasurer's  
 4 office in the county wherein the owner resides, and is to  
 5 provide for substantially the following information:

- 6 (a) name of owner;
- 7 (b) address;
- 8 (c) name of manufacturer;
- 9 (d) model number;
- 10 (e) make;
- 11 (f) year of manufacture;
- 12 (g) statement evidencing payment of the ~~fee-in-lieu-of~~  
 13 property tax; and
- 14 (h) such other information as the department may  
 15 require.

16 (3) The application must be signed by the county  
 17 treasurer and transmitted by him to the department  
 18 accompanied by an application fee of \$1. Upon receipt of the  
 19 application in approved form the department or county  
 20 treasurer shall issue to the applicant a decal in the style  
 21 and design prescribed by the department and of a different  
 22 color than the preceding year, numbered numerically."

23 Section 33. Section 61-3-531, MCA, is amended to read:

24 "61-3-531. Light ~~vehicle-fee~~ vehicles -- definitions.  
 25 As used in ~~61-3-531--through--61-3-536~~ 61-3-533 through

1 61-3-535, the following definitions apply:

2 (1) "Light vehicle" means an automobile or a truck  
3 having a rated capacity of three-quarters of a ton or less.

4 (2) "Vehicle age" means the difference between the  
5 calendar year of the first day of the registration period  
6 and the manufacturer's designated model year."

7 Section 34. Section 61-3-533, MCA, is amended to read:

8 "61-3-533. (Temporary) Schedule-of-fees District court  
9 fee for automobiles-and-light-trucks vehicles. (1)-Except-as  
10 provided--in--subsection--(3)--the The following schedule,  
11 based on vehicle age and-weight, is used to determine the a  
12 district court fee imposed-by-61-3-532:

Vehicle Age	Weight	Weight				
		More	More			
	2,850	Block	District	Than	Block	District
	Pounds	Grant	Court	2,850	Grant	Court
	or-less	Fee	Fee	Pounds	Fee	Fee
18 Less than						
19 or equal						
20 to 4						
21 years	\$70	\$6	\$7	\$90	\$7.50	\$7
22 More than 4						
23 years and						
24 less than						
25 8 years	40	3	5	50	4	5

1 8 years old

2 and over 10 1.50 2.50 15 2 2.50

3 (2)--(a)-The--fee-for-a-light-vehicle-is-determined-by-

4 (i)--multiplying-the-appropriate-dollar-amount-from-the  
5 table-in-subsection-(1)--but-not-the-block-grant-fee-or--the  
6 district--court--fee--by-the-ratio-of-the-PCE-for-the-second  
7 quarter-of-the-year-prior-to-the-year-of--licensing--to--the  
8 PCE-for-the-second-quarter-of-1981--and

9 (ii)-rounding--the-product-thus-obtained-to-the-nearest  
10 whole-dollar-amount-

11 (b)--"PCE"--means--the--implicit--price--deflator--for  
12 personal--consumption-expenditures-as-published-quarterly-in  
13 the-Survey-of-Current-Business-by--the--bureau--of--economic  
14 analysis-of-the-United-States-department-of-commerce-

15 (3)--The--light--vehicle--license--fee--for--disabled  
16 veterans-qualifying-under-the-provisions-of-61-3-451-through  
17 61-3-455-is-\$87-with-\$3-of-the-fee-earmarked--for--district  
18 courts-

19 61-3-533. (Effective July 1, 1987) Schedule-of-fees  
20 District court fee for automobiles--and--light--trucks  
21 vehicles. (1)-Except-as-provided-in-subsection-(3)--the The  
22 following schedule, based on vehicle age and-weight, is used  
23 to determine the a district court fee imposed--by--61-3-532:

Vehicle Age	Weight	District	Court	Fee
	2,850-Pounds	More-Than		

1 or-less 2,850-Pounds  
 2 Less than or equal to 4 years \$70 \$7 \$90  
 3 More than 4 years and less 40 5 50  
 4 than 8 years  
 5 8 years old and over 10 2.50 15  
 6 (2)--(a)--The--fee--for--a--light--vehicle--is--determined--by:  
 7 (i)--multiplying--the--appropriate--dollar--amount--from--the  
 8 table--in--subsection--(1)--by--the--ratio--of--the--PCE--for--the  
 9 second--quarter--of--the--year--prior--to--the--year--of--licensing--to  
 10 the--PCE--for--the--second--quarter--of--1981;--and  
 11 (ii)--rounding--the--product--thus--obtained--to--the--nearest  
 12 whole--dollar--amount;  
 13 (b)--"PCE"--means--the--implicit--price--deflator--for  
 14 personal--consumption--expenditures--as--published--quarterly--in  
 15 the--Survey--of--Current--Business--by--the--bureau--of--economic  
 16 analysis--of--the--United--States--department--of--commerce;  
 17 (3)--The--light--vehicle--license--fee--for--disabled  
 18 veterans--qualifying--under--the--provisions--of--61-3-451--through  
 19 61-3-455--is--\$5;  
 20 Section 35. Section 61-3-534, MCA, is amended to read:  
 21 "61-3-534. Payment of fee property tax required for  
 22 operation. (1) No light vehicle subject to the fee imposed  
 23 by 61-3-532 a property tax may be operated unless the fee  
 24 tax has been paid and the vehicle is licensed.  
 25 (2) A properly licensed and registered light vehicle

1 may be operated within Montana, subject to all applicable  
 2 federal, state, and local laws."  
 3 Section 36. Section 61-3-535, MCA, is amended to read:  
 4 "61-3-535. ~~Light-vehicle~~ Vehicle reregistration by  
 5 mail. (1) The department shall develop a procedure to permit  
 6 the reregistration of light vehicles and other vehicles  
 7 subject to tax under 61-3-504(2) with the county treasurer  
 8 by mail at the option of the owner of the vehicle. The  
 9 option to reregister by mail need only be made available for  
 10 vehicles registered at the close of the expiring  
 11 registration period in the name of the applicant for  
 12 reregistration.  
 13 (2) The form to be returned to the county treasurer by  
 14 the applicant, with the appropriate tax and fees, is to  
 15 contain a statement, to be subscribed to by the applicant,  
 16 stating compliance with the financial liability requirements  
 17 of 61-6-301.  
 18 (3)--The--procedure--for--mail--reregistration--must--be--in  
 19 effect--by--January--17--1982;  
 20 (4)(3) The department may adopt rules to implement the  
 21 mail reregistration procedure."  
 22 Section 37. Section 61-3-701, MCA, is amended to read:  
 23 "61-3-701. Foreign vehicles used in gainful occupation  
 24 to be registered -- reciprocity. (1) Before any foreign  
 25 licensed motor vehicle may be operated on the highways of

1 this state for hire, compensation, or profit or before the  
 2 owner and/or user thereof uses the vehicle if such owner  
 3 and/or user is engaged in gainful occupation or business  
 4 enterprise in the state, including highway work, the owner  
 5 of the vehicle shall make application to a county treasurer  
 6 for registration upon an application form furnished by the  
 7 department. Upon satisfactory evidence of ownership  
 8 submitted to the county treasurer and the payment of  
 9 property taxes, if appropriate, as required by 15-8-201,  
 10 15-8-202, or 15-24-301, ~~or 61-3-504 or the payment of the~~  
 11 ~~light-vehicle-license-fee-as-provided-by-61-3-532-or-the-fee~~  
 12 ~~in-lieu-of-tax-as-provided-by-61-3-541~~, the treasurer shall  
 13 accept the application for registration and shall collect  
 14 the regular license fee required for the vehicle.

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

24 (3) The registration receipt shall not constitute  
 25 evidence of ownership but shall be used only for

1 registration purposes. No Montana certificate of ownership  
 2 shall be issued for this type of registration.

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

7 Section 38. Section 61-6-302, MCA, is amended to read:  
 8 "61-6-302. Proof of compliance. (1) Except as provided  
 9 in subsection (2), before any applicant required to register  
 10 his motor vehicle may do so, the applicant must certify to  
 11 the county treasurer that he possesses an automobile  
 12 liability insurance policy, a certificate of self-insurance,  
 13 or a posted indemnity bond or that he is eligible for an  
 14 exemption under 61-6-303 covering the motor vehicle. The  
 15 certification shall be on a form prescribed by the  
 16 department. The department may immediately cancel the  
 17 registration and license plates of the vehicle upon  
 18 notification that the insurance certification was not  
 19 correctly represented. Any person who intentionally provides  
 20 false information on an insurance certification is guilty of  
 21 unsworn falsification to authorities, punishable as provided  
 22 in 45-7-203.

23 (2) An applicant for registration of ~~an-automobile-or~~  
 24 ~~a-truck-having-a-rated-capacity-of-three-quarters-of-a-ton~~  
 25 ~~or-less, a motor vehicle~~ who wishes to register the vehicle

1 by mail must sign a statement on the application stating  
2 that the applicant is in compliance with the financial  
3 liability requirements of 61-6-301.

4 (3) An owner of a motor vehicle who ceases to maintain  
5 the insurance or bond required or whose certificate of  
6 self-insurance is canceled or whose vehicle ceases to be  
7 exempt shall immediately surrender the registration and  
8 license plates for the vehicle to the county treasurer for  
9 delivery to the department and may not operate or permit  
10 operation of the vehicle in Montana until insurance has  
11 again been furnished as required and the vehicle is again  
12 registered and licensed.

13 (4) Every person shall carry in a motor vehicle being  
14 operated by him an insurance card approved by the department  
15 but issued by the insurance carrier to the motor vehicle  
16 owner as proof of compliance with 61-6-301. A motor vehicle  
17 operator shall exhibit the insurance card upon demand of a  
18 justice of the peace, a city or municipal judge, a peace  
19 officer, a highway patrolman, or a field deputy or inspector  
20 of the department. However, no person charged with violating  
21 this subsection may be convicted if he produces in court or  
22 the office of the arresting officer proof of insurance valid  
23 at the time of his arrest."

24 NEW SECTION. Section 39. Disposition of oil severance  
25 tax revenue. Any amount that is received after July 1, 1987,

1 from oil severance revenues for any payment period ending  
2 before July 1, 1987, and is deposited in the local  
3 government block grant account must be distributed pursuant  
4 to Title 7, chapter 6, part 3, as that part read prior to  
5 July 1, 1987.

6 NEW SECTION. Section 40. Repealer. Sections 7-6-301  
7 through 7-6-309, 61-3-521 through 61-3-523, 61-3-532,  
8 61-3-536, 61-3-541, and 61-3-542, MCA, are repealed.

9 NEW SECTION. Section 41. Extension of authority. Any  
10 existing authority of the department of revenue, the  
11 department of justice, or the department of commerce to make  
12 rules on the subject of the provisions of this act is  
13 extended to the provisions of this act.

14 NEW SECTION. Section 42. Effective date --  
15 applicability. This act is effective on passage and approval  
16 and applies to motor vehicles registered on or after July 1,  
17 1987.

-End-



## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB200, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An Act to replace the fee in lieu of tax on light vehicles, motorcycles, quadricycles, motor homes, travel trailers, and campers with a property tax; and providing an immediate effective date and an applicability date.

ASSUMPTIONS:

1. The taxable value of light motor vehicles in Montana in 1982 was \$185,422,083.
2. The average taxable value for light motor vehicles in 1982 was \$301.514.
3. The average retail market value of a light motor vehicle in 1982 was \$2,319.34 (average taxable divided by 13 percent class nine tax rate).
4. Inflated to January, 1986 (using Consumer Price Index for used cars Dec. 1981 - 284.3; Dec. 1985 - 369.7), the average retail market value of a light motor vehicle in Montana is \$3016. It is assumed that the average value increases by 2 percent each year into the future, yielding average values of \$3,076 for FY88 and \$3,138 for FY89 (avg. increase Dec. 1981 to Dec. 1985 was 7.5%, but values have declined in the last year).
5. There will be 677,386 light motor vehicles licensed in FY88 and 689,165 in FY89 (REAC).
6. The market value of light motor vehicles in Montana will be \$2,083,639,000 in FY88 and \$2,162,600,000 in FY89.
7. Average trade-in value is 80% of average retail value (2% effective tax rate).
8. The following age/weight distributions apply to FY88 and FY89 (REAC).

Age	FY88		FY89	
	Under 2850 lbs.	Over 2850 lbs.	Under 2850 lbs.	Over 2850 lbs.
Less Than 4 Yrs.	83,011	98,774	84,454	100,491
4 to 8 Yrs.	53,185	91,491	54,110	93,082
Over 8 Yrs.	69,263	281,662	70,468	286,560

9. The market value of motor homes, travel trailers, and campers subject to property tax in 1979 (the last year of the property tax) was \$ 61,460,800.
10. It is assumed that the market value of motor homes, travel trailers and campers in the state has increased 20 percent, to \$73,753,000, since 1979 due to growth in numbers and average values.
11. The market value of motorcycles and quadricycles in 1985 was \$17,543,852. This level is assumed to apply to FY88 and FY89.

David L. Hunter DATE 1/21/87  
 DAVID L. HUNTER, BUDGET DIRECTOR  
 Office of Budget and Program Planning

Ed B. Smith DATE 1-25-87  
 ED SMITH, PRIMARY SPONSOR

Fiscal Note for SB200, as introduced.

SB 200

Fiscal Note Request, SB200, as introduced.

Form BD-15

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12. Based on the number of vehicles and the time necessary for assessments, an additional 48 (Grade 7, Step 2) clerks would be required to assess motor vehicles at the time of registration. Forms and manuals would cost \$25,000. The proposal places responsibility on the county treasurers, however, assessors would actually value the motor vehicles.
13. One-third of the oil severance tax proceeds will be \$6,404,000 in FY88 and \$6,940,000 in FY89 (REAC).
14. There will be no general fund appropriation for the block grant program in the biennium. Both the block grant fee and the district court fee are sunsetted for the end of this fiscal year.
15. Mill levies are 6 mills for the university levy, 45 mills for the foundation program and local levies average 251 mills in FY88 and 264 mills in FY89 (REAC).
16. The Block Grant program will not be fully funded by a general fund appropriation.

FISCAL IMPACT:

Revenue Impact:

	FY88			FY89		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
Additional General Fund						
Oil Severance Tax*	\$ 0	\$ 6,404,000	\$ 6,404,000	\$ 0	\$ 6,940,000	\$ 6,940,000
District Court Fees	0	2,873,000	2,873,000	0	2,923,000	2,923,000
Light Vehicle Fees	33,567,000	0	(33,567,000)	36,252,000	0	(36,252,000)
Block Grant Program	6,404,000	0	( 6,404,000)	6,940,000	0	( 6,940,000)
Light Vehicle						
Property Tax	0	41,672,787	41,672,787	0	43,251,995	43,251,995
Trailer Property Tax	0	1,475,000	1,475,000	0	1,475,000	1,475,000
Motorcycle Property Tax	0	350,900	350,900	0	350,900	350,900
Trailer Flat Fees	Not Avail.	0	(Not Avail.)	Not Avail.	0	(Not Avail.)
Motorcycle Flat Fees	Not Avail.	0	(Not Avail.)	Not Avail.	0	(Not Avail.)
<u>Total Revenue</u>	<u>\$39,971,000</u>	<u>\$52,775,687</u>	<u>\$12,804,687</u>	<u>\$43,192,000</u>	<u>\$54,940,895</u>	<u>\$11,748,895</u>

Expenditure Impact:

Department of Justice	\$ 0	\$ 61,460	\$ 61,460	\$ 0	\$ 61,460	\$ 61,460
Department of Revenue	0	824,200	824,200	0	824,200	824,200
<u>Total Expenditures</u>	<u>\$ 0</u>	<u>\$ 885,660</u>	<u>\$ 885,660</u>	<u>\$ 0</u>	<u>\$ 885,660</u>	<u>\$ 885,660</u>
<u>Net Effect</u>	<u>\$39,971,000</u>	<u>\$51,890,027</u>	<u>\$11,919,027</u>	<u>\$43,192,000</u>	<u>\$54,055,235</u>	<u>\$10,863,235</u>

SB 200

Fiscal Note Request, SB200, as introduced.

Form BD-15

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Fund Information:

General Fund	\$	0	\$ 8,391,340	\$ 8,391,340	\$	0	\$ 8,977,340	\$ 8,977,340
Property Taxes/Block Grant/Fees:								
University Levy	\$	795,263	\$ 865,450	\$ 70,187	\$	824,967	\$ 860,988	\$ 36,021
Foundation Program	\$	5,964,872	\$ 6,491,309	\$ 526,437	\$	6,187,729	\$ 6,457,904	\$ 270,175
Other Taxing Jurisdictions	\$	33,210,865	\$36,141,928	\$ 2,931,063	\$	36,179,304	\$37,759,003	\$ 1,579,699

\* The proposal diverts oil severance tax collections from the block grant program to the general fund. This change in allocation is shown as a revenue impact to balance with the revenue impact with the fund distribution table.

EFFECT ON LOCAL GOVERNMENT REVENUES:

The impact on local government revenues is shown in the fund distribution above.

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

Section 39 would require of one quarter's oil severance tax to be received September 1, 1987 to be distributed to the local government block grant which is repealed effective June 30, 1987. It would appear that the correct effective date in Section 39 should be April 1, 1987.

SB 200

APPROVED BY COMMITTEE  
ON TAXATION

1                   SENATE BILL NO. 200  
2           INTRODUCED BY E. SMITH, SEVERSON, B. BROWN, TVEIT,  
3           MCCALLUM, NATHE, HAGER, FARRELL, HIRSCH, LYBECK, BECK,  
4           DEVLIN, C. SMITH, JONES, KOLSTAD, ELLISON  
5  
6   A BILL FOR AN ACT ENTITLED: "AN ACT TO REPLACE THE FEE IN  
7   LIEU OF TAX ON LIGHT VEHICLES, MOTORCYCLES, QUADRICYCLES,  
8   MOTOR HOMES, TRAVEL TRAILERS, AND CAMPERS WITH A PROPERTY  
9   TAX; TO ALLOW A LOCAL OPTION VEHICLE TAX; AMENDING SECTIONS  
10  7-1-2111, 15-1-501, 15-6-138, 15-6-140, 15-6-201, 15-8-201,  
11  15-8-202, 15-24-101, 15-24-105, 15-24-301, 15-30-121,  
12  15-31-114, 15-36-112, 15-50-207, 20-9-141, 20-9-331,  
13  20-9-333, 20-9-352, 20-9-501, 20-10-144, 61-1-130, 61-1-131,  
14  61-3-303, 61-3-332, 61-3-431, 61-3-501 THROUGH 61-3-504,  
15  61-3-506, 61-3-509, 61-3-524, 61-3-531, 61-3-533 THROUGH  
16  61-3-535, 61-3-701, AND 61-6-302, MCA; REPEALING SECTIONS  
17  7-6-301 THROUGH 7-6-309, 61-3-521 THROUGH 61-3-523,  
18  61-3-532, 61-3-536, 61-3-541, AND 61-3-542, MCA; AND  
19  PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY  
20  DATE."  
21  
22  BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
23       Section 1. Section 7-1-2111, MCA, is amended to read:  
24       "7-1-2111. Classification of counties. (1) For the  
25       purpose of regulating the compensation and salaries of all

1   county officers, not otherwise provided for, and for fixing  
2   the penalties of officers' bonds, the several counties of  
3   this state shall be classified according to that percentage  
4   of the true and full valuation of the property therein upon  
5   which the tax levy is made, except for vehicles subject to  
6   taxation under 61-3-504(2), as follows:  
7       (a) first class--all counties having such a taxable  
8       valuation of \$50 million or over;  
9       (b) second class--all counties having such a taxable  
10      valuation of more than \$30 million and less than \$50  
11      million;  
12      (c) third class--all counties having such a taxable  
13      valuation of more than \$20 million and less than \$30  
14      million;  
15      (d) fourth class--all counties having such a taxable  
16      valuation of more than \$15 million and less than \$20  
17      million;  
18      (e) fifth class--all counties having such a taxable  
19      valuation of more than \$10 million and less than \$15  
20      million;  
21      (f) sixth class--all counties having such a taxable  
22      valuation of more than \$5 million and less than \$10 million;  
23      (g) seventh class--all counties having such a taxable  
24      valuation of less than \$5 million.  
25      (2) As used in this section, taxable valuation means

1 the taxable value of taxable property in the county as of  
2 the time of determination plus:

3 (a) that portion of the taxable value of the county on  
4 December 31, 1981, attributable to automobiles and trucks  
5 having a rated capacity of three-quarters of a ton or less;  
6 and

7 (b) the amount of new production taxes levied, as  
8 provided in 15-23-607, divided by the appropriate tax rates  
9 described in 15-23-607(2)(a) or (2)(b) and multiplied by  
10 60%."

11 Section 2. Section 15-1-501, MCA, is amended to read:

12 "15-1-501. Disposition of moneys from certain  
13 designated license and other taxes. (1) The state treasurer  
14 shall deposit to the credit of the state general fund all  
15 moneys received by him from the collection of:

16 (a) fees from driver's licenses, motorcycle  
17 endorsements, and duplicate driver's licenses as provided in  
18 61-5-121;

19 (b) electrical energy producer's license taxes under  
20 chapter 51;

21 (c) severance taxes allocated to the general fund  
22 under chapter 36;

23 (d) liquor license taxes under Title 16;

24 (e) telephone [company] license taxes under chapter  
25 53; and

1 (f) inheritance and estate taxes under Title 72,  
2 chapter 16.

3 (2) Seventy-five percent of all moneys received from  
4 the collection of income taxes under chapter 30 and  
5 corporation license and income taxes under chapter 31,  
6 except as provided in 15-31-702, shall be deposited in the  
7 general fund subject to the prior pledge and appropriation  
8 of such income tax and corporation license tax collections  
9 for the payment of long-range building program bonds. The  
10 remaining 25% of the proceeds of the corporation license  
11 tax, excluding that allocated to the counties under  
12 15-31-702, corporation income tax, and income tax shall be  
13 deposited to the credit of the state special revenue fund  
14 for state equalization aid to the public schools of Montana.

15 (3) The state treasurer shall also deposit to the  
16 credit of the state general fund all moneys received by him  
17 from the collection of license taxes, fees, and all net  
18 revenues and receipts from all other sources under the  
19 operation of the Montana Alcoholic Beverage Code.

20 (4) ~~Thirty-three--and--one-third--percent--of--the--total~~  
21 ~~collections--of--the--oil--severance--tax--under--chapter--36--shall~~  
22 ~~be--deposited--into--the--local--government--block--grant--account~~  
23 ~~within--the--state--special--revenue--fund.~~ After the  
24 distribution provided for in 15-36-112, the remainder of the  
25 oil severance tax collections shall be deposited in the

1 general fund."

2 Section 3. Section 15-6-138, MCA, is amended to read:

3 "15-6-138. Class eight property -- description --  
4 taxable percentage. (1) Class eight property includes:

- 5 (a) all agricultural implements and equipment;  
6 (b) all mining machinery, fixtures, equipment, tools,  
7 and supplies except:  
8 (i) those included in class five; and  
9 (ii) coal and ore haulers;  
10 (c) all manufacturing machinery, fixtures, equipment,  
11 tools, and supplies except those included in class five;  
12 (d) all trailers up to and including 18,000 pounds  
13 maximum gross loaded weight, except those subject to ~~a fee~~  
14 in-lieu-of-property-tax taxation under 61-3-504(2);  
15 (e) aircraft;  
16 (f) all goods and equipment intended for rent or  
17 lease, except goods and equipment specifically included and  
18 taxed in another class; and  
19 (g) all other machinery except that specifically  
20 included in another class.

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

23 Section 4. Section 15-6-140, MCA, is amended to read:

24 "15-6-140. Class ten property -- description --  
25 taxable percentage. (1) Class ten property includes:

- 1 (a) radio and television broadcasting and transmitting  
2 equipment;  
3 (b) cable television systems;  
4 (c) coal and ore haulers;  
5 (d) trucks having a rated capacity of more than 1 1/2  
6 tons, including those prorated under 15-24-102;  
7 (e) all trailers exceeding 18,000 pounds maximum gross  
8 loaded weight, including those prorated under 15-24-102 and  
9 except those subject to ~~a fee in lieu of property tax~~  
10 taxation under 61-3-504(2);  
11 (f) theater projectors and sound equipment; and  
12 (g) all other property not included in any other class  
13 in this part except that property subject to a fee in lieu  
14 of a property tax.

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

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

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

- 20 (a) the property of:  
21 (i) the United States, the state, counties, cities,  
22 towns, school districts, except, if congress passes  
23 legislation that allows the state to tax property owned by  
24 an agency created by congress to transmit or distribute  
25 electrical energy, the property constructed, owned, or

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

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

7 (iii) municipal corporations; and

8 (iv) public libraries;

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

14 (c) property used exclusively for agricultural and  
 15 horticultural societies, for educational purposes, and for  
 16 hospitals;

17 (d) property that meets the following conditions:

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

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

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

1 corporate profit;

2 (e) institutions of purely public charity;

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

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

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

12 (i) a truck canopy cover or topper weighing less than  
 13 300 pounds and having no accommodations attached. Such  
 14 property is also exempt from ~~the fee-in-lieu-of-tax~~ taxation  
 15 under 61-3-504(2) AND [SECTION 39].

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

18 ~~{k}--automobiles--and-trucks-having-a-rated-capacity-of~~  
 19 ~~three-quarters-of-a-ton-or-less;~~

20 ~~{l}--motorcycles-and-quadracycles;~~

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

25 ~~{n}~~(l) the right of entry that is a property right

1 reserved in land or received by mesne conveyance (exclusive  
2 of leasehold interests), devise, or succession to enter land  
3 whose surface title is held by another to explore, prospect,  
4 or dig for oil, gas, coal, or minerals;

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

10 ~~(p)~~(n) all farm buildings with a market value of less  
11 than \$500 and all agricultural implements and machinery with  
12 a market value of less than \$100.

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

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

22 (3) The following portions of the appraised value of a  
23 capital investment made after January 1, 1979, in a  
24 recognized nonfossil form of energy generation, as defined  
25 in 15-32-102, are exempt from taxation for a period of 10

1 years following installation of the property:

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

4 (b) \$100,000 in the case of a multifamily residential  
5 dwelling or a nonresidential structure. (Subsection (1)(p)  
6 ~~(now (1)(n))~~ applicable to taxable years beginning after  
7 December 31, 1985--sec. 4, Ch. 463, L. 1985.)"

8 Section 6. Section 15-8-201, MCA, is amended to read:

9 "15-8-201. General assessment day. (1) The department  
10 of revenue or its agent must, between January 1 and the  
11 second Monday of July in each year, ascertain the names of  
12 all taxable inhabitants and assess all property subject to  
13 taxation in each county. The department or its agent must  
14 assess property to the person by whom it was owned or  
15 claimed or in whose possession or control it was at midnight  
16 of January 1 next preceding. It must also ascertain and  
17 assess all mobile homes arriving in the county after  
18 midnight of January 1 next preceding. No mistake in the name  
19 of the owner or supposed owner of real property, however,  
20 renders the assessment invalid.

21 (2) The procedure provided by this section may not  
22 apply to:

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



1        ~~(b) automobiles and trucks having a rated capacity of~~  
2        ~~three quarters of a ton or less;~~

3        ~~(c) motor homes and travel trailers subject to a fee~~  
4        ~~in lieu of property tax;~~

5        ~~(d) motorcycles and quadricycles;~~

6        ~~(e)(b) livestock;~~

7        ~~(f)(c) property defined in 61-1-104 as "special mobile~~  
8        ~~equipment" that is subject to assessment for personal~~  
9        ~~property taxes on the date that application is made for a~~  
10       ~~special mobile equipment plate; and~~

11       ~~(g)(d) mobile homes held by a distributor or dealer of~~  
12       ~~mobile homes as a part of his stock in trade.~~

13       (3) Credits must be assessed as provided in  
14       15-1-101(1)(d)."

15       Section 7. Section 15-8-202, MCA, is amended to read:

16       "15-8-202. Motor vehicle assessment. (1) The  
17       department ~~or OR~~ its agent ~~of the county treasurer under~~  
18       ~~61-3-503~~, must, in each year, ascertain and assess all motor  
19       ~~vehicles other than automobiles, trucks having a rated~~  
20       ~~capacity of three quarters of a ton or less, motorcycles,~~  
21       ~~quadricycles, motor homes, travel trailers,~~ or mobile homes  
22       in each county subject to taxation as of January 1 or as of  
23       the anniversary registration date of those vehicles subject  
24       to 61-3-313 through 61-3-316 and 61-3-501. The assessment  
25       for all motor vehicles ~~will~~ must be made ~~using the market~~

1       ~~value as of January 1 of the year of assessment of the~~  
2       ~~vehicle as contained in the most recent volume of the~~  
3       ~~Mountain States Edition of the National Automobile Dealers~~  
4       ~~Association Official Used Car Guide in accordance with~~  
5       ~~61-3-503. The motor vehicles shall be assessed in each year~~  
6       ~~to the persons by whom owned or claimed or in whose~~  
7       ~~possession or control they were at midnight of January 1 or~~  
8       ~~the anniversary registration date thereof, whichever is~~  
9       ~~applicable.~~

10       (2) No tax may be assessed against motor vehicles  
11       subject to taxation that constitute inventory of motor  
12       vehicle dealers as of January 1. These vehicles and all  
13       other motor vehicles subject to taxation brought into the  
14       state subsequent to January 1 as motor vehicle dealers'  
15       inventories shall be assessed to their respective purchasers  
16       as of the dates the vehicles are registered by the  
17       purchasers.

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

21       (4) Goods, wares, and merchandise of motor vehicle  
22       dealers, other than new motor vehicles and new mobile homes,  
23       shall be assessed at market value as of January 1."

24       Section 8. Section 15-24-101, MCA, is amended to read:

25       "15-24-101. Assessment of proportionally registered

1 interstate motor vehicle fleets -- tax payment required for  
 2 registration. (1) The department of revenue shall assess,  
 3 for the purpose of personal property taxes, the taxable  
 4 vehicles in interstate motor vehicle fleets proportionally  
 5 registered under the provisions of 61-3-711 through  
 6 61-3-733, and the assessment shall be apportioned on the  
 7 ratio of total miles traveled to in-state miles traveled  
 8 formula as prescribed by 61-3-721. Interstate motor vehicle  
 9 fleets are assessable for taxation purposes upon application  
 10 for proportional registration and are assessed to the  
 11 persons who own or claim or in whose possession or control  
 12 the fleet is at the time of the application.

13 (2) With respect to any fleet contained in an original  
 14 application which has a situs for purpose of property  
 15 taxation in Montana by the terms of this part or any other  
 16 provision of the laws of Montana between January 1 and April  
 17 1, the taxable vehicles are taxed for a full year. With  
 18 respect to any fleet contained in an original application  
 19 which acquires a situs for the purpose of property taxation  
 20 in Montana under the provisions of this part or any other  
 21 law of the state of Montana after April 1, the taxes on  
 22 taxable vehicles are apportioned as provided in 15-24-303.

23 (3) With respect to any fleet contained in a renewal  
 24 application, the taxable vehicles are assessed and taxed for  
 25 a full year.

1 (4) Automobiles and trucks having a rated capacity of  
 2 three-quarters of a ton or less that are part of an  
 3 interstate motor vehicle fleet are subject to ~~the light~~  
 4 ~~vehicle-license-fee-imposed-by-61-3-532~~ property tax. If the  
 5 fleet is proportionally registered, the fee tax is  
 6 apportioned in the same fashion as the registration fee  
 7 under 61-3-721.

8 (5) Vehicles contained in a fleet for which current  
 9 taxes, fees, or both have been assessed and paid shall not  
 10 be assessed or charged fees under this section upon  
 11 presentation to the department of proof of payment of taxes,  
 12 or fees, or both for the current registration year. The  
 13 payment of personal property taxes, fees, or both, is a  
 14 condition precedent to proportional registration or  
 15 reregistration of an interstate motor vehicle fleet."

16 Section 9. Section 15-24-105, MCA, is amended to read:  
 17 "15-24-105. Deposit and distribution of taxes and fees  
 18 on proportionally registered fleets. The personal property  
 19 taxes and license fees collected under this part shall be  
 20 deposited with the state treasurer for distribution to the  
 21 general fund of each county on the following basis:

22 (1) for personal property taxes, according to the  
 23 ratio of the taxable valuation of each county to the total  
 24 state taxable valuation; and

25 (2) for ~~light~~ vehicle license fees, according to the

1 ratio of ~~light~~ vehicle license fees, other than fees derived  
 2 from interstate motor vehicle fleets, collected in each  
 3 county to the sum of all such fees collected in all the  
 4 counties."

5 Section 10. Section 15-24-301, MCA, is amended to  
 6 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 is subject to taxation and  
 11 assessment for all taxes levied that year in the county in  
 12 which it is located:

13 (a) any personal property (including livestock)  
 14 brought, driven, or coming into this state at any time  
 15 during the year that is used in the state for hire,  
 16 compensation, or profit;

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

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

21 (2) The taxes on this property are levied in the same  
 22 manner and to the same extent, except as otherwise provided,  
 23 as though the property had been in the county on the regular  
 24 assessment date, provided that the property has not been  
 25 regularly assessed for the year in some other county of the

1 state.

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

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

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

14 (b) One-fourth of the annual tax liability of the  
 15 motor vehicle must be paid for each quarter or portion of a  
 16 quarter of the year that the motor vehicle is located in  
 17 Montana.

18 (c) The quarterly taxes are due the first day of the  
 19 quarter.

20 (5) Agricultural harvesting machinery classified under  
 21 class eight, licensed in other states, and operated on the  
 22 lands of persons other than the owner of the machinery under  
 23 contracts for hire shall be subject to a fee in lieu of  
 24 taxation of \$35 per machine for the calendar year in which  
 25 the fee is collected. The machines shall be subject to

1 taxation under class eight only if they are sold in Montana.

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

7 Section 11. Section 15-30-121, MCA, is amended to  
 8 read:

9 "15-30-121. Deductions allowed in computing net  
 10 income. In computing net income, there are allowed as  
 11 deductions:

12 (1) the items referred to in sections 161 and 211 of  
 13 the Internal Revenue Code of 1954, or as sections 161 and  
 14 211 shall be labeled or amended, subject to the following  
 15 exceptions which are not deductible:

- 16 (a) items provided for in 15-30-123;  
 17 (b) state income tax paid;
- 18 (2) federal income tax paid within the taxable year;  
 19 (3) expenses of household and dependent care services  
 20 as outlined in subsections (3)(a) through (3)(c) and subject  
 21 to the limitations and rules as set out in subsections  
 22 (3)(d) through (3)(f) as follows:
- 23 (a) expenses for household and dependent care services  
 24 necessary for gainful employment incurred for:
- 25 (i) a dependent under 15 years of age for whom an

1 exemption can be claimed;

2 (ii) a dependent as allowable under 15-30-112(5),  
 3 except that the limitations for age and gross income do not  
 4 apply, who is unable to care for himself because of physical  
 5 or mental illness; and

6 (iii) a spouse who is unable to care for himself  
 7 because of physical or mental illness;

8 (b) employment-related expenses incurred for the  
 9 following services, but only if such expenses are incurred  
 10 to enable the taxpayer to be gainfully employed:

11 (i) household services which are attributable to the  
 12 care of the qualifying individual; and

13 (ii) care of an individual who qualifies under  
 14 subsection (3)(a);

15 (c) expenses incurred in maintaining a household if  
 16 over half of the cost of maintaining the household is  
 17 furnished by an individual or, if the individual is married  
 18 during the applicable period, is furnished by the individual  
 19 and his spouse;

20 (d) the amounts deductible in subsection (3)(a)  
 21 through (3)(c) are subject to the following limitations:

22 (i) a deduction is allowed under subsection (3)(a) for  
 23 employment-related expenses incurred during the year only to  
 24 the extent such expenses do not exceed \$4,800;

25 (ii) expenses for services in the household are

1 deductible under subsection (3)(a) for employment-related  
 2 expenses only if they are incurred for services in the  
 3 taxpayer's household, except that employment-related  
 4 expenses incurred for services outside the taxpayer's  
 5 household are deductible, but only if incurred for the care  
 6 of a qualifying individual described in subsection (3)(a)(i)  
 7 and only to the extent such expenses incurred during the  
 8 year do not exceed:

9 (A) \$2,400 in the case of one qualifying individual;

10 (B) \$3,600 in the case of two qualifying individuals;

11 and

12 (C) \$4,800 in the case of three or more qualifying  
 13 individuals;

14 (e) if the combined adjusted gross income of the  
 15 taxpayers exceeds \$18,000 for the taxable year during which  
 16 the expenses are incurred, the amount of the  
 17 employment-related expenses incurred must be reduced by  
 18 one-half of the excess of the combined adjusted gross income  
 19 over \$18,000;

20 (f) for purposes of this subsection (3):

21 (i) married couples shall file a joint return or file  
 22 separately on the same form;

23 (ii) if the taxpayer is married during any period of  
 24 the taxable year, employment-related expenses incurred are  
 25 deductible only if:

1 (A) both spouses are gainfully employed on a  
 2 substantially full-time basis; or

3 (B) the spouse is a qualifying individual described in  
 4 subsection (3)(a)(iii);

5 (iii) an individual legally separated from his spouse  
 6 under a decree of divorce or of separate maintenance may not  
 7 be considered as married;

8 (iv) the deduction for employment-related expenses must  
 9 be divided equally between the spouses when filing  
 10 separately on the same form;

11 (v) payment made to a child of the taxpayer who is  
 12 under 19 years of age at the close of the taxable year and  
 13 payments made to an individual with respect to whom a  
 14 deduction is allowable under 15-30-112(5) are not deductible  
 15 as employment-related expenses;

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

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

23 ~~(6) light vehicle license fees, as provided by~~  
 24 ~~61-3-532, paid during the taxable year;~~

25 ~~(7) fees in lieu of taxes on motorcycles and~~

1 ~~quadricycles, as provided by 61-3-541, paid during the~~  
2 ~~taxable year; and~~

3 ~~(8)(6)~~ contributions to the child abuse and neglect  
4 prevention program provided for in 41-3-701, subject to the  
5 conditions set forth in 15-30-156. (Subsection (8) [now  
6 subsection (6)] terminates January 1, 1990--sec. 13, Ch.  
7 610, L. 1985.)"

8 Section 12. Section 15-31-114, MCA, is amended to  
9 read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (i) Taxes imposed by this part.

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

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

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

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

9 ~~{6}--Eight---vehicle---license---fees---as---provided---by~~  
10 ~~61-3-532,--and--fees--in--lieu--of--taxes--for--motorcycles--and~~  
11 ~~quadricycles,--as--provided--by--61-3-541,--paid--within--the--year.~~

12 ~~{7}{6}~~ That portion of an energy-related investment  
13 allowed as a deduction under 15-32-103.

14 ~~{8}{7}~~ (a) Except as provided in subsection (b),  
15 charitable contributions and gifts that qualify for  
16 deduction under section 170 of the Internal Revenue Code, as  
17 amended.

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

21 ~~{9}{8}~~ In lieu of the deduction allowed under  
22 subsection ~~{8}~~ ~~{7}~~, the taxpayer may deduct the fair market  
23 value, not to exceed 30% of the taxpayer's net income, of a  
24 computer or other sophisticated technological equipment or  
25 apparatus intended for use with the computer donated to an



1 elementary, secondary, or accredited postsecondary school  
2 located in Montana if:

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

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

8 (c) the taxpayer receives a written statement from the  
9 donee in which the donee agrees to accept the property and  
10 representing that the use and disposition of the property  
11 will be in accordance with the provisions of (b) of this  
12 subsection ~~(9)~~ (8)."

13 Section 13. Section 15-36-112, MCA, is amended to  
14 read:

15 "15-36-112. Disposition of oil and gas severance  
16 taxes. (1) Each year the department of revenue shall  
17 determine the amount of tax collected under this chapter  
18 from within each county.

19 (2) The severance taxes collected under this chapter  
20 are allocated as follows:

21 ~~(a) 33 1/3% of the oil severance tax, not to exceed~~  
22 ~~\$42 million for the biennium ending June 30, 1985, is~~  
23 ~~deposited in the local government block grant account within~~  
24 ~~the state special revenue fund,~~

25 ~~(b)(a)~~ the amount, if any, by which the tax collected

1 from within a county for any fiscal year exceeds the total  
2 amount collected from within that county for the previous  
3 fiscal year, by reason of increased production and not  
4 because of increase in or elimination of federal price  
5 ceilings on oil and gas, is statutorily appropriated, as  
6 provided in 17-7-502, for allocation to the general fund of  
7 the county for distribution as provided in subsection (3);

8 ~~(c)(b)~~ any amount not allocated to ~~the local~~  
9 ~~government block grant account or~~ the county under  
10 subsection (2)(a) ~~or (2)(b)~~ is allocated to the state  
11 general fund.

12 (3) (a) The county treasurer shall distribute the  
13 money received under subsection ~~(2)(b)~~ (2)(a) of this  
14 section to the county and to all the incorporated cities and  
15 towns within the county in the following manner. The county  
16 receives the available money multiplied by the ratio of the  
17 rural population to the county population. Each incorporated  
18 municipality receives the available money multiplied by the  
19 ratio of the population of the incorporated municipality to  
20 the county population. The rural population is that  
21 population of the county living outside the boundaries of an  
22 incorporated municipality. Population shall be based on the  
23 most recent figures as determined by the department of  
24 commerce.

25 (b) The money distributed under this subsection may be

1 used for any purpose as determined by the governing body of  
2 the county, city, or town."

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

5 "15-50-207. Credit against other taxes -- credit for  
6 personal property taxes and certain fees. (1) The additional  
7 license fees withheld or otherwise paid as provided herein  
8 may be used as a credit on the contractor's corporation  
9 license tax provided for in chapter 31 of this title or on  
10 the contractor's income tax provided for in chapter 30,  
11 depending upon the type of tax the contractor is required to  
12 pay under the laws of the state.

13 (2) Personal property taxes,~~fees-in-lieu-of-taxes--on~~  
14 ~~motorcycles--or--quadricycles,--or--light-vehicle--license--fees~~  
15 ~~as-provided-by-61-3-532~~ paid in Montana on any personal  
16 property of the contractor which is used in the business of  
17 the contractor and is located within this state may be  
18 credited against the license fees required under this  
19 chapter. However, in computing the tax credit allowed by  
20 this section against the contractor's corporation license  
21 tax or income tax, the personal property tax ~~or--light~~  
22 ~~vehicle--license--fee~~ credit against the license fees herein  
23 required shall not be considered as license fees paid for  
24 the purpose of such income tax or corporation license tax  
25 credit."

1 Section 15. Section 20-9-141, MCA, is amended to read:

2 "20-9-141. Computation of general fund net levy  
3 requirement by county superintendent. (1) The county  
4 superintendent shall compute the levy requirement for each  
5 district's general fund on the basis of the following  
6 procedure:

7 (a) Determine the total of the funding required for  
8 the district's final general fund budget less the amount  
9 established by the schedules in 20-9-316 through 20-9-321 by  
10 totaling:

11 (i) the district's nonisolated school foundation  
12 program requirement to be met by a district levy as provided  
13 in 20-9-303;

14 (ii) the district's permissive levy amount as provided  
15 in 20-9-352; and

16 (iii) any general fund budget amount adopted by the  
17 trustees of the district under the provisions of 20-9-353,  
18 including any additional levies authorized by the electors  
19 of the district.

20 (b) Determine the total of the moneys available for  
21 the reduction of the property tax on the district for the  
22 general fund by totaling:

23 (i) anticipated federal moneys received under the  
24 provisions of Title I of Public Law 81-874 or other  
25 anticipated federal moneys received in lieu of such federal

1 act;

2 (ii) anticipated tuition payments for out-of-district

3 pupils under the provisions of 20-5-303, 20-5-307, 20-5-312,

4 and 20-5-313;

5 (iii) general fund cash reappropriated, as established

6 under the provisions of 20-9-104;

7 (iv) anticipated or reappropriated state impact aid

8 received under the provisions of 20-9-304;

9 (v) anticipated ~~or--reappropriated-motor-vehicle-fees~~

10 ~~and-reimbursement--under--the--provisions--of--61-3-532--and~~

11 61-3-536 revenue from vehicle property taxes imposed under

12 61-3-504(2) AND [SECTION 39];

13 (vi) anticipated net proceeds taxes for new production,

14 as defined in 15-23-601;

15 (vii) anticipated interest to be earned or

16 reappropriated interest earned by the investment of general

17 fund cash in accordance with the provisions of 20-9-213(4);

18 and

19 (viii) any other revenue anticipated by the trustees to

20 be received during the ensuing school fiscal year which may

21 be used to finance the general fund.

22 (c) Subtract the total of the moneys available to

23 reduce the property tax required to finance the general fund

24 that has been determined in subsection (1)(b) from the total

25 requirement determined in subsection (1)(a).

1 (2) The net general fund levy requirement determined

2 in subsection (1)(c) shall be reported to the county

3 commissioners on the second Monday of August by the county

4 superintendent as the general fund levy requirement for the

5 district, and a levy shall be made by the county

6 commissioners in accordance with 20-9-142."

7 Section 16. Section 20-9-331, MCA, is amended to read:

8 "20-9-331. Basic county tax and other revenues for

9 county equalization of the elementary district foundation

10 program. (1) It shall be the duty of the county

11 commissioners of each county to levy an annual basic tax of

12 28 mills on the dollars of the taxable value of all taxable

13 property within the county, except for vehicles subject to

14 taxation under 61-3-504(2), for the purposes of local and

15 state foundation program support. The revenue to be

16 collected from this levy shall be apportioned to the support

17 of the foundation programs of the elementary school

18 districts in the county and to the state special revenue

19 fund, state equalization aid account, in the following

20 manner:

21 (a) In order to determine the amount of revenue raised

22 by this levy which is retained by the county, the sum of the

23 estimated revenues identified in subsection (2) below shall

24 be subtracted from the sum of the county elementary

25 transportation obligation and the total of the foundation

1 programs of all elementary districts of the county.

2 (b) If the basic levy prescribed by this section  
3 produces more revenue than is required to finance the  
4 difference determined above, the county treasurer shall  
5 remit the surplus funds to the state treasurer for deposit  
6 to the state special revenue fund, state equalization aid  
7 account, immediately upon occurrence of a surplus balance  
8 and each subsequent month thereafter, with any final  
9 remittance due no later than June 20 of the fiscal year for  
10 which the levy has been set.

11 (2) The proceeds realized from the county's portion of  
12 the levy prescribed by this section and the revenues from  
13 the following sources shall be used for the equalization of  
14 the elementary district foundation programs of the county as  
15 prescribed in 20-9-334, and a separate accounting shall be  
16 kept of such proceeds and revenues by the county treasurer  
17 in accordance with 20-9-212(1):

18 (a) the portion of the federal Taylor Grazing Act  
19 funds distributed to a county and designated for the common  
20 school fund under the provisions of 17-3-222;

21 (b) the portion of the federal flood control act funds  
22 distributed to a county and designated for expenditure for  
23 the benefit of the county common schools under the  
24 provisions of 17-3-232;

25 (c) all money paid into the county treasury as a

1 result of fines for violations of law and the use of which  
2 is not otherwise specified by law;

3 (d) any money remaining at the end of the immediately  
4 preceding school fiscal year in the county treasurer's  
5 account for the various sources of revenue established or  
6 referred to in this section;

7 (e) any federal or state money, ~~including anticipated~~  
8 ~~or-reappropriated-motor-vehicle-fees-and-reimbursement-under~~  
9 ~~the-provisions-of-61-3-532-and-61-3-536~~, distributed to the  
10 county as payment in lieu of the property taxation  
11 established by the county levy required by this section; and

12 (f) net proceeds taxes for new production, as defined  
13 in 15-23-601; and

14 (g) anticipated revenue from vehicle property taxes  
15 imposed under 61-3-504(2) AND [SECTION 39]."

16 Section 17. Section 20-9-333, MCA, is amended to read:

17 "20-9-333. Basic special levy and other revenues for  
18 county equalization of high school district foundation  
19 program. (1) It shall be the duty of the county  
20 commissioners of each county to levy an annual basic special  
21 tax for high schools of 17 mills on the dollar of the  
22 taxable value of all taxable property within the county,  
23 except for vehicles subject to taxation under 61-3-504(2),  
24 for the purposes of local and state foundation program  
25 support. The revenue to be collected from this levy shall

1 be apportioned to the support of the foundation programs of  
2 high school districts in the county and to the state special  
3 revenue fund, state equalization aid account, in the  
4 following manner:

5 (a) In order to determine the amount of revenue raised  
6 by this levy which is retained by the county, the estimated  
7 revenues identified in subsections (2)(a) and (2)(b) below  
8 shall be subtracted from the sum of the county's high school  
9 tuition obligation and the total of the foundation programs  
10 of all high school districts of the county.

11 (b) If the basic levy prescribed by this section  
12 produces more revenue than is required to finance the  
13 difference determined above, the county treasurer shall  
14 remit the surplus to the state treasurer for deposit to the  
15 state special revenue fund, state equalization aid account,  
16 immediately upon occurrence of a surplus balance and each  
17 subsequent month thereafter, with any final remittance due  
18 no later than June 20 of the fiscal year for which the levy  
19 has been set.

20 (2) The proceeds realized from the county's portion of  
21 the levy prescribed in this section and the revenues from  
22 the following sources shall be used for the equalization of  
23 the high school district foundation programs of the county  
24 as prescribed in 20-9-334, and a separate accounting shall  
25 be kept of these proceeds by the county treasurer in

1 accordance with 20-9-212(1):

2 (a) any money remaining at the end of the immediately  
3 preceding school fiscal year in the county treasurer's  
4 accounts for the various sources of revenue established in  
5 this section;

6 (b) any federal or state moneys ~~including anticipated~~  
7 ~~or-reappropriated motor vehicle fees and reimbursement under~~  
8 ~~the provisions of 61-3-532 and 61-3-536~~, distributed to the  
9 county as a payment in lieu of the property taxation  
10 established by the county levy required by this section; and

11 (c) net proceeds taxes for new production, as defined  
12 in 15-23-601; and

13 (d) anticipated revenue from vehicle property taxes  
14 imposed under 61-3-504(2) AND [SECTION 39]."

15 Section 18. Section 20-9-352, MCA, is amended to read:

16 "20-9-352. Permissive amount and permissive levy. (1)  
17 Whenever the trustees of any district shall deem it  
18 necessary to adopt a general fund budget in excess of the  
19 foundation program amount but not in excess of the maximum  
20 general fund budget amount for such district as established  
21 by the schedules in 20-9-316 through 20-9-321, the trustees  
22 shall adopt a resolution stating the reasons and purposes  
23 for exceeding the foundation program amount. Such excess  
24 above the foundation program amount shall be known as the  
25 "permissive amount", and it shall be financed by a levy, as

1 prescribed in 20-9-141, on the taxable value of all taxable  
 2 property within the district, ~~as prescribed in 20-9-141~~  
 3 except for vehicles subject to taxation under 61-3-504(2),  
 4 supplemented with any biennial appropriation by the  
 5 legislature for this purpose. The proceeds of such an  
 6 appropriation shall be deposited to the state special  
 7 revenue fund, permissive account.

8 (2) The district levies to be set for the purpose of  
 9 funding the permissive amount are determined as follows:

10 (a) For each elementary school district, the county  
 11 commissioners shall annually set a levy not exceeding 6  
 12 mills on all the taxable property in the district, except  
 13 for vehicles subject to taxation under 61-3-504(2), for the  
 14 purpose of funding the permissive amount of the district.  
 15 The permissive levy in mills shall be obtained by  
 16 multiplying the ratio of the permissive amount to the  
 17 maximum permissive amount by 6 or by using the number of  
 18 mills which would fund the permissive amount, whichever is  
 19 less. If the amount of revenue raised by this levy, plus  
 20 anticipated ~~or reappropriated motor vehicle fees and~~  
 21 ~~reimbursement under the provisions of 61-3-532 and 61-3-536,~~  
 22 revenue from vehicle property taxes imposed under  
 23 61-3-504(2) AND [SECTION 39], is not sufficient to fund the  
 24 permissive amount in full, the amount of the deficiency  
 25 shall be paid to the district from the state special revenue

1 fund according to the provisions of subsections (3) and (4)  
 2 of this section.

3 (b) For each high school district, the county  
 4 commissioners shall annually set a levy not exceeding 4  
 5 mills on all taxable property in the district, except for  
 6 vehicles subject to taxation under 61-3-504(2), for the  
 7 purpose of funding the permissive amount of the district.  
 8 The permissive levy in mills shall be obtained by  
 9 multiplying the ratio of the permissive levy to the maximum  
 10 permissive amount by 4 or by using the number of mills which  
 11 would fund the permissive amount, whichever is less. If the  
 12 amount of revenue raised by this levy, plus anticipated  
 13 ~~motor vehicle fees and reimbursement under the provisions of~~  
 14 ~~61-3-532 and 61-3-536,~~ revenue from vehicle property taxes  
 15 imposed under 61-3-504(2) AND [SECTION 39], and plus net  
 16 proceeds taxes for new production, as defined in 15-23-601,  
 17 is not sufficient to fund the permissive amount in full, the  
 18 amount of the deficiency shall be paid to the district from  
 19 the state special revenue fund according to the provisions  
 20 of subsections (3) and (4) of this section.

21 (3) The superintendent of public instruction shall, if  
 22 the appropriation by the legislature for the permissive  
 23 account for the biennium is insufficient, request the budget  
 24 director to submit a request for a supplemental  
 25 appropriation in the second year of the biennium. The

1 supplemental appropriation shall provide enough revenue to  
 2 fund the permissive deficiency of the elementary and high  
 3 school districts of the state. The proceeds of this  
 4 appropriation shall be deposited to the state special  
 5 revenue fund, permissive account, and shall be distributed  
 6 to the elementary and high school districts in accordance  
 7 with their entitlements as determined by the superintendent  
 8 of public instruction according to the provisions of  
 9 subsections (1) and (2) of this section.

10 (4) Distribution under this section from the state  
 11 special revenue fund shall be made in two payments. The  
 12 first payment shall be made at the same time as the first  
 13 distribution of state equalization aid is made after January  
 14 1 of the fiscal year. The second payment shall be made at  
 15 the same time as the last payment of state equalization aid  
 16 is made for the fiscal year. If the appropriation is not  
 17 sufficient to finance the deficiencies of the districts as  
 18 determined according to subsection (2), each district will  
 19 receive the same percentage of its deficiency. Surplus  
 20 revenue in the second year of the biennium may be used to  
 21 reduce the appropriation required for the next succeeding  
 22 biennium or may be transferred to the state equalization aid  
 23 state special revenue fund if revenues in that fund are  
 24 insufficient to meet foundation program requirements."

25 Section 19. Section 20-9-501, MCA, is amended to read:

1 "20-9-501. Retirement fund. (1) The trustees of any  
 2 district employing personnel who are members of the  
 3 teachers' retirement system or the public employees'  
 4 retirement system or who are covered by unemployment  
 5 insurance or who are covered by any federal social security  
 6 system requiring employer contributions shall establish a  
 7 retirement fund for the purposes of budgeting and paying the  
 8 employer's contributions to such systems. The district's  
 9 contribution for each employee who is a member of the  
 10 teachers' retirement system shall be calculated in  
 11 accordance with Title 19, chapter 4, part 6. The district's  
 12 contribution for each employee who is a member of the public  
 13 employees' retirement system shall be calculated in  
 14 accordance with 19-3-801. The district may levy a special  
 15 tax to pay its contribution to the public employees'  
 16 retirement system under the conditions prescribed in  
 17 19-3-204. The district's contributions for each employee  
 18 covered by any federal social security system shall be paid  
 19 in accordance with federal law and regulation. The  
 20 district's contribution for each employee who is covered by  
 21 unemployment insurance shall be paid in accordance with  
 22 Title 39, chapter 51, part 11.

23 (2) The trustees of any district required to make a  
 24 contribution to any such system shall include in the  
 25 retirement fund of the preliminary budget the estimated

1 amount of the employer's contribution and such additional  
 2 moneys, within legal limitations, as they may wish to  
 3 provide for the retirement fund cash reserve. After the  
 4 final retirement fund budget has been adopted, the trustees  
 5 shall pay the employer contributions to such systems in  
 6 accordance with the financial administration provisions of  
 7 this title.

8 (3) When the final retirement fund budget has been  
 9 adopted, the county superintendent shall establish the levy  
 10 requirement by:

11 (a) determining the sum of the moneys available to  
 12 reduce the retirement fund levy requirement by adding:

13 (i) any anticipated moneys that may be realized in the  
 14 retirement fund during the ensuing school fiscal year,  
 15 including anticipated ~~motor-vehicle-fees-and-reimbursement~~  
 16 ~~under-the-provisions-of-61-3-532-and-61-3-536~~ revenue from  
 17 vehicle property taxes imposed under 61-3-504(2) AND  
 18 [SECTION 39];

19 (ii) net proceeds taxes for new production, as defined  
 20 in 15-23-601; and

21 (iii) any cash available for reappropriation as  
 22 determined by subtracting the amount of the end-of-the-year  
 23 cash balance earmarked as the retirement fund cash reserve  
 24 for the ensuing school fiscal year by the trustees from the  
 25 end-of-the-year cash balance in the retirement fund. The

1 retirement fund cash reserve shall not be more than 35% of  
 2 the final retirement fund budget for the ensuing school  
 3 fiscal year and shall be used for the purpose of paying  
 4 retirement fund warrants issued by the district under the  
 5 final retirement fund budget.

6 (b) subtracting the total of the moneys available for  
 7 reduction of the levy requirement as determined in  
 8 subsection (3)(a) from the budgeted amount for expenditures  
 9 in the final retirement fund budget.

10 (4) The county superintendent shall total the net  
 11 retirement fund levy requirements separately for all  
 12 elementary school districts, all high school districts, and  
 13 all community college districts of the county, including any  
 14 prorated joint district or special education cooperative  
 15 agreement levy requirements, and shall report each such levy  
 16 requirement to the county commissioners on the second Monday  
 17 of August as the respective county levy requirements for  
 18 elementary district, high school district, and community  
 19 college district retirement funds. The county commissioners  
 20 shall fix and set such county levy in accordance with  
 21 20-9-142.

22 (5) The net retirement fund levy requirement for a  
 23 joint elementary district or a joint high school district  
 24 shall be prorated to each county in which a part of such  
 25 district is located in the same proportion as the district



1 ANB of the joint district is distributed by pupil residence  
2 in each such county. The county superintendents of the  
3 counties affected shall jointly determine the net retirement  
4 fund levy requirement for each county as provided in  
5 20-9-151.

6 (6) The net retirement fund levy requirement for  
7 districts that are members of special education cooperative  
8 agreements shall be prorated to each county in which such  
9 district is located in the same proportion as the budget for  
10 the special education cooperative agreement of the district  
11 bears to the total budget of the cooperative. The county  
12 superintendents of the counties affected shall jointly  
13 determine the net retirement fund levy requirement for each  
14 county in the same manner as provided in 20-9-151 and fix  
15 and levy the net retirement fund levy for each county in the  
16 same manner as provided in 20-9-152."

17 Section 20. Section 20-10-144, MCA, is amended to  
18 read:

19 "20-10-144. Computation of revenues and net tax levy  
20 requirements for the transportation fund budget. Before the  
21 fourth Monday of July and in accordance with 20-9-123, the  
22 county superintendent shall compute the revenue available to  
23 finance the transportation fund budget of each district. The  
24 county superintendent shall compute the revenue for each  
25 district on the following basis:

1 (1) The "schedule amount" of the preliminary budget  
2 expenditures that is derived from the rate schedules in  
3 20-10-141 and 20-10-142 shall be determined by adding the  
4 following amounts:

5 (a) the sum of the maximum reimbursable expenditures  
6 for all approved school bus routes maintained by the  
7 district (to determine the maximum reimbursable expenditure,  
8 multiply the applicable rate per bus mile by the total  
9 number of miles to be traveled during the ensuing school  
10 fiscal year on each bus route approved by the county  
11 transportation committee and maintained by such district);  
12 plus

13 (b) the total of all individual transportation per  
14 diem reimbursement rates for such district as determined  
15 from the contracts submitted by the district multiplied by  
16 the number of pupil-instruction days scheduled for the  
17 ensuing school attendance year; plus

18 (c) any estimated costs for supervised home study or  
19 supervised correspondence study for the ensuing school  
20 fiscal year; plus

21 (d) the amount budgeted on the preliminary budget for  
22 the contingency amount permitted in 20-10-143, except if  
23 such amount exceeds 10% of the total of subsections (1)(a),  
24 (1)(b), and (1)(c) or \$100, whichever is larger, the  
25 contingency amount on the preliminary budget shall be

1 reduced to such limitation amount and used in this  
2 determination of the schedule amount.

3 (2) The schedule amount determined in subsection (1)  
4 or the total preliminary transportation fund budget,  
5 whichever is smaller, shall be divided by 3 and the  
6 resulting one-third amount shall be used to determine the  
7 available state and county revenue to be budgeted on the  
8 following basis:

9 (a) the resulting one-third amount shall be the  
10 budgeted state transportation reimbursement, except that the  
11 state transportation reimbursement for the transportation of  
12 special education pupils under the provisions of 20-7-442  
13 shall be two-thirds of the schedule amount attributed to the  
14 transportation of special education pupils;

15 (b) the resulting one-third amount, except as provided  
16 for joint elementary districts in subsection (2)(e), shall  
17 be the budgeted county transportation reimbursement for  
18 elementary districts and shall be financed by the basic  
19 county tax under the provisions of 20-9-334;

20 (c) the resulting one-third amount multiplied by 2  
21 shall be the budgeted county transportation reimbursement  
22 amount for high school districts financed under the  
23 provisions of subsection (5) of this section, except as  
24 provided for joint high school districts in subsection  
25 (2)(e), and except that the county transportation

1 reimbursement for the transportation of special education  
2 pupils under the provisions of 20-7-442 shall be one-third  
3 of the schedule amount attributed to the transportation of  
4 special education pupils;

5 (d) when the district has a sufficient amount of cash  
6 for reappropriation and other sources of district revenue,  
7 as determined in subsection (3), to reduce the total  
8 district obligation for financing to zero, any remaining  
9 amount of such district revenue and cash reappropriated  
10 shall be used to reduce the county financing obligation in  
11 subsections (2)(b) or (2)(c) and, if such county financing  
12 obligations are reduced to zero, to reduce the state  
13 financial obligation in subsection (2)(a); and

14 (e) the county revenue requirement for a joint  
15 district, after the application of any district moneys under  
16 subsection (2)(d) above, shall be prorated to each county  
17 incorporated by the joint district in the same proportion as  
18 the ANB of the joint district is distributed by pupil  
19 residence in each such county.

20 (3) The total of the moneys available for the  
21 reduction of property tax on the district for the  
22 transportation fund shall be determined by totaling:

23 (a) anticipated federal moneys received under the  
24 provisions of Title I of Public Law 81-874 or other  
25 anticipated federal moneys received in lieu of such federal

1 act; plus

2 (b) anticipated payments from other districts for  
3 providing school bus transportation services for such  
4 district; plus

5 (c) anticipated payments from a parent or guardian for  
6 providing school bus transportation services for his child;  
7 plus

8 (d) anticipated interest to be earned by the  
9 investment of transportation fund cash in accordance with  
10 the provisions of 20-9-213(4); plus

11 (e) ~~anticipated motor-vehicle-fees--and--reimbursement~~  
12 ~~under--the--provisions-of-61-3-532-and-61-3-536~~ revenue from  
13 vehicle property taxes imposed under 61-3-504(2) AND  
14 [SECTION 39]; plus

15 (f) net proceeds taxes for new production, as defined  
16 in 15-23-601; plus

17 (g) any other revenue anticipated by the trustees to  
18 be earned during the ensuing school fiscal year which may be  
19 used to finance the transportation fund; plus

20 (h) any cash available for reappropriation as  
21 determined by subtracting the amount of the end-of-the-year  
22 cash balance earmarked as the transportation fund cash  
23 reserve for the ensuing school fiscal year by the trustees  
24 from the end-of-the-year cash balance in the transportation  
25 fund. Such cash reserve shall not be more than 20% of the

1 final transportation fund budget for the ensuing school  
2 fiscal year and shall be for the purpose of paying  
3 transportation fund warrants issued by the district under  
4 the final transportation fund budget.

5 (4) The district levy requirement for each district's  
6 transportation fund shall be computed by:

7 (a) subtracting the schedule amount calculated in  
8 subsection (1) from the total preliminary transportation  
9 budget amount and, for an elementary district, adding such  
10 difference to the district obligation to finance one-third  
11 of the schedule amount as determined in subsection (2); and

12 (b) subtracting the amount of moneys available to  
13 reduce the property tax on the district, as determined in  
14 subsection (3), from the amount determined in subsection  
15 (4)(a) above.

16 (5) The county levy requirement for the financing of  
17 the county transportation reimbursement to high school  
18 districts shall be computed by adding all such requirements  
19 for all the high school districts of the county, including  
20 the county's obligation for reimbursements in joint high  
21 school districts.

22 (6) The transportation fund levy requirements  
23 determined in subsection (4) for each district and in  
24 subsection (5) for the county shall be reported to the  
25 county commissioners on the second Monday of August by the

1 county superintendent as the transportation fund levy  
2 requirements for the district and for the county, and such  
3 levies shall be made by the county commissioners in  
4 accordance with 20-9-142."

5 Section 21. Section 61-1-130, MCA, is amended to read:

6 "61-1-130. Motor home. "Motor home" ~~as--used--in~~  
7 ~~61-3-521--and--61-3-522~~ means a self-propelled motor vehicle  
8 originally designed or permanently altered to provide  
9 temporary facilities for recreational, travel, or camping  
10 use."

11 Section 22. Section 61-1-131, MCA, is amended to read:

12 "61-1-131. Travel trailer. "Travel trailer" ~~as-used-in~~  
13 ~~61-3-521--and--61-3-523~~ means a trailer 45 feet or less in  
14 length and 8 feet or less in width originally designed or  
15 permanently altered to provide temporary facilities for  
16 recreational, travel, or camping use and not used as a  
17 principal residence."

18 Section 23. Section 61-3-303, MCA, is amended to read:

19 "61-3-303. Application for registration. (1) Every  
20 owner of a motor vehicle operated or driven upon the public  
21 highways of this state shall for each motor vehicle owned,  
22 except as herein otherwise expressly provided, file or cause  
23 to be filed in the office of the county treasurer where the  
24 motor vehicle is owned or taxable an application for  
25 registration or reregistration upon a blank form to be

1 prepared and furnished by the department. The application  
2 shall contain:

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

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

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

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

16 (e) such other information as the department may  
17 require.

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

22 (a) the registration fee, as provided in 61-3-311 and  
23 61-3-321; and

24 (b) unless it has been previously paid:

25 (i) the personal property taxes assessed against the

1 vehicle for the current year of registration and the  
2 immediately previous year; or

3 (ii) the new motor vehicle sales tax against the  
4 vehicle for the current year of registration, and/or the  
5 license fee imposed by 61-3-532 for the current year of  
6 registration and the immediately previous year; or

7 (iii) in the case of a motorcycle, quadricycle, motor  
8 home, travel trailer, or camper, the fee in lieu of property  
9 tax for the current year of registration;

10 (3) The application may not be accepted by the county  
11 treasurer unless the payments required by subsection (2)  
12 accompany the application. The county treasurer may not  
13 assess or collect taxes or fees for a period other than:

14 (a) the current year; and

15 (b) the immediately previous year, if the vehicle was  
16 not registered or operated on the highways of the state,  
17 regardless of the period of time since the vehicle was  
18 previously registered or operated.

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

24 Section 24. Section 61-3-332, MCA, is amended to read:

25 "61-3-332. Number plates. (1) Every motor vehicle

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

22 (2) All number plates for motor vehicles shall be  
23 issued for a minimum period of 4 years, shall bear a  
24 distinctive marking, and shall be furnished by the state.  
25 In years when number plates are not issued, the department

1 shall provide nonremovable stickers bearing appropriate  
2 registration numbers, which shall be affixed to the license  
3 plates in use.

4 (3) In the case of motorcars and trucks, plates shall  
5 be of metal 6 inches wide and 12 inches in length. The  
6 outline of the state of Montana shall be used as a  
7 distinctive border on such license plates, and the word  
8 "Montana" with the year shall be placed across the plates.  
9 Such registration plates shall be treated with a  
10 reflectorized background material according to  
11 specifications prescribed by the department.

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

25 (5) For the use of tax-exempt motor vehicles ~~that--are~~

1 ~~also--exempt--from-the-light-vehicle-license-fee-as-provided~~  
2 ~~in--subsection--(2)(a)--of--63-3-532~~, in addition to the  
3 markings herein provided, number plates shall have thereon  
4 the following distinctive markings:

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

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

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

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

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

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

1 Ravalli, 13; Custer, 14; Lake, 15; Dawson, 16; Roosevelt,  
 2 17; Beaverhead, 18; Chouteau, 19; Valley, 20; Toole, 21; Big  
 3 Horn, 22; Musselshell, 23; Blaine, 24; Madison, 25; Pondera,  
 4 26; Richland, 27; Powell, 28; Rosebud, 29; Deer Lodge, 30;  
 5 Teton, 31; Stillwater, 32; Treasure, 33; Sheridan, 34;  
 6 Sanders, 35; Judith Basin, 36; Daniels, 37; Glacier, 38;  
 7 Fallon, 39; Sweet Grass, 40; McCone, 41; Carter, 42;  
 8 Broadwater, 43; Wheatland, 44; Prairie, 45; Granite, 46;  
 9 Meagher, 47; Liberty, 48; Park, 49; Garfield, 50; Jefferson,  
 10 51; Wibaux, 52; Golden Valley, 53; Mineral, 54; Petroleum,  
 11 55; Lincoln, 56. Any new counties shall be assigned numbers  
 12 by the department as they may be formed, beginning with the  
 13 number 57."

14 Section 25. Section 61-3-431, MCA, is amended to read:  
 15 "61-3-431. Special mobile equipment -- exemption from  
 16 registration and payment of fees and charges --  
 17 identification plate -- publicly owned special mobile  
 18 equipment. (1) A person, firm, partnership, or corporation  
 19 who owns, leases, or rents special mobile equipment as  
 20 defined in 61-1-104 and occasionally moves that equipment  
 21 on, over, or across the highways of the state is not subject  
 22 to registration of that equipment or required to pay the  
 23 fees and charges provided for in 61-3-502, 61-4-301 through  
 24 61-4-308, or part 2 of chapter 10. Prior to movement on the  
 25 highways, however, each piece of equipment shall display an

1 equipment identification plate or a dealer's license plate  
2 attached to the equipment.

3 (2) Annual application for the identification plate  
4 shall be made to the county treasurer before any piece of  
5 equipment is moved on the highways. Application shall be  
6 made on a form furnished by the department of justice,  
7 together with the payment of a fee of \$5. The equipment for  
8 which a special mobile equipment plate is sought is subject  
9 to the assessment of personal property taxes on the date  
10 application is made for the plate. The personal property  
11 taxes assessed against the special mobile equipment must be  
12 paid before the issuance of a special mobile equipment  
13 plate. The fees collected under this section belong to the  
14 county road fund.

15 (3) The identification plate expires on December 31 of  
16 each year. If the expired identification plate is displayed,  
17 an owner of special mobile equipment registered under the  
18 provisions of this section is entitled to operate the  
19 equipment between January 1 and February 15 following  
20 expiration without displaying the identification plate or  
21 receipt of the current year.

22 (4) Publicly owned special mobile equipment and  
23 implements of husbandry used exclusively by an owner in the  
24 conduct of his own farming operations are exempt from this  
25 section."

1 Section 26. Section 61-3-501, MCA, is amended to read:

2 "61-3-501. When vehicle taxes and fees are due. (1)  
3 Property taxes, new car taxes, ~~light-vehicle--license--fees,~~  
4 ~~and fees in-lieu-of-tax-on-a-motorcycle-quadracycle-motor~~  
5 ~~home-or--travel--trailer~~ must be paid on the date of  
6 registration or reregistration of the vehicle.

7 (2) If the anniversary date for reregistration of a  
8 vehicle passes while the vehicle is owned and held for sale  
9 by a licensed new or used car dealer, property taxes, ~~light~~  
10 ~~vehicle-license-fees, or the fee in-lieu-of--property--taxes~~  
11 abate on such vehicle properly reported with the department  
12 of revenue until the vehicle is sold and thereafter the  
13 purchaser shall pay the pro rata balance of the taxes ~~or the~~  
14 ~~fee-in-lieu-of-tax~~ due and owing on the vehicle.

15 (3) In the event a vehicle's registration period is  
16 changed under 61-3-315, all taxes and other fees due thereon  
17 shall be prorated and paid from the last day of the old  
18 period until the first day of the new period in which the  
19 vehicle shall be registered. Thereafter taxes and other fees  
20 must be paid from the first day of the new period for a  
21 minimum period of 1 year. When the change is to a later  
22 registration period, taxes and fees shall be prorated and  
23 paid based on the same tax year as the original registration  
24 period. Thereafter, during the appropriate anniversary  
25 registration period, each vehicle shall again register or



1 reregister and shall pay all taxes and fees due thereon for  
2 a 12-month period."

3 Section 27. Section 61-3-502, MCA, is amended to read:

4 "61-3-502. Sales tax on new motor vehicles --  
5 exemptions. (1) In consideration of the right to use the  
6 highways of the state, there is imposed a tax upon all sales  
7 of new motor vehicles for which a license is sought and an  
8 original application for title is made. The tax shall be  
9 paid by the purchaser when he applies for his original  
10 Montana license through the county treasurer.

11 (2) Except as provided in subsection (4), the sales  
12 tax shall be:

13 (a) 1 1/2% of the f.o.b. factory list price or f.o.b.  
14 port-of-entry list price, during the first quarter of the  
15 year or for a registration period other than a calendar year  
16 or calendar quarter;

17 (b) 1 1/8% of the list price during the second quarter  
18 of the year;

19 (c) 3/4 of 1% during the third quarter of the year;

20 (d) 3/8 of 1% during the fourth quarter of the year.

21 (3) If the manufacturer or importer fails to furnish  
22 the f.o.b. factory list price or f.o.b. port-of-entry list  
23 price, the department may use published price lists.

24 (4) The new car sales tax on vehicles subject to the  
25 provisions of 61-3-313 through 61-3-316 is 1 1/2% of the

1 f.o.b. factory list price or f.o.b. port-of-entry list price  
2 regardless of the month in which the new vehicle is  
3 purchased.

4 (5) The proceeds from this tax shall be remitted to  
5 the state treasurer every 30 days for credit to the state  
6 highway account of the state special revenue fund.

7 (6) The new vehicle ~~is subject to the light vehicle~~  
8 ~~license fee, if applicable, but~~ is not subject to any other  
9 ~~assessment, taxation, or fee in lieu of tax or tax~~ during  
10 the calendar year in which the original application for  
11 title is made.

12 (7) (a) The applicant for original registration of any  
13 new and unused motor vehicle, or a new motor vehicle  
14 furnished without charge by a dealer to a school district  
15 for use as a traffic education motor vehicle by a school  
16 district operating a state-approved traffic education  
17 program within the state, whether or not previously licensed  
18 or titled to the school district (except a mobile home as  
19 defined in 15-1-101(1)), acquired by original contract after  
20 January 1 of any year, is required, whenever the vehicle has  
21 not been otherwise assessed, to pay the motor vehicle sales  
22 tax provided by this section irrespective of whether the  
23 vehicle was in the state of Montana on January 1 of the  
24 year.

25 (b) No motor vehicle may be registered or licensed

1 under the provisions of this subsection unless the  
 2 application for registration is accompanied by a statement  
 3 of origin to be furnished by the dealer selling the vehicle,  
 4 showing that the vehicle has not previously been registered  
 5 or owned, except as otherwise provided herein, by any  
 6 person, firm, corporation, or association that is not a new  
 7 motor vehicle dealer holding a franchise or distribution  
 8 agreement from a new car manufacturer, distributor, or  
 9 importer.

10 (8) (a) Motor vehicles operating exclusively for  
 11 transportation of persons for hire within the limits of  
 12 incorporated cities or towns and within 15 miles from such  
 13 limits are exempt from subsection (1).

14 (b) Motor vehicles brought or driven into Montana by a  
 15 nonresident, migratory, bona fide agricultural worker  
 16 temporarily employed in agricultural work in this state  
 17 where those motor vehicles are used exclusively for  
 18 transportation of agricultural workers are also exempt from  
 19 subsection (1).

20 (c) Vehicles lawfully displaying a licensed dealer's  
 21 plate as provided in 61-4-103 are exempt from subsection (1)  
 22 when moving to or from a dealer's place of business when  
 23 unloaded or loaded with dealer's property only, and in the  
 24 case of vehicles having a gross loaded weight of less than  
 25 24,000 pounds, while being demonstrated in the course of the

1 dealer's business."

2 Section 28. Section 61-3-503, MCA, is amended to read:  
 3 "61-3-503. Assessment. (1) Except as provided in  
 4 subsection (2), the following apply to the taxation of motor  
 5 vehicles:

6 (a) Except as provided in subsection subsections  
 7 (1)(c) through (1)(e), a person who files an application for  
 8 registration or reregistration of a motor vehicle shall  
 9 before filing such application with the county treasurer  
 10 submit the application to the county assessor. The county  
 11 assessor shall enter on the application in a space to be  
 12 provided for that purpose the market value and taxable value  
 13 of the vehicle as of January 1 of the year for which the  
 14 application for registration is made.

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

23 (c) Vehicles subject to the provisions of 61-3-313  
 24 through 61-3-316 shall be assessed ~~by the county treasurer~~  
 25 as of the first day of the registration period, using the

1 market average trade-in, or wholesale, value as of January 1  
 2 of the year of assessment of the vehicle as contained in the  
 3 most recent volume of the Mountain States Edition of the  
 4 National Automobile Dealers Association (N.A.D.A.) Official  
 5 Used Car Guide or of the National Edition of N.A.D.A.  
 6 Appraisal Guides Official Older Used Car Guide, not  
 7 including additions or deductions for options and mileage;  
 8 and a lien for taxes and fees due thereon shall occur on the  
 9 anniversary date of the registration and shall continue  
 10 until such fees and taxes have been paid.

11 (d) Motorcycles, quadricycles, motor homes, travel  
 12 trailers, and campers shall be assessed by--the county  
 13 treasurer, using the greater of the following:

14 (i) \$1,000; or

15 (ii) the average trade-in, or wholesale, value as of  
 16 January 1 of the year of assessment of the vehicle as  
 17 contained in the most recent volume of the applicable  
 18 National Edition of the N.A.D.A. Motorcycle/Moped/ATV  
 19 Appraisal Guide or N.A.D.A. Recreational Vehicle Appraisal  
 20 Guide, not including additions or deductions for options and  
 21 mileage.

22 (e) If a vehicle assessed under subsection (1)(c) or  
 23 (1)(d) is not originally listed in the applicable N.A.D.A.  
 24 guide, the county treasurer ASSESSOR shall depreciate the  
 25 original f.o.b. factory list price or f.o.b. port-of-entry

1 list price at the rate of 10% a year until a minimum value  
 2 of \$1,000 is attained, and the value shall remain at that  
 3 amount so long as the vehicle is registered. When a vehicle  
 4 is no longer listed in the applicable N.A.D.A. guide, the  
 5 county treasurer ASSESSOR shall depreciate the value of the  
 6 vehicle at the rate of 10% a year until a minimum amount of  
 7 \$1,000 is attained, and the value shall remain at that  
 8 amount so long as the vehicle is registered. If--the  
 9 treasurer--is--unable--to--determine--the--original--f.o.b.--list  
 10 price--or--the--proper--N.A.D.A.--value--for--a--motor--vehicle,--the  
 11 assessor--shall--determine--the--value.

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

17 Section 29. Section 61-3-504, MCA, is amended to read:  
 18 "61-3-504. Computation of tax. (1) The amount of taxes  
 19 on a motor vehicle, other than an automobile, truck having a  
 20 rated capacity of three-quarters of a ton or less,  
 21 motorcycle, quadricycle, motor home, travel trailer, camper,  
 22 or mobile home as defined in 15-1-101(1), is computed and  
 23 determined by the county treasurer on the basis of the levy  
 24 of the year preceding the current year of application for  
 25 registration or reregistration.

1       (2) The amount of tax on an automobile or truck having  
 2 a rated capacity of three-quarters of a ton or less, EXCEPT  
 3 FOR VEHICLES OWNED BY DISABLED VETERANS QUALIFYING FOR  
 4 SPECIAL LICENSE PLATES UNDER 61-3-451, and on a motorcycle,  
 5 quadricycle, motor home, travel trailer, or camper is  
 6 determined by the county treasurer and is based on 2.5% 2%  
 7 of the value determined under 61-3-503.

8       (3) The determination For all motor vehicles, the  
 9 amount of tax is entered on the application form in a space  
 10 provided therefor."

11       Section 30. Section 61-3-506, MCA, is amended to read:

12       "61-3-506. Rules. The department of revenue shall  
 13 adopt rules for the payment of property taxes ~~and fees in~~  
 14 ~~lieu of property taxes~~ and the department of highways shall  
 15 adopt rules for the payment of new car taxes under the  
 16 provisions of 61-3-313 through 61-3-316 and 61-3-501. The  
 17 department of revenue may adopt rules for the proration of  
 18 taxes ~~and fees in lieu of taxes~~ for the implementation and  
 19 administration of 61-3-313 through 61-3-316 and 61-3-501,  
 20 but shall specifically provide that new car taxes shall be  
 21 for a 12-month period."

22       Section 31. Section 61-3-509, MCA, is amended to read:

23       "61-3-509. (Temporary) Disposition of taxes ~~and fees~~  
 24 ~~in lieu of tax.~~ (1) Except as provided in subsections  
 25 subsection (2) and (3), the county treasurer shall credit

1 all taxes on motor vehicles, ~~light vehicle license fees~~  
 2 ~~provided for in 61-3-532, and fees in lieu of tax on~~  
 3 ~~motorcycles, quadricycles, motor homes, and travel trailers~~  
 4 collected under 61-3-504 AND [SECTION 39] to a motor vehicle  
 5 suspense fund, and at some time between March 1 and March 10  
 6 of each year and every 60 days thereafter, the county  
 7 treasurer shall distribute the money in the motor vehicle  
 8 suspense fund in the relative proportions required by the  
 9 levies for state, county, school district, and municipal  
 10 purposes in the same manner as personal property taxes are  
 11 distributed.

12       (2) The county treasurer shall credit the fee for  
 13 district courts ~~from each light vehicle license fee provided~~  
 14 ~~for in 61-3-533~~ to a separate suspense account and shall  
 15 forward the amount in the account to the state treasurer at  
 16 the time the county treasurer distributes the motor vehicle  
 17 suspense fund. The state treasurer shall credit amounts  
 18 received under this subsection to the general fund to be  
 19 used for purposes of state funding of the district court  
 20 expenses enumerated in 3-5-901.

21       ~~(3) The county treasurer shall credit each block grant~~  
 22 ~~fee to a separate suspense fund. At the time he distributes~~  
 23 ~~the motor vehicle suspense fund, the treasurer shall~~  
 24 ~~distribute the suspense fund provided for in this subsection~~  
 25 ~~to the state treasurer for deposit in the local government~~

1 ~~block-grant-account-provided--for--in--7-6-302.---The--funds~~  
 2 ~~distributed-pursuant-to-this-subsection-must-be-used-for-the~~  
 3 ~~local-government-block-grant-program-as-provided-in-7-6-304.~~  
 4 61-3-509. (Effective July 1, 1987) Disposition of  
 5 ~~taxes and-fees-in-lieu-of-tax. The (1) Except as provided~~  
 6 ~~in subsection (2), the~~ county treasurer shall credit all  
 7 ~~taxes on motor vehicles, light-vehicle-license-fees-provided~~  
 8 ~~for-in-61-3-532, and-fees-in-lieu--of--tax--on--motorcycles,~~  
 9 ~~quadracycles,--motor--homes,--and--travel-trailers~~ collected  
 10 ~~under 61-3-504 AND [SECTION 39]~~ to a motor vehicle suspense  
 11 fund, and at some time between March 1 and March 10 of each  
 12 year and every 60 days thereafter, the county treasurer  
 13 shall distribute the money in the motor vehicle suspense  
 14 fund in the relative proportions required by the levies for  
 15 state, county, school district, and municipal purposes in  
 16 the same manner as personal property taxes are distributed.  
 17 (2) The county treasurer shall credit the fee for  
 18 district courts provided for in 61-3-533 to a separate  
 19 suspense account and shall forward the amount in the account  
 20 to the state treasurer at the time the county treasurer  
 21 distributes the motor vehicle suspense fund. The state  
 22 treasurer shall credit amounts received under this  
 23 subsection to the general fund to be used for purposes of  
 24 state funding of the district court expenses enumerated in  
 25 3-5-901."

1 Section 32. Section 61-3-524, MCA, is amended to read:  
 2 "61-3-524. ~~Fee-paid~~ Tax-paid decal required on camper  
 3 -- application for decal -- application fee -- issuance. (1)  
 4 No camper, subject to taxation in Montana, may be operated  
 5 by any person on the public highways or streets in this  
 6 state unless there is displayed in a conspicuous place  
 7 thereon a decal as visual proof that the ~~fee-in-lieu-of~~ tax  
 8 has been paid thereon for the current year.  
 9 (2) Application for the issuance of the decal shall be  
 10 made to the department of revenue or the county treasurer  
 11 upon forms to be furnished for this purpose, which may be  
 12 obtained from the department or at the county treasurer's  
 13 office in the county wherein the owner resides, and is to  
 14 provide for substantially the following information:  
 15 (a) name of owner;  
 16 (b) address;  
 17 (c) name of manufacturer;  
 18 (d) model number;  
 19 (e) make;  
 20 (f) year of manufacture;  
 21 (g) statement evidencing payment of the ~~fee-in-lieu-of~~  
 22 property tax; and  
 23 (h) such other information as the department may  
 24 require.  
 25 (3) The application must be signed by the county

1       (2) The amount of tax on an automobile or truck having  
 2 a rated capacity of three-quarters of a ton or less, EXCEPT  
 3 FOR VEHICLES OWNED BY DISABLED VETERANS QUALIFYING FOR  
 4 SPECIAL LICENSE PLATES UNDER 61-3-451, and on a motorcycle,  
 5 quadricycle, motor home, travel trailer, or camper is  
 6 determined by the county treasurer and is based on 2-5% 2%  
 7 of the value determined under 61-3-503.

8       (3) The determination For all motor vehicles, the  
 9 amount of tax is entered on the application form in a space  
 10 provided therefor."

11       Section 30. Section 61-3-506, MCA, is amended to read:

12       "61-3-506. Rules. The department of revenue shall  
 13 adopt rules for the payment of property taxes ~~and fees in~~  
 14 ~~lieu of property taxes~~ and the department of highways shall  
 15 adopt rules for the payment of new car taxes under the  
 16 provisions of 61-3-313 through 61-3-316 and 61-3-501. The  
 17 department of revenue may adopt rules for the proration of  
 18 taxes ~~and fees in lieu of taxes~~ for the implementation and  
 19 administration of 61-3-313 through 61-3-316 and 61-3-501,  
 20 but shall specifically provide that new car taxes shall be  
 21 for a 12-month period."

22       Section 31. Section 61-3-509, MCA, is amended to read:

23       "61-3-509. (Temporary) Disposition of taxes ~~and fees~~  
 24 ~~in lieu of tax.~~ (1) Except as provided in subsections  
 25 subsection (2) ~~and~~ ~~{3}~~, the county treasurer shall credit

1 all taxes on motor vehicles, ~~light vehicle license fees~~  
 2 ~~provided for in 61-3-532, and fees in lieu of tax on~~  
 3 ~~motorcycles, quadricycles, motor homes, and travel trailers~~  
 4 collected under 61-3-504 AND [SECTION 39] to a motor vehicle  
 5 suspense fund, and at some time between March 1 and March 10  
 6 of each year and every 60 days thereafter, the county  
 7 treasurer shall distribute the money in the motor vehicle  
 8 suspense fund in the relative proportions required by the  
 9 levies for state, county, school district, and municipal  
 10 purposes in the same manner as personal property taxes are  
 11 distributed.

12       (2) The county treasurer shall credit the fee for  
 13 district courts ~~from each light vehicle license fee provided~~  
 14 ~~for in 61-3-533~~ to a separate suspense account and shall  
 15 forward the amount in the account to the state treasurer at  
 16 the time the county treasurer distributes the motor vehicle  
 17 suspense fund. The state treasurer shall credit amounts  
 18 received under this subsection to the general fund to be  
 19 used for purposes of state funding of the district court  
 20 expenses enumerated in 3-5-901.

21       ~~{3} The county treasurer shall credit each block grant~~  
 22 ~~fee to a separate suspense fund. At the time he distributes~~  
 23 ~~the motor vehicle suspense fund, the treasurer shall~~  
 24 ~~distribute the suspense fund provided for in this subsection~~  
 25 ~~to the state treasurer for deposit in the local government~~

1 ~~block grant account provided for in 7-6-302. The funds~~  
 2 ~~distributed pursuant to this subsection must be used for the~~  
 3 ~~local government block grant program as provided in 7-6-304.~~  
 4 61-3-509. (Effective July 1, 1987) Disposition of  
 5 ~~taxes and fees in lieu of tax. The (1) Except as provided~~  
 6 ~~in subsection (2), the county treasurer shall credit all~~  
 7 ~~taxes on motor vehicles, light vehicle license fees provided~~  
 8 ~~for in 61-3-532, and fees in lieu of tax on motorcycles,~~  
 9 ~~quadricycles, motor homes, and travel trailers collected~~  
 10 ~~under 61-3-504 AND [SECTION 39] to a motor vehicle suspense~~  
 11 ~~fund, and at some time between March 1 and March 10 of each~~  
 12 ~~year and every 60 days thereafter, the county treasurer~~  
 13 ~~shall distribute the money in the motor vehicle suspense~~  
 14 ~~fund in the relative proportions required by the levies for~~  
 15 ~~state, county, school district, and municipal purposes in~~  
 16 ~~the same manner as personal property taxes are distributed.~~  
 17 (2) The county treasurer shall credit the fee for  
 18 district courts provided for in 61-3-533 to a separate  
 19 suspense account and shall forward the amount in the account  
 20 to the state treasurer at the time the county treasurer  
 21 distributes the motor vehicle suspense fund. The state  
 22 treasurer shall credit amounts received under this  
 23 subsection to the general fund to be used for purposes of  
 24 state funding of the district court expenses enumerated in  
 25 3-5-901."

1 Section 32. Section 61-3-524, MCA, is amended to read:  
 2 "61-3-524. Fee-paid Tax-paid decal required on camper  
 3 -- application for decal -- application fee -- issuance. (1)  
 4 No camper, subject to taxation in Montana, may be operated  
 5 by any person on the public highways or streets in this  
 6 state unless there is displayed in a conspicuous place  
 7 thereon a decal as visual proof that the ~~fee-in-lieu-of~~ tax  
 8 has been paid thereon for the current year.  
 9 (2) Application for the issuance of the decal shall be  
 10 made to the department of revenue or the county treasurer  
 11 upon forms to be furnished for this purpose, which may be  
 12 obtained from the department or at the county treasurer's  
 13 office in the county wherein the owner resides, and is to  
 14 provide for substantially the following information:  
 15 (a) name of owner;  
 16 (b) address;  
 17 (c) name of manufacturer;  
 18 (d) model number;  
 19 (e) make;  
 20 (f) year of manufacture;  
 21 (g) statement evidencing payment of the ~~fee-in-lieu-of~~  
 22 property tax; and  
 23 (h) such other information as the department may  
 24 require.  
 25 (3) The application must be signed by the county

1 treasurer and transmitted by him to the department  
 2 accompanied by an application fee of \$1. Upon receipt of the  
 3 application in approved form the department or county  
 4 treasurer shall issue to the applicant a decal in the style  
 5 and design prescribed by the department and of a different  
 6 color than the preceding year, numbered numerically."

7 Section 33. Section 61-3-531, MCA, is amended to read:

8 "61-3-531. Light ~~vehicle-fee~~ vehicles -- definitions.  
 9 As used in ~~61-3-531 through 61-3-536~~ 61-3-533 through  
 10 61-3-535, the following definitions apply:

11 (1) "Light vehicle" means an automobile or a truck  
 12 having a rated capacity of three-quarters of a ton or less.

13 (2) "Vehicle age" means the difference between the  
 14 calendar year of the first day of the registration period  
 15 and the manufacturer's designated model year."

16 Section 34. Section 61-3-533, MCA, is amended to read:

17 "61-3-533. (Temporary) ~~Schedule-of-fees~~ District court  
 18 fee for automobiles-and-light-trucks vehicles. ~~(1) Except as~~  
 19 ~~provided in subsection (3) the~~ The (1) EXCEPT AS PROVIDED  
 20 IN SUBSECTION (2), THE following schedule~~y~~, based on vehicle  
 21 age and ~~weight~~, is used to determine the a district court  
 22 fee imposed by 61-3-532:

Vehicle Age	Weight	Weight
		More
27850	Block	District
	Than	Block District

	Pounds	Grant	Court	27850	Grant	Court
	or-less	Fee	Fee	Pounds	Fee	Fee
3 Less than						
4 or equal						
5 to 4						
6 years	\$70	\$6	\$7	\$90	\$7.50	\$7
7 More than 4						
8 years and						
9 less than						
10 8 years	40	3	5	50	4	5
11 8 years old						
12 and over	10	1.50	2.50	15	2	2.50

13 ~~(2) (a) The fee for a light vehicle is determined by:~~  
 14 ~~(i) multiplying the appropriate dollar amount from the~~  
 15 ~~table in subsection (1), but not the block grant fee or the~~  
 16 ~~district court fee, by the ratio of the PEE for the second~~  
 17 ~~quarter of the year prior to the year of licensing to the~~  
 18 ~~PEE for the second quarter of 1981, and~~

19 ~~(ii) rounding the product thus obtained to the nearest~~  
 20 ~~whole dollar amount;~~

21 ~~(b) "PEE" means the implicit price deflator for~~  
 22 ~~personal consumption expenditures as published quarterly in~~  
 23 ~~the Survey of Current Business by the Bureau of Economic~~  
 24 ~~Analysis of the United States Department of Commerce;~~

25 ~~(3) The light vehicle license fee for disabled~~



1 veterans-qualifying-under-the-provisions-of-61-3-451-through  
 2 61-3-455-is--\$87--with-\$3-of-the-fee-earmarked-for-district  
 3 courts.

4 (2) THE DISTRICT COURT FEE FOR A LIGHT VEHICLE OWNED  
 5 BY A DISABLED VETERAN QUALIFYING FOR SPECIAL LICENSE PLATES  
 6 UNDER 61-3-451 IS \$3.

7 61-3-533. (Effective July 1, 1987) Schedule--of--fees  
 8 District court fee for automobiles--and--light--trucks  
 9 vehicles. (i)--Except-as-provided-in-subsection-(3), the The  
 10 (1) EXCEPT AS PROVIDED IN SUBSECTION (2), THE following  
 11 schedule, based on vehicle age and--weight, is used to  
 12 determine the a district court fee imposed-by-61-3-532:

Vehicle Age	Weight	District Court Fee
	2,850-Pounds	More-Than
	or-less	2,850-Pounds
Less than or equal to 4 years	\$70 \$7	\$90
More than 4 years and less than 8 years	40 5	50
8 years old and over	10 2.50	15

20 (2)--(a)--The--fee-for-a-light-vehicle-is-determined-by:  
 21 (i)--multiplying-the-appropriate-dollar-amount-from-the  
 22 table-in-subsection-(1)-by-the-ratio--of--the--PCE--for--the  
 23 second-quarter-of-the-year-prior-to-the-year-of-licensing-to  
 24 the-PCE-for-the-second-quarter-of-1981;--and  
 25 (ii)--rounding--the-product-thus-obtained-to-the-nearest

1 whole-dollar-amount.

2 (b)--"PCE"--means--the--implicit--price--deflator--for  
 3 personal-consumption-expenditures-as-published-quarterly--in  
 4 the--Survey--of--Current--Business-by-the-bureau-of-economic  
 5 analysis-of-the-United-States-department-of-commerce.

6 (3)--The--light--vehicle--license--fee--for--disabled  
 7 veterans-qualifying-under-the-provisions-of-61-3-451-through  
 8 61-3-455-is-\$5.

9 (2) THE DISTRICT COURT FEE FOR A LIGHT VEHICLE OWNED  
 10 BY A DISABLED VETERAN QUALIFYING FOR SPECIAL LICENSE PLATES  
 11 UNDER 61-3-451 IS \$3."

12 Section 35. Section 61-3-534, MCA, is amended to read:  
 13 "61-3-534. Payment of fee property tax required for  
 14 operation. (1) No light vehicle subject to the--fee--imposed  
 15 by--61-3-532 a property tax may be operated unless the fee  
 16 tax has been paid and the vehicle is licensed.

17 (2) A properly licensed and registered light vehicle  
 18 may be operated within Montana, subject to all applicable  
 19 federal, state, and local laws."

20 Section 36. Section 61-3-535, MCA, is amended to read:  
 21 "61-3-535. Light--vehicle Vehicle reregistration by  
 22 mail. (1) The department shall develop a procedure to permit  
 23 the reregistration of light vehicles and other vehicles  
 24 subject to tax under 61-3-504(2) with the county treasurer  
 25 by mail at the option of the owner of the vehicle. The

1 option to reregister by mail need only be made available for  
 2 vehicles registered at the close of the expiring  
 3 registration period in the name of the applicant for  
 4 reregistration.

5 (2) The form to be returned to the county treasurer by  
 6 the applicant, with the appropriate tax and fees, is to  
 7 contain a statement, to be subscribed to by the applicant,  
 8 stating compliance with the financial liability requirements  
 9 of 61-6-301.

10 ~~{3}--The--procedure--for-mail-reregistration-must-be-in~~  
 11 ~~effect-by-January-17-1982-~~

12 ~~{4}{3}~~ The department may adopt rules to implement the  
 13 mail reregistration procedure."

14 Section 37. Section 61-3-701, MCA, is amended to read:

15 "61-3-701. Foreign vehicles used in gainful occupation  
 16 to be registered -- reciprocity. (1) Before any foreign  
 17 licensed motor vehicle may be operated on the highways of  
 18 this state for hire, compensation, or profit or before the  
 19 owner and/or user thereof uses the vehicle if such owner  
 20 and/or user is engaged in gainful occupation or business  
 21 enterprise in the state, including highway work, the owner  
 22 of the vehicle shall make application to a county treasurer  
 23 for registration upon an application form furnished by the  
 24 department. Upon satisfactory evidence of ownership  
 25 submitted to the county treasurer and the payment of

1 property taxes, if appropriate, as required by 15-8-201,  
 2 15-8-202, or 15-24-301, or 61-3-504, OR [SECTION 39] or the  
 3 ~~payment-of-the-light-vehicle--license--fee--as--provided--by~~  
 4 ~~61-3-532--or-the-fee-in-lieu-of-tax-as-provided-by-61-3-541,~~  
 5 the treasurer shall accept the application for registration  
 6 and shall collect the regular license fee required for the  
 7 vehicle.

8 (2) The treasurer shall thereupon issue to the  
 9 applicant a copy of the certificate entitled "Owner's  
 10 Certificate of Registration and Payment Receipt" and forward  
 11 a duplicate copy of the certificate to the department. The  
 12 treasurer shall at the same time issue to the applicant the  
 13 proper license plates or other identification markers, which  
 14 shall at all times be displayed upon the vehicle when  
 15 operated or driven upon roads and highways of this state  
 16 during the period of the life of the license.

17 (3) The registration receipt shall not constitute  
 18 evidence of ownership but shall be used only for  
 19 registration purposes. No Montana certificate of ownership  
 20 shall be issued for this type of registration.

21 (4) This section is not applicable to any vehicle  
 22 covered by a valid and existing reciprocal agreement or  
 23 declaration entered into under the provisions of the laws of  
 24 Montana."

25 Section 38. Section 61-6-302, MCA, is amended to read:

1 "61-6-302. Proof of compliance. (1) Except as provided  
 2 in subsection (2), before any applicant required to register  
 3 his motor vehicle may do so, the applicant must certify to  
 4 the county treasurer that he possesses an automobile  
 5 liability insurance policy, a certificate of self-insurance,  
 6 or a posted indemnity bond or that he is eligible for an  
 7 exemption under 61-6-303 covering the motor vehicle. The  
 8 certification shall be on a form prescribed by the  
 9 department. The department may immediately cancel the  
 10 registration and license plates of the vehicle upon  
 11 notification that the insurance certification was not  
 12 correctly represented. Any person who intentionally provides  
 13 false information on an insurance certification is guilty of  
 14 unsworn falsification to authorities, punishable as provided  
 15 in 45-7-203.

16 (2) An applicant for registration of ~~an automobile or~~  
 17 ~~a truck having a rated capacity of three-quarters of a ton~~  
 18 ~~or less, a motor vehicle~~ who wishes to register the vehicle  
 19 by mail must sign a statement on the application stating  
 20 that the applicant is in compliance with the financial  
 21 liability requirements of 61-6-301.

22 (3) An owner of a motor vehicle who ceases to maintain  
 23 the insurance or bond required or whose certificate of  
 24 self-insurance is canceled or whose vehicle ceases to be  
 25 exempt shall immediately surrender the registration and

1 license plates for the vehicle to the county treasurer for  
 2 delivery to the department and may not operate or permit  
 3 operation of the vehicle in Montana until insurance has  
 4 again been furnished as required and the vehicle is again  
 5 registered and licensed.

6 (4) Every person shall carry in a motor vehicle being  
 7 operated by him an insurance card approved by the department  
 8 but issued by the insurance carrier to the motor vehicle  
 9 owner as proof of compliance with 61-6-301. A motor vehicle  
 10 operator shall exhibit the insurance card upon demand of a  
 11 justice of the peace, a city or municipal judge, a peace  
 12 officer, a highway patrolman, or a field deputy or inspector  
 13 of the department. However, no person charged with violating  
 14 this subsection may be convicted if he produces in court or  
 15 the office of the arresting officer proof of insurance valid  
 16 at the time of his arrest."

17 NEW SECTION. SECTION 39. LOCAL OPTION VEHICLE TAX.  
 18 (1) A COUNTY MAY IMPOSE A LOCAL VEHICLE TAX ON VEHICLES  
 19 SUBJECT TO A PROPERTY TAX UNDER 61-3-504(2) AT THE RATE OF  
 20 0.5% OF THE VALUE DETERMINED UNDER 61-3-503, IN ADDITION TO  
 21 THE TAX IMPOSED UNDER 61-3-504(2).

22 (2) A LOCAL VEHICLE TAX IS PAYABLE AT THE SAME TIME  
 23 AND IN THE SAME MANNER AS THE TAX IMPOSED UNDER 61-3-504(2)  
 24 AND IS DISTRIBUTED IN THE SAME MANNER, BASED ON THE  
 25 REGISTRATION ADDRESS OF THE OWNER OF THE MOTOR VEHICLE.

1       (3) THE GOVERNING BODY OF A COUNTY MAY IMPOSE A LOCAL  
2 VEHICLE TAX FOR A FISCAL YEAR BY ADOPTING A RESOLUTION  
3 BEFORE JULY 1 OF THE FISCAL YEAR, AFTER CONDUCTING A PUBLIC  
4 HEARING ON THE PROPOSED RESOLUTION.

5       NEW SECTION. Section 40. Disposition of oil severance  
6 tax revenue. Any amount that is received after July 1, 1987,  
7 from oil severance revenues for any payment period ending  
8 before July 1, 1987, and is deposited in the local  
9 government block grant account must be distributed pursuant  
10 to Title 7, chapter 6, part 3, as that part read prior to  
11 July 1, 1987.

12       NEW SECTION. Section 41. Repealer. Sections 7-6-301  
13 through 7-6-309, 61-3-521 through 61-3-523, 61-3-532,  
14 61-3-536, 61-3-541, and 61-3-542, MCA, are repealed.

15       NEW SECTION. Section 42. Extension of authority. Any  
16 existing authority of the department of revenue, the  
17 department of justice, or the department of commerce to make  
18 rules on the subject of the provisions of this act is  
19 extended to the provisions of this act.

20       NEW SECTION. Section 43. Effective date --  
21 applicability. This act is effective on passage and approval  
22 and applies to motor vehicles registered on or after July 1,  
23 1987.

-End-

1 SENATE BILL NO. 200

2 INTRODUCED BY E. SMITH, SEVERSON, B. BROWN, TVEIT,  
3 MCCALLUM, NATHE, HAGER, FARRELL, HIRSCH, LYBECK, BECK,  
4 DEVLIN, C. SMITH, JONES, KOLSTAD, ELLISON  
5

6 A BILL FOR AN ACT ENTITLED: "AN ACT TO REPLACE THE FEE IN  
7 LIEU OF TAX ON LIGHT VEHICLES, MOTORCYCLES, QUADRICYCLES,  
8 MOTOR HOMES, TRAVEL TRAILERS, AND CAMPERS WITH A PROPERTY  
9 TAX; TO ALLOW A LOCAL OPTION VEHICLE TAX; AMENDING SECTIONS  
10 7-1-2111, 15-1-501, 15-6-138, 15-6-140, 15-6-201, 15-8-201,  
11 15-8-202, 15-24-101, 15-24-105, 15-24-301, 15-30-121,  
12 15-31-114, 15-36-112, 15-50-207, 20-9-141, 20-9-331,  
13 20-9-333, 20-9-352, 20-9-501, 20-10-144, 61-1-130, 61-1-131,  
14 61-3-303, 61-3-332, 61-3-431, 61-3-501 THROUGH 61-3-504,  
15 61-3-506, 61-3-509, 61-3-524, 61-3-531, 61-3-533 THROUGH  
16 61-3-535, 61-3-701, AND 61-6-302, MCA; REPEALING SECTIONS  
17 7-6-301 THROUGH 7-6-309, 61-3-521 THROUGH 61-3-523,  
18 61-3-532, 61-3-536, 61-3-541, AND 61-3-542, MCA; AND  
19 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY  
20 DATE."

21  
22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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

24 "7-1-2111. Classification of counties. (1) For the  
25 purpose of regulating the compensation and salaries of all

1 county officers, not otherwise provided for, and for fixing  
2 the penalties of officers' bonds, the several counties of  
3 this state shall be classified according to that percentage  
4 of the true and full valuation of the property therein upon  
5 which the tax levy is made, except for vehicles subject to  
6 taxation under 61-3-504(2), as follows:

7 (a) first class--all counties having such a taxable  
8 valuation of \$50 million or over;

9 (b) second class--all counties having such a taxable  
10 valuation of more than \$30 million and less than \$50  
11 million;

12 (c) third class--all counties having such a taxable  
13 valuation of more than \$20 million and less than \$30  
14 million;

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

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

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

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

25 (2) As used in this section, taxable valuation means



1 the taxable value of taxable property in the county as of  
2 the time of determination plus:

3 (a) that portion of the taxable value of the county on  
4 December 31, 1981, attributable to automobiles and trucks  
5 having a rated capacity of three-quarters of a ton or less;  
6 and

7 (b) the amount of new production taxes levied, as  
8 provided in 15-23-607, divided by the appropriate tax rates  
9 described in 15-23-607(2)(a) or (2)(b) and multiplied by  
10 60%."

11 Section 2. Section 15-1-501, MCA, is amended to read:

12 "15-1-501. Disposition of moneys from certain  
13 designated license and other taxes. (1) The state treasurer  
14 shall deposit to the credit of the state general fund all  
15 moneys received by him from the collection of:

16 (a) fees from driver's licenses, motorcycle  
17 endorsements, and duplicate driver's licenses as provided in  
18 61-5-121;

19 (b) electrical energy producer's license taxes under  
20 chapter 51;

21 (c) severance taxes allocated to the general fund  
22 under chapter 36;

23 (d) liquor license taxes under Title 16;

24 (e) telephone [company] license taxes under chapter  
25 53; and

1 (f) inheritance and estate taxes under Title 72,  
2 chapter 16.

3 (2) Seventy-five percent of all moneys received from  
4 the collection of income taxes under chapter 30 and  
5 corporation license and income taxes under chapter 31,  
6 except as provided in 15-31-702, shall be deposited in the  
7 general fund subject to the prior pledge and appropriation  
8 of such income tax and corporation license tax collections  
9 for the payment of long-range building program bonds. The  
10 remaining 25% of the proceeds of the corporation license  
11 tax, excluding that allocated to the counties under  
12 15-31-702, corporation income tax, and income tax shall be  
13 deposited to the credit of the state special revenue fund  
14 for state equalization aid to the public schools of Montana.

15 (3) The state treasurer shall also deposit to the  
16 credit of the state general fund all moneys received by him  
17 from the collection of license taxes, fees, and all net  
18 revenues and receipts from all other sources under the  
19 operation of the Montana Alcoholic Beverage Code.

20 (4) ~~Thirty-three--and--one-third--percent--of--the--total~~  
21 ~~collections--of--the--oil--severance--tax--under--chapter--36--shall~~  
22 ~~be--deposited--into--the--local--government--block--grant--account~~  
23 ~~within--the--state--special--revenue--fund.~~ After the  
24 distribution provided for in 15-36-112, the remainder of the  
25 oil severance tax collections shall be deposited in the

1 general fund."

2 Section 3. Section 15-6-138, MCA, is amended to read:

3 "15-6-138. Class eight property -- description --  
4 taxable percentage. (1) Class eight property includes:

- 5 (a) all agricultural implements and equipment;
- 6 (b) all mining machinery, fixtures, equipment, tools,  
7 and supplies except:

  - 8 (i) those included in class five; and
  - 9 (ii) coal and ore haulers;

- 10 (c) all manufacturing machinery, fixtures, equipment,  
11 tools, and supplies except those included in class five;
- 12 (d) all trailers up to and including 18,000 pounds  
13 maximum gross loaded weight, except those subject to ~~a-fee~~  
14 ~~in-lieu-of-property-tax~~ taxation under 61-3-504(2);
- 15 (e) aircraft;
- 16 (f) all goods and equipment intended for rent or  
17 lease, except goods and equipment specifically included and  
18 taxed in another class; and
- 19 (g) all other machinery except that specifically  
20 included in another class.

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

23 Section 4. Section 15-6-140, MCA, is amended to read:

24 "15-6-140. Class ten property -- description --  
25 taxable percentage. (1) Class ten property includes:

- 1 (a) radio and television broadcasting and transmitting  
2 equipment;
- 3 (b) cable television systems;
- 4 (c) coal and ore haulers;
- 5 (d) trucks having a rated capacity of more than 1 1/2  
6 tons, including those prorated under 15-24-102;
- 7 (e) all trailers exceeding 18,000 pounds maximum gross  
8 loaded weight, including those prorated under 15-24-102 and  
9 except those subject to ~~a-fee-in-lieu-of-property-tax~~  
10 taxation under 61-3-504(2);
- 11 (f) theater projectors and sound equipment; and
- 12 (g) all other property not included in any other class  
13 in this part except that property subject to a fee in lieu  
14 of a property tax.
- 15 (2) Class ten property is taxed at 16% of its market  
16 value."

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

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

- 20 (a) the property of:

  - 21 (i) the United States, the state, counties, cities,  
22 towns, school districts, except, if congress passes  
23 legislation that allows the state to tax property owned by  
24 an agency created by congress to transmit or distribute  
25 electrical energy, the property constructed, owned, or

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

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

7 (iii) municipal corporations; and

8 (iv) public libraries;

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

14 (c) property used exclusively for agricultural and  
 15 horticultural societies, for educational purposes, and for  
 16 hospitals;

17 (d) property that meets the following conditions:

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

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

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

1 corporate profit;

2 (e) institutions of purely public charity;

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

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

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

12 (i) a truck canopy cover or topper weighing less than  
 13 300 pounds and having no accommodations attached. Such  
 14 property is also exempt from ~~the fee-in-lieu-of-tax~~ taxation  
 15 under 61-3-504(2) AND [SECTION 39].

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

18 ~~{k}--automobiles--and--trucks--having--a--rated--capacity--of~~  
 19 ~~three-quarters-of-a-ton-or-less;~~

20 ~~{i}--motorcycles--and--quadricycles;~~

21 ~~{m}{k}~~ fixtures, buildings, and improvements owned by  
 22 a cooperative association or nonprofit corporation organized  
 23 to furnish potable water to its members or customers for  
 24 uses other than the irrigation of agricultural land;

25 ~~{n}{l}~~ the right of entry that is a property right



1 reserved in land or received by mesne conveyance (exclusive  
 2 of leasehold interests), devise, or succession to enter land  
 3 whose surface title is held by another to explore, prospect,  
 4 or dig for oil, gas, coal, or minerals;

5 ~~(e)~~(m) property owned and used by a corporation or  
 6 association organized and operated exclusively for the care  
 7 of the developmentally disabled, mentally ill, or  
 8 vocationally handicapped as defined in 18-5-101, which is  
 9 not operated for gain or profit; and

10 ~~(p)~~(n) all farm buildings with a market value of less  
 11 than \$500 and all agricultural implements and machinery with  
 12 a market value of less than \$100.

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

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

22 (3) The following portions of the appraised value of a  
 23 capital investment made after January 1, 1979, in a  
 24 recognized nonfossil form of energy generation, as defined  
 25 in 15-32-102, are exempt from taxation for a period of 10

1 years following installation of the property:

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

4 (b) \$100,000 in the case of a multifamily residential  
 5 dwelling or a nonresidential structure. (Subsection (l)(p)  
 6 (now (l)(n)) applicable to taxable years beginning after  
 7 December 31, 1985--sec. 4, Ch. 463, L. 1985.)"

8 Section 6. Section 15-8-201, MCA, is amended to read:

9 "15-8-201. General assessment day. (1) The department  
 10 of revenue or its agent must, between January 1 and the  
 11 second Monday of July in each year, ascertain the names of  
 12 all taxable inhabitants and assess all property subject to  
 13 taxation in each county. The department or its agent must  
 14 assess property to the person by whom it was owned or  
 15 claimed or in whose possession or control it was at midnight  
 16 of January 1 next preceding. It must also ascertain and  
 17 assess all mobile homes arriving in the county after  
 18 midnight of January 1 next preceding. No mistake in the name  
 19 of the owner or supposed owner of real property, however,  
 20 renders the assessment invalid.

21 (2) The procedure provided by this section may not  
 22 apply to:

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

1       ~~(b) automobiles and trucks having a rated capacity of~~  
 2       ~~three-quarters of a ton or less;~~  
 3       ~~(c) motor homes and travel trailers subject to a fee~~  
 4       ~~in lieu of property tax;~~  
 5       ~~(d) motorcycles and quadricycles;~~  
 6       ~~(e) (b) livestock;~~  
 7       ~~(f) (c) property defined in 61-1-104 as "special mobile~~  
 8       ~~equipment" that is subject to assessment for personal~~  
 9       ~~property taxes on the date that application is made for a~~  
 10       ~~special mobile equipment plate; and~~  
 11       ~~(g) (d) mobile homes held by a distributor or dealer of~~  
 12       ~~mobile homes as a part of his stock in trade.~~  
 13       (3) Credits must be assessed as provided in  
 14       15-1-101(1)(d)."  
 15       Section 7. Section 15-8-202, MCA, is amended to read:  
 16       "15-8-202. Motor vehicle assessment. (1) The  
 17       department, or OR its agent, or the county treasurer under  
 18       61-3-503, must, in each year, ascertain and assess all motor  
 19       ~~vehicles other than automobiles, trucks having a rated~~  
 20       ~~capacity of three-quarters of a ton or less, motorcycles,~~  
 21       ~~quadricycles, motor homes, travel trailers, or mobile homes~~  
 22       in each county subject to taxation as of January 1 or as of  
 23       the anniversary registration date of those vehicles subject  
 24       to 61-3-313 through 61-3-316 and 61-3-501. The assessment  
 25       for all motor vehicles ~~will~~ must be made ~~using the market~~

1       ~~value as of January 1 of the year of assessment of the~~  
 2       ~~vehicle as contained in the most recent volume of the~~  
 3       ~~Mountain States Edition of the National Automobile Dealers~~  
 4       ~~Association Official Used Car Guide in accordance with~~  
 5       ~~61-3-503.~~ The motor vehicles shall be assessed in each year  
 6       to the persons by whom owned or claimed or in whose  
 7       possession or control they were at midnight of January 1 or  
 8       the anniversary registration date thereof, whichever is  
 9       applicable.

10       (2) No tax may be assessed against motor vehicles  
 11       subject to taxation that constitute inventory of motor  
 12       vehicle dealers as of January 1. These vehicles and all  
 13       other motor vehicles subject to taxation brought into the  
 14       state subsequent to January 1 as motor vehicle dealers'  
 15       inventories shall be assessed to their respective purchasers  
 16       as of the dates the vehicles are registered by the  
 17       purchasers.

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

21       (4) Goods, wares, and merchandise of motor vehicle  
 22       dealers, other than new motor vehicles and new mobile homes,  
 23       shall be assessed at market value as of January 1."

24       Section 8. Section 15-24-101, MCA, is amended to read:  
 25       "15-24-101. Assessment of proportionally registered

1 interstate motor vehicle fleets -- tax payment required for  
 2 registration. (1) The department of revenue shall assess,  
 3 for the purpose of personal property taxes, the taxable  
 4 vehicles in interstate motor vehicle fleets proportionally  
 5 registered under the provisions of 61-3-711 through  
 6 61-3-733, and the assessment shall be apportioned on the  
 7 ratio of total miles traveled to in-state miles traveled  
 8 formula as prescribed by 61-3-721. Interstate motor vehicle  
 9 fleets are assessable for taxation purposes upon application  
 10 for proportional registration and are assessed to the  
 11 persons who own or claim or in whose possession or control  
 12 the fleet is at the time of the application.

13 (2) With respect to any fleet contained in an original  
 14 application which has a situs for purpose of property  
 15 taxation in Montana by the terms of this part or any other  
 16 provision of the laws of Montana between January 1 and April  
 17 1, the taxable vehicles are taxed for a full year. With  
 18 respect to any fleet contained in an original application  
 19 which acquires a situs for the purpose of property taxation  
 20 in Montana under the provisions of this part or any other  
 21 law of the state of Montana after April 1, the taxes on  
 22 taxable vehicles are apportioned as provided in 15-24-303.

23 (3) With respect to any fleet contained in a renewal  
 24 application, the taxable vehicles are assessed and taxed for  
 25 a full year.

1 (4) Automobiles and trucks having a rated capacity of  
 2 three-quarters of a ton or less that are part of an  
 3 interstate motor vehicle fleet are subject to the ~~right~~  
 4 ~~vehicle-license-fee-imposed-by-61-3-532~~ property tax. If the  
 5 fleet is proportionally registered, the fee tax is  
 6 apportioned in the same fashion as the registration fee  
 7 under 61-3-721.

8 (5) Vehicles contained in a fleet for which current  
 9 taxes, fees, or both have been assessed and paid shall not  
 10 be assessed or charged fees under this section upon  
 11 presentation to the department of proof of payment of taxes,  
 12 or fees, or both for the current registration year. The  
 13 payment of personal property taxes, fees, or both, is a  
 14 condition precedent to proportional registration or  
 15 reregistration of an interstate motor vehicle fleet."

16 Section 9. Section 15-24-105, MCA, is amended to read:  
 17 "15-24-105. Deposit and distribution of taxes and fees  
 18 on proportionally registered fleets. The personal property  
 19 taxes and license fees collected under this part shall be  
 20 deposited with the state treasurer for distribution to the  
 21 general fund of each county on the following basis:

22 (1) for personal property taxes, according to the  
 23 ratio of the taxable valuation of each county to the total  
 24 state taxable valuation; and

25 (2) for ~~right~~ vehicle license fees, according to the

1 ratio of light vehicle license fees, other than fees derived  
2 from interstate motor vehicle fleets, collected in each  
3 county to the sum of all such fees collected in all the  
4 counties."

5 Section 10. Section 15-24-301, MCA, is amended to  
6 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 (5),  
10 property in the following cases is subject to taxation and  
11 assessment for all taxes levied that year in the county in  
12 which it is located:

13 (a) any personal property (including livestock)  
14 brought, driven, or coming into this state at any time  
15 during the year that is used in the state for hire,  
16 compensation, or profit;

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

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

21 (2) The taxes on this property are levied in the same  
22 manner and to the same extent, except as otherwise provided,  
23 as though the property had been in the county on the regular  
24 assessment date, provided that the property has not been  
25 regularly assessed for the year in some other county of the

1 state.

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

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

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

14 (b) One-fourth of the annual tax liability of the  
15 motor vehicle must be paid for each quarter or portion of a  
16 quarter of the year that the motor vehicle is located in  
17 Montana.

18 (c) The quarterly taxes are due the first day of the  
19 quarter.

20 (5) Agricultural harvesting machinery classified under  
21 class eight, licensed in other states, and operated on the  
22 lands of persons other than the owner of the machinery under  
23 contracts for hire shall be subject to a fee in lieu of  
24 taxation of \$35 per machine for the calendar year in which  
25 the fee is collected. The machines shall be subject to

1 taxation under class eight only if they are sold in Montana.

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

7 Section 11. Section 15-30-121, MCA, is amended to  
 8 read:

9 "15-30-121. Deductions allowed in computing net  
 10 income. In computing net income, there are allowed as  
 11 deductions:

12 (1) the items referred to in sections 161 and 211 of  
 13 the Internal Revenue Code of 1954, or as sections 161 and  
 14 211 shall be labeled or amended, subject to the following  
 15 exceptions which are not deductible:

- 16 (a) items provided for in 15-30-123;  
 17 (b) state income tax paid;  
 18 (2) federal income tax paid within the taxable year;  
 19 (3) expenses of household and dependent care services  
 20 as outlined in subsections (3)(a) through (3)(c) and subject  
 21 to the limitations and rules as set out in subsections  
 22 (3)(d) through (3)(f) as follows:

23 (a) expenses for household and dependent care services  
 24 necessary for gainful employment incurred for:

- 25 (i) a dependent under 15 years of age for whom an

1 exemption can be claimed;

2 (ii) a dependent as allowable under 15-30-112(5),  
 3 except that the limitations for age and gross income do not  
 4 apply, who is unable to care for himself because of physical  
 5 or mental illness; and

6 (iii) a spouse who is unable to care for himself  
 7 because of physical or mental illness;

8 (b) employment-related expenses incurred for the  
 9 following services, but only if such expenses are incurred  
 10 to enable the taxpayer to be gainfully employed:

11 (i) household services which are attributable to the  
 12 care of the qualifying individual; and

13 (ii) care of an individual who qualifies under  
 14 subsection (3)(a);

15 (c) expenses incurred in maintaining a household if  
 16 over half of the cost of maintaining the household is  
 17 furnished by an individual or, if the individual is married  
 18 during the applicable period, is furnished by the individual  
 19 and his spouse;

20 (d) the amounts deductible in subsection (3)(a)  
 21 through (3)(c) are subject to the following limitations:

22 (i) a deduction is allowed under subsection (3)(a) for  
 23 employment-related expenses incurred during the year only to  
 24 the extent such expenses do not exceed \$4,800;

25 (ii) expenses for services in the household are

1 deductible under subsection (3)(a) for employment-related  
 2 expenses only if they are incurred for services in the  
 3 taxpayer's household, except that employment-related  
 4 expenses incurred for services outside the taxpayer's  
 5 household are deductible, but only if incurred for the care  
 6 of a qualifying individual described in subsection (3)(a)(i)  
 7 and only to the extent such expenses incurred during the  
 8 year do not exceed:

9 (A) \$2,400 in the case of one qualifying individual;

10 (B) \$3,600 in the case of two qualifying individuals;

11 and

12 (C) \$4,800 in the case of three or more qualifying  
 13 individuals;

14 (e) if the combined adjusted gross income of the  
 15 taxpayers exceeds \$18,000 for the taxable year during which  
 16 the expenses are incurred, the amount of the  
 17 employment-related expenses incurred must be reduced by  
 18 one-half of the excess of the combined adjusted gross income  
 19 over \$18,000;

20 (f) for purposes of this subsection (3):

21 (i) married couples shall file a joint return or file  
 22 separately on the same form;

23 (ii) if the taxpayer is married during any period of  
 24 the taxable year, employment-related expenses incurred are  
 25 deductible only if:

1 (A) both spouses are gainfully employed on a  
 2 substantially full-time basis; or

3 (B) the spouse is a qualifying individual described in  
 4 subsection (3)(a)(iii);

5 (iii) an individual legally separated from his spouse  
 6 under a decree of divorce or of separate maintenance may not  
 7 be considered as married;

8 (iv) the deduction for employment-related expenses must  
 9 be divided equally between the spouses when filing  
 10 separately on the same form;

11 (v) payment made to a child of the taxpayer who is  
 12 under 19 years of age at the close of the taxable year and  
 13 payments made to an individual with respect to whom a  
 14 deduction is allowable under 15-30-112(5) are not deductible  
 15 as employment-related expenses;

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

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

23 ~~(6) light vehicle license fees, as provided by~~  
 24 ~~61-3-532, paid during the taxable year;~~

25 ~~(7) fees in lieu of taxes on motorcycles and~~

1 ~~quadricycles, as provided by 61-3-541, paid during the~~  
2 ~~taxable year, and~~

3 (6) contributions to the child abuse and neglect  
4 prevention program provided for in 41-3-701, subject to the  
5 conditions set forth in 15-30-156. (Subsection (8) [now  
6 subsection (6)] terminates January 1, 1990--sec. 13, Ch.  
7 610, L. 1985.)"

8 Section 12. Section 15-31-114, MCA, is amended to  
9 read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

23 (i) Taxes imposed by this part.

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

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

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

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

9 ~~{6} Light vehicle license fees, as provided by~~  
10 ~~61-3-5327 and fees in lieu of taxes for motorcycles and~~  
11 ~~quadricycles, as provided by 61-3-5417, paid within the year.~~

12 ~~{7}~~(6) That portion of an energy-related investment  
13 allowed as a deduction under 15-32-103.

14 ~~{8}~~(7) (a) Except as provided in subsection (b),  
15 charitable contributions and gifts that qualify for  
16 deduction under section 170 of the Internal Revenue Code, as  
17 amended.

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

21 ~~{9}~~(8) In lieu of the deduction allowed under  
22 subsection ~~{8}~~(7), the taxpayer may deduct the fair market  
23 value, not to exceed 30% of the taxpayer's net income, of a  
24 computer or other sophisticated technological equipment or  
25 apparatus intended for use with the computer donated to an

1 elementary, secondary, or accredited postsecondary school  
2 located in Montana if:

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

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

8 (c) the taxpayer receives a written statement from the  
9 donee in which the donee agrees to accept the property and  
10 representing that the use and disposition of the property  
11 will be in accordance with the provisions of (b) of this  
12 subsection ~~(9)~~ (8)."

13 Section 13. Section 15-36-112, MCA, is amended to  
14 read:

15 "15-36-112. Disposition of oil and gas severance  
16 taxes. (1) Each year the department of revenue shall  
17 determine the amount of tax collected under this chapter  
18 from within each county.

19 (2) The severance taxes collected under this chapter  
20 are allocated as follows:

21 ~~(a) 33 1/3% of the oil severance tax, not to exceed~~  
22 ~~\$42 million for the biennium ending June 30, 1985, is~~  
23 ~~deposited in the local government block grant account within~~  
24 ~~the state special revenue fund;~~

25 ~~(b)(a)~~ the amount, if any, by which the tax collected

1 from within a county for any fiscal year exceeds the total  
2 amount collected from within that county for the previous  
3 fiscal year, by reason of increased production and not  
4 because of increase in or elimination of federal price  
5 ceilings on oil and gas, is statutorily appropriated, as  
6 provided in 17-7-502, for allocation to the general fund of  
7 the county for distribution as provided in subsection (3);  
8 ~~(c)(b)~~ any amount not allocated to the local  
9 government block grant account or the county under  
10 subsection (2)(a, ~~or (2)(b)~~) is allocated to the state  
11 general fund.

12 (3) (a) The county treasurer shall distribute the  
13 money received under subsection ~~(2)(b)~~ (2)(a) of this  
14 section to the county and to all the incorporated cities and  
15 towns within the county in the following manner. The county  
16 receives the available money multiplied by the ratio of the  
17 rural population to the county population. Each incorporated  
18 municipality receives the available money multiplied by the  
19 ratio of the population of the incorporated municipality to  
20 the county population. The rural population is that  
21 population of the county living outside the boundaries of an  
22 incorporated municipality. Population shall be based on the  
23 most recent figures as determined by the department of  
24 commerce.

25 (b) The money distributed under this subsection may be

1 used for any purpose as determined by the governing body of  
2 the county, city, or town."

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

5 "15-50-207. Credit against other taxes -- credit for  
6 personal property taxes and certain fees. (1) The additional  
7 license fees withheld or otherwise paid as provided herein  
8 may be used as a credit on the contractor's corporation  
9 license tax provided for in chapter 31 of this title or on  
10 the contractor's income tax provided for in chapter 30,  
11 depending upon the type of tax the contractor is required to  
12 pay under the laws of the state.

13 (2) Personal property taxes, ~~fees-in-lieu-of-taxes--on~~  
14 ~~motorcycles--or--quadricycles,--or--light-vehicle-license-fees~~  
15 ~~as-provided-by-61-3-532~~ paid in Montana on any personal  
16 property of the contractor which is used in the business of  
17 the contractor and is located within this state may be  
18 credited against the license fees required under this  
19 chapter. However, in computing the tax credit allowed by  
20 this section against the contractor's corporation license  
21 tax or income tax, the personal property tax ~~or--light~~  
22 ~~vehicle--license--fee~~ credit against the license fees herein  
23 required shall not be considered as license fees paid for  
24 the purpose of such income tax or corporation license tax  
25 credit."

1 Section 15. Section 20-9-141, MCA, is amended to read:

2 "20-9-141. Computation of general fund net levy  
3 requirement by county superintendent. (1) The county  
4 superintendent shall compute the levy requirement for each  
5 district's general fund on the basis of the following  
6 procedure:

7 (a) Determine the total of the funding required for  
8 the district's final general fund budget less the amount  
9 established by the schedules in 20-9-316 through 20-9-321 by  
10 totaling:

11 (i) the district's nonisolated school foundation  
12 program requirement to be met by a district levy as provided  
13 in 20-9-303;

14 (ii) the district's permissive levy amount as provided  
15 in 20-9-352; and

16 (iii) any general fund budget amount adopted by the  
17 trustees of the district under the provisions of 20-9-353,  
18 including any additional levies authorized by the electors  
19 of the district.

20 (b) Determine the total of the moneys available for  
21 the reduction of the property tax on the district for the  
22 general fund by totaling:

23 (i) anticipated federal moneys received under the  
24 provisions of Title I of Public Law 81-874 or other  
25 anticipated federal moneys received in lieu of such federal

1 act;

2 (ii) anticipated tuition payments for out-of-district  
3 pupils under the provisions of 20-5-303, 20-5-307, 20-5-312,  
4 and 20-5-313;

5 (iii) general fund cash reappropriated, as established  
6 under the provisions of 20-9-104;

7 (iv) anticipated or reappropriated state impact aid  
8 received under the provisions of 20-9-304;

9 (v) anticipated ~~or reappropriated motor vehicle fees~~  
10 ~~and reimbursement under the provisions of 61-3-532 and~~  
11 ~~61-3-536~~ revenue from vehicle property taxes imposed under  
12 61-3-504(2) AND [SECTION 39];

13 (vi) anticipated net proceeds taxes for new production,  
14 as defined in 15-23-601;

15 (vii) anticipated interest to be earned or  
16 reappropriated interest earned by the investment of general  
17 fund cash in accordance with the provisions of 20-9-213(4);  
18 and

19 (viii) any other revenue anticipated by the trustees to  
20 be received during the ensuing school fiscal year which may  
21 be used to finance the general fund.

22 (c) Subtract the total of the moneys available to  
23 reduce the property tax required to finance the general fund  
24 that has been determined in subsection (1)(b) from the total  
25 requirement determined in subsection (1)(a).

1 (2) The net general fund levy requirement determined  
2 in subsection (1)(c) shall be reported to the county  
3 commissioners on the second Monday of August by the county  
4 superintendent as the general fund levy requirement for the  
5 district, and a levy shall be made by the county  
6 commissioners in accordance with 20-9-142."

7 Section 16. Section 20-9-331, MCA, is amended to read:  
8 "20-9-331. Basic county tax and other revenues for  
9 county equalization of the elementary district foundation  
10 program. (1) It shall be the duty of the county  
11 commissioners of each county to levy an annual basic tax of  
12 28 mills on the dollars of the taxable value of all taxable  
13 property within the county, except for vehicles subject to  
14 taxation under 61-3-504(2), for the purposes of local and  
15 state foundation program support. The revenue to be  
16 collected from this levy shall be apportioned to the support  
17 of the foundation programs of the elementary school  
18 districts in the county and to the state special revenue  
19 fund, state equalization aid account, in the following  
20 manner:

21 (a) In order to determine the amount of revenue raised  
22 by this levy which is retained by the county, the sum of the  
23 estimated revenues identified in subsection (2) below shall  
24 be subtracted from the sum of the county elementary  
25 transportation obligation and the total of the foundation

1 programs of all elementary districts of the county.

2 (b) If the basic levy prescribed by this section  
3 produces more revenue than is required to finance the  
4 difference determined above, the county treasurer shall  
5 remit the surplus funds to the state treasurer for deposit  
6 to the state special revenue fund, state equalization aid  
7 account, immediately upon occurrence of a surplus balance  
8 and each subsequent month thereafter, with any final  
9 remittance due no later than June 20 of the fiscal year for  
10 which the levy has been set.

11 (2) The proceeds realized from the county's portion of  
12 the levy prescribed by this section and the revenues from  
13 the following sources shall be used for the equalization of  
14 the elementary district foundation programs of the county as  
15 prescribed in 20-9-334, and a separate accounting shall be  
16 kept of such proceeds and revenues by the county treasurer  
17 in accordance with 20-9-212(1):

18 (a) the portion of the federal Taylor Grazing Act  
19 funds distributed to a county and designated for the common  
20 school fund under the provisions of 17-3-222;

21 (b) the portion of the federal flood control act funds  
22 distributed to a county and designated for expenditure for  
23 the benefit of the county common schools under the  
24 provisions of 17-3-232;

25 (c) all money paid into the county treasury as a

1 result of fines for violations of law and the use of which  
2 is not otherwise specified by law;

3 (d) any money remaining at the end of the immediately  
4 preceding school fiscal year in the county treasurer's  
5 account for the various sources of revenue established or  
6 referred to in this section;

7 (e) any federal or state money, ~~including anticipated~~  
8 ~~or-reappropriated-motor-vehicle-fees-and-reimbursement-under~~  
9 ~~the-provisions-of-61-3-532-and-61-3-536~~, distributed to the  
10 county as payment in lieu of the property taxation  
11 established by the county levy required by this section; and

12 (f) net proceeds taxes for new production, as defined  
13 in 15-23-601; and

14 (g) anticipated revenue from vehicle property taxes  
15 imposed under 61-3-504(2) AND [SECTION 39]."

16 Section 17. Section 20-9-333, MCA, is amended to read:

17 "20-9-333. Basic special levy and other revenues for  
18 county equalization of high school district foundation  
19 program. (1) It shall be the duty of the county  
20 commissioners of each county to levy an annual basic special  
21 tax for high schools of 17 mills on the dollar of the  
22 taxable value of all taxable property within the county,  
23 except for vehicles subject to taxation under 61-3-504(2),  
24 for the purposes of local and state foundation program  
25 support. The revenue to be collected from this levy shall

1 be apportioned to the support of the foundation programs of  
 2 high school districts in the county and to the state special  
 3 revenue fund, state equalization aid account, in the  
 4 following manner:

5 (a) In order to determine the amount of revenue raised  
 6 by this levy which is retained by the county, the estimated  
 7 revenues identified in subsections (2)(a) and (2)(b) below  
 8 shall be subtracted from the sum of the county's high school  
 9 tuition obligation and the total of the foundation programs  
 10 of all high school districts of the county.

11 (b) If the basic levy prescribed by this section  
 12 produces more revenue than is required to finance the  
 13 difference determined above, the county treasurer shall  
 14 remit the surplus to the state treasurer for deposit to the  
 15 state special revenue fund, state equalization aid account,  
 16 immediately upon occurrence of a surplus balance and each  
 17 subsequent month thereafter, with any final remittance due  
 18 no later than June 20 of the fiscal year for which the levy  
 19 has been set.

20 (2) The proceeds realized from the county's portion of  
 21 the levy prescribed in this section and the revenues from  
 22 the following sources shall be used for the equalization of  
 23 the high school district foundation programs of the county  
 24 as prescribed in 20-9-334, and a separate accounting shall  
 25 be kept of these proceeds by the county treasurer in

1 accordance with 20-9-212(1):

2 (a) any money remaining at the end of the immediately  
 3 preceding school fiscal year in the county treasurer's  
 4 accounts for the various sources of revenue established in  
 5 this section;

6 (b) any federal or state moneys~~7-including-anticipated~~  
 7 ~~or-reappropriated-motor-vehicle-fees-and-reimbursement-under~~  
 8 ~~the--provisions-of-61-3-532-and-61-3-536,~~ distributed to the  
 9 county as a payment in lieu of the property taxation  
 10 established by the county levy required by this section; and

11 (c) net proceeds taxes for new production, as defined  
 12 in 15-23-601; and

13 (d) anticipated revenue from vehicle property taxes  
 14 imposed under 61-3-504(2) AND [SECTION 39]."

15 Section 18. Section 20-9-352, MCA, is amended to read:

16 "20-9-352. Permissive amount and permissive levy. (1)  
 17 Whenever the trustees of any district shall deem it  
 18 necessary to adopt a general fund budget in excess of the  
 19 foundation program amount but not in excess of the maximum  
 20 general fund budget amount for such district as established  
 21 by the schedules in 20-9-316 through 20-9-321, the trustees  
 22 shall adopt a resolution stating the reasons and purposes  
 23 for exceeding the foundation program amount. Such excess  
 24 above the foundation program amount shall be known as the  
 25 "permissive amount", and it shall be financed by a levy, as

1 ~~prescribed in 20-9-141,~~ on the taxable value of all taxable  
 2 property within the district, ~~as prescribed in 20-9-141~~  
 3 ~~except for vehicles subject to taxation under 61-3-504(2),~~  
 4 supplemented with any biennial appropriation by the  
 5 legislature for this purpose. The proceeds of such an  
 6 appropriation shall be deposited to the state special  
 7 revenue fund, permissive account.

8 (2) The district levies to be set for the purpose of  
 9 funding the permissive amount are determined as follows:

10 (a) For each elementary school district, the county  
 11 commissioners shall annually set a levy not exceeding 6  
 12 mills on all the taxable property in the district, ~~except~~  
 13 ~~for vehicles subject to taxation under 61-3-504(2),~~ for the  
 14 purpose of funding the permissive amount of the district.  
 15 The permissive levy in mills shall be obtained by  
 16 multiplying the ratio of the permissive amount to the  
 17 maximum permissive amount by 6 or by using the number of  
 18 mills which would fund the permissive amount, whichever is  
 19 less. If the amount of revenue raised by this levy, plus  
 20 anticipated ~~or reappropriated motor vehicle fees and~~  
 21 ~~reimbursement under the provisions of 61-3-532 and 61-3-536,~~  
 22 ~~revenue from vehicle property taxes imposed under~~  
 23 ~~61-3-504(2) AND [SECTION 39],~~ is not sufficient to fund the  
 24 permissive amount in full, the amount of the deficiency  
 25 shall be paid to the district from the state special revenue

1 fund according to the provisions of subsections (3) and (4)  
 2 of this section.

3 (b) For each high school district, the county  
 4 commissioners shall annually set a levy not exceeding 4  
 5 mills on all taxable property in the district, ~~except for~~  
 6 ~~vehicles subject to taxation under 61-3-504(2),~~ for the  
 7 purpose of funding the permissive amount of the district.  
 8 The permissive levy in mills shall be obtained by  
 9 multiplying the ratio of the permissive levy to the maximum  
 10 permissive amount by 4 or by using the number of mills which  
 11 would fund the permissive amount, whichever is less. If the  
 12 amount of revenue raised by this levy, plus anticipated  
 13 ~~motor vehicle fees and reimbursement under the provisions of~~  
 14 ~~61-3-532 and 61-3-536,~~ revenue from vehicle property taxes  
 15 ~~imposed under 61-3-504(2) AND [SECTION 39],~~ and plus net  
 16 proceeds taxes for new production, as defined in 15-23-601,  
 17 is not sufficient to fund the permissive amount in full, the  
 18 amount of the deficiency shall be paid to the district from  
 19 the state special revenue fund according to the provisions  
 20 of subsections (3) and (4) of this section.

21 (3) The superintendent of public instruction shall, if  
 22 the appropriation by the legislature for the permissive  
 23 account for the biennium is insufficient, request the budget  
 24 director to submit a request for a supplemental  
 25 appropriation in the second year of the biennium. The

1 supplemental appropriation shall provide enough revenue to  
 2 fund the permissive deficiency of the elementary and high  
 3 school districts of the state. The proceeds of this  
 4 appropriation shall be deposited to the state special  
 5 revenue fund, permissive account, and shall be distributed  
 6 to the elementary and high school districts in accordance  
 7 with their entitlements as determined by the superintendent  
 8 of public instruction according to the provisions of  
 9 subsections (1) and (2) of this section.

10 (4) Distribution under this section from the state  
 11 special revenue fund shall be made in two payments. The  
 12 first payment shall be made at the same time as the first  
 13 distribution of state equalization aid is made after January  
 14 1 of the fiscal year. The second payment shall be made at  
 15 the same time as the last payment of state equalization aid  
 16 is made for the fiscal year. If the appropriation is not  
 17 sufficient to finance the deficiencies of the districts as  
 18 determined according to subsection (2), each district will  
 19 receive the same percentage of its deficiency. Surplus  
 20 revenue in the second year of the biennium may be used to  
 21 reduce the appropriation required for the next succeeding  
 22 biennium or may be transferred to the state equalization aid  
 23 state special revenue fund if revenues in that fund are  
 24 insufficient to meet foundation program requirements."

25 Section 19. Section 20-9-501, MCA, is amended to read:

1 "20-9-501. Retirement fund. (1) The trustees of any  
 2 district employing personnel who are members of the  
 3 teachers' retirement system or the public employees'  
 4 retirement system or who are covered by unemployment  
 5 insurance or who are covered by any federal social security  
 6 system requiring employer contributions shall establish a  
 7 retirement fund for the purposes of budgeting and paying the  
 8 employer's contributions to such systems. The district's  
 9 contribution for each employee who is a member of the  
 10 teachers' retirement system shall be calculated in  
 11 accordance with Title 19, chapter 4, part 6. The district's  
 12 contribution for each employee who is a member of the public  
 13 employees' retirement system shall be calculated in  
 14 accordance with 19-3-801. The district may levy a special  
 15 tax to pay its contribution to the public employees'  
 16 retirement system under the conditions prescribed in  
 17 19-3-204. The district's contributions for each employee  
 18 covered by any federal social security system shall be paid  
 19 in accordance with federal law and regulation. The  
 20 district's contribution for each employee who is covered by  
 21 unemployment insurance shall be paid in accordance with  
 22 Title 39, chapter 51, part 11.

23 (2) The trustees of any district required to make a  
 24 contribution to any such system shall include in the  
 25 retirement fund of the preliminary budget the estimated



1 amount of the employer's contribution and such additional  
 2 moneys, within legal limitations, as they may wish to  
 3 provide for the retirement fund cash reserve. After the  
 4 final retirement fund budget has been adopted, the trustees  
 5 shall pay the employer contributions to such systems in  
 6 accordance with the financial administration provisions of  
 7 this title.

8 (3) When the final retirement fund budget has been  
 9 adopted, the county superintendent shall establish the levy  
 10 requirement by:

11 (a) determining the sum of the moneys available to  
 12 reduce the retirement fund levy requirement by adding:

13 (i) any anticipated moneys that may be realized in the  
 14 retirement fund during the ensuing school fiscal year,  
 15 including anticipated ~~motor-vehicle-fees--and--reimbursement~~  
 16 ~~under--the--provisions-of-61-3-532-and-61-3-536~~ revenue from  
 17 vehicle property taxes imposed under 61-3-504(2) AND  
 18 [SECTION 39];

19 (ii) net proceeds taxes for new production, as defined  
 20 in 15-23-601; and

21 (iii) any cash available for reappropriation as  
 22 determined by subtracting the amount of the end-of-the-year  
 23 cash balance earmarked as the retirement fund cash reserve  
 24 for the ensuing school fiscal year by the trustees from the  
 25 end-of-the-year cash balance in the retirement fund. The

1 retirement fund cash reserve shall not be more than 35% of  
 2 the final retirement fund budget for the ensuing school  
 3 fiscal year and shall be used for the purpose of paying  
 4 retirement fund warrants issued by the district under the  
 5 final retirement fund budget.

6 (b) subtracting the total of the moneys available for  
 7 reduction of the levy requirement as determined in  
 8 subsection (3)(a) from the budgeted amount for expenditures  
 9 in the final retirement fund budget.

10 (4) The county superintendent shall total the net  
 11 retirement fund levy requirements separately for all  
 12 elementary school districts, all high school districts, and  
 13 all community college districts of the county, including any  
 14 prorated joint district or special education cooperative  
 15 agreement levy requirements, and shall report each such levy  
 16 requirement to the county commissioners on the second Monday  
 17 of August as the respective county levy requirements for  
 18 elementary district, high school district, and community  
 19 college district retirement funds. The county commissioners  
 20 shall fix and set such county levy in accordance with  
 21 20-9-142.

22 (5) The net retirement fund levy requirement for a  
 23 joint elementary district or a joint high school district  
 24 shall be prorated to each county in which a part of such  
 25 district is located in the same proportion as the district

1 ANB of the joint district is distributed by pupil residence  
2 in each such county. The county superintendents of the  
3 counties affected shall jointly determine the net retirement  
4 fund levy requirement for each county as provided in  
5 20-9-151.

6 (6) The net retirement fund levy requirement for  
7 districts that are members of special education cooperative  
8 agreements shall be prorated to each county in which such  
9 district is located in the same proportion as the budget for  
10 the special education cooperative agreement of the district  
11 bears to the total budget of the cooperative. The county  
12 superintendents of the counties affected shall jointly  
13 determine the net retirement fund levy requirement for each  
14 county in the same manner as provided in 20-9-151 and fix  
15 and levy the net retirement fund levy for each county in the  
16 same manner as provided in 20-9-152."

17 Section 20. Section 20-10-144, MCA, is amended to  
18 read:

19 "20-10-144. Computation of revenues and net tax levy  
20 requirements for the transportation fund budget. Before the  
21 fourth Monday of July and in accordance with 20-9-123, the  
22 county superintendent shall compute the revenue available to  
23 finance the transportation fund budget of each district. The  
24 county superintendent shall compute the revenue for each  
25 district on the following basis:

1 (1) The "schedule amount" of the preliminary budget  
2 expenditures that is derived from the rate schedules in  
3 20-10-141 and 20-10-142 shall be determined by adding the  
4 following amounts:

5 (a) the sum of the maximum reimbursable expenditures  
6 for all approved school bus routes maintained by the  
7 district (to determine the maximum reimbursable expenditure,  
8 multiply the applicable rate per bus mile by the total  
9 number of miles to be traveled during the ensuing school  
10 fiscal year on each bus route approved by the county  
11 transportation committee and maintained by such district);  
12 plus

13 (b) the total of all individual transportation per  
14 diem reimbursement rates for such district as determined  
15 from the contracts submitted by the district multiplied by  
16 the number of pupil-instruction days scheduled for the  
17 ensuing school attendance year; plus

18 (c) any estimated costs for supervised home study or  
19 supervised correspondence study for the ensuing school  
20 fiscal year; plus

21 (d) the amount budgeted on the preliminary budget for  
22 the contingency amount permitted in 20-10-143, except if  
23 such amount exceeds 10% of the total of subsections (1)(a),  
24 (1)(b), and (1)(c) or \$100, whichever is larger, the  
25 contingency amount on the preliminary budget shall be

1 reduced to such limitation amount and used in this  
2 determination of the schedule amount.

3 (2) The schedule amount determined in subsection (1)  
4 or the total preliminary transportation fund budget,  
5 whichever is smaller, shall be divided by 3 and the  
6 resulting one-third amount shall be used to determine the  
7 available state and county revenue to be budgeted on the  
8 following basis:

9 (a) the resulting one-third amount shall be the  
10 budgeted state transportation reimbursement, except that the  
11 state transportation reimbursement for the transportation of  
12 special education pupils under the provisions of 20-7-442  
13 shall be two-thirds of the schedule amount attributed to the  
14 transportation of special education pupils;

15 (b) the resulting one-third amount, except as provided  
16 for joint elementary districts in subsection (2)(e), shall  
17 be the budgeted county transportation reimbursement for  
18 elementary districts and shall be financed by the basic  
19 county tax under the provisions of 20-9-334;

20 (c) the resulting one-third amount multiplied by 2  
21 shall be the budgeted county transportation reimbursement  
22 amount for high school districts financed under the  
23 provisions of subsection (5) of this section, except as  
24 provided for joint high school districts in subsection  
25 (2)(e), and except that the county transportation

1 reimbursement for the transportation of special education  
2 pupils under the provisions of 20-7-442 shall be one-third  
3 of the schedule amount attributed to the transportation of  
4 special education pupils;

5 (d) when the district has a sufficient amount of cash  
6 for reappropriation and other sources of district revenue,  
7 as determined in subsection (3), to reduce the total  
8 district obligation for financing to zero, any remaining  
9 amount of such district revenue and cash reappropriated  
10 shall be used to reduce the county financing obligation in  
11 subsections (2)(b) or (2)(c) and, if such county financing  
12 obligations are reduced to zero, to reduce the state  
13 financial obligation in subsection (2)(a); and

14 (e) the county revenue requirement for a joint  
15 district, after the application of any district moneys under  
16 subsection (2)(d) above, shall be prorated to each county  
17 incorporated by the joint district in the same proportion as  
18 the ANB of the joint district is distributed by pupil  
19 residence in each such county.

20 (3) The total of the moneys available for the  
21 reduction of property tax on the district for the  
22 transportation fund shall be determined by totaling:

23 (a) anticipated federal moneys received under the  
24 provisions of Title I of Public Law 81-874 or other  
25 anticipated federal moneys received in lieu of such federal

1 act; plus  
 2 (b) anticipated payments from other districts for  
 3 providing school bus transportation services for such  
 4 district; plus  
 5 (c) anticipated payments from a parent or guardian for  
 6 providing school bus transportation services for his child;  
 7 plus  
 8 (d) anticipated interest to be earned by the  
 9 investment of transportation fund cash in accordance with  
 10 the provisions of 20-9-213(4); plus  
 11 (e) ~~anticipated motor--vehicle-fees-and-reimbursement~~  
 12 ~~under-the-provisions-of-61-3-532-and-61-3-536~~ revenue from  
 13 vehicle property taxes imposed under 61-3-504(2) AND  
 14 [SECTION 39]; plus  
 15 (f) net proceeds taxes for new production, as defined  
 16 in 15-23-601; plus  
 17 (g) any other revenue anticipated by the trustees to  
 18 be earned during the ensuing school fiscal year which may be  
 19 used to finance the transportation fund; plus  
 20 (h) any cash available for reappropriation as  
 21 determined by subtracting the amount of the end-of-the-year  
 22 cash balance earmarked as the transportation fund cash  
 23 reserve for the ensuing school fiscal year by the trustees  
 24 from the end-of-the-year cash balance in the transportation  
 25 fund. Such cash reserve shall not be more than 20% of the

1 final transportation fund budget for the ensuing school  
 2 fiscal year and shall be for the purpose of paying  
 3 transportation fund warrants issued by the district under  
 4 the final transportation fund budget.  
 5 (4) The district levy requirement for each district's  
 6 transportation fund shall be computed by:  
 7 (a) subtracting the schedule amount calculated in  
 8 subsection (1) from the total preliminary transportation  
 9 budget amount and, for an elementary district, adding such  
 10 difference to the district obligation to finance one-third  
 11 of the schedule amount as determined in subsection (2); and  
 12 (b) subtracting the amount of moneys available to  
 13 reduce the property tax on the district, as determined in  
 14 subsection (3), from the amount determined in subsection  
 15 (4)(a) above.  
 16 (5) The county levy requirement for the financing of  
 17 the county transportation reimbursement to high school  
 18 districts shall be computed by adding all such requirements  
 19 for all the high school districts of the county, including  
 20 the county's obligation for reimbursements in joint high  
 21 school districts.  
 22 (6) The transportation fund levy requirements  
 23 determined in subsection (4) for each district and in  
 24 subsection (5) for the county shall be reported to the  
 25 county commissioners on the second Monday of August by the

1 county superintendent as the transportation fund levy  
2 requirements for the district and for the county, and such  
3 levies shall be made by the county commissioners in  
4 accordance with 20-9-142."

5 Section 21. Section 61-1-130, MCA, is amended to read:

6 "61-1-130. Motor home. "Motor home" ~~as used in~~  
7 ~~61-3-521 and 61-3-522~~ means a self-propelled motor vehicle  
8 originally designed or permanently altered to provide  
9 temporary facilities for recreational, travel, or camping  
10 use."

11 Section 22. Section 61-1-131, MCA, is amended to read:

12 "61-1-131. Travel trailer. "Travel trailer" ~~as used in~~  
13 ~~61-3-521 and 61-3-523~~ means a trailer 45 feet or less in  
14 length and 8 feet or less in width originally designed or  
15 permanently altered to provide temporary facilities for  
16 recreational, travel, or camping use and not used as a  
17 principal residence."

18 Section 23. Section 61-3-303, MCA, is amended to read:

19 "61-3-303. Application for registration. (1) Every  
20 owner of a motor vehicle operated or driven upon the public  
21 highways of this state shall for each motor vehicle owned,  
22 except as herein otherwise expressly provided, file or cause  
23 to be filed in the office of the county treasurer where the  
24 motor vehicle is owned or taxable an application for  
25 registration or reregistration upon a blank form to be

1 prepared and furnished by the department. The application  
2 shall contain:

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

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

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

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

16 (e) such other information as the department may  
17 require.

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

22 (a) the registration fee, as provided in 61-3-311 and  
23 61-3-321; and

24 (b) unless it has been previously paid:

25 (i) the personal property taxes assessed against the

1 vehicle for the current year of registration and the  
2 immediately previous year; or

3 (ii) the new motor vehicle sales tax against the  
4 vehicle for the current year of registration, and/or--the  
5 license--fee--imposed--by--61-3-332--for--the--current--year--of  
6 registration--and--the--immediately--previous--year--or

7 (iii)--in--the--case--of--a--motorcycle--quadricycle--motor  
8 home--travel--trailer--or--camper--the--fee--in--lieu--of--property  
9 tax--for--the--current--year--of--registration--

10 (3) The application may not be accepted by the county  
11 treasurer unless the payments required by subsection (2)  
12 accompany the application. The county treasurer may not  
13 assess or collect taxes or fees for a period other than:

14 (a) the current year; and

15 (b) the immediately previous year, if the vehicle was  
16 not registered or operated on the highways of the state,  
17 regardless of the period of time since the vehicle was  
18 previously registered or operated.

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

24 Section 24. Section 61-3-332, MCA, is amended to read:

25 "61-3-332. Number plates. (1) Every motor vehicle

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

22 (2) All number plates for motor vehicles shall be  
23 issued for a minimum period of 4 years, shall bear a  
24 distinctive marking, and shall be furnished by the state.  
25 In years when number plates are not issued, the department

1 shall provide nonremovable stickers bearing appropriate  
2 registration numbers, which shall be affixed to the license  
3 plates in use.

4 (3) In the case of motorcars and trucks, plates shall  
5 be of metal 6 inches wide and 12 inches in length. The  
6 outline of the state of Montana shall be used as a  
7 distinctive border on such license plates, and the word  
8 "Montana" with the year shall be placed across the plates.  
9 Such registration plates shall be treated with a  
10 reflectorized background material according to  
11 specifications prescribed by the department.

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

25 (5) For the use of tax-exempt motor vehicles ~~that are~~

1 ~~also-exempt-from-the-light-vehicle-license-fee--as--provided~~  
2 ~~in--subsection--(2)(a)--of--61-3-532~~, in addition to the  
3 markings herein provided, number plates shall have thereon  
4 the following distinctive markings:

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

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

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

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

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

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

1 Ravalli, 13; Custer, 14; Lake, 15; Dawson, 16; Roosevelt,  
 2 17; Beaverhead, 18; Chouteau, 19; Valley, 20; Toole, 21; Big  
 3 Horn, 22; Musselshell, 23; Blaine, 24; Madison, 25; Pondera,  
 4 26; Richland, 27; Powell, 28; Rosebud, 29; Deer Lodge, 30;  
 5 Teton, 31; Stillwater, 32; Treasure, 33; Sheridan, 34;  
 6 Sanders, 35; Judith Basin, 36; Daniels, 37; Glacier, 38;  
 7 Fallon, 39; Sweet Grass, 40; McCone, 41; Carter, 42;  
 8 Broadwater, 43; Wheatland, 44; Prairie, 45; Granite, 46;  
 9 Meagher, 47; Liberty, 48; Park, 49; Garfield, 50; Jefferson,  
 10 51; Wibaux, 52; Golden Valley, 53; Mineral, 54; Petroleum,  
 11 55; Lincoln, 56. Any new counties shall be assigned numbers  
 12 by the department as they may be formed, beginning with the  
 13 number 57."

14 Section 25. Section 61-3-431, MCA, is amended to read:  
 15 "61-3-431. Special mobile equipment -- exemption from  
 16 registration and payment of fees and charges --  
 17 identification plate -- publicly owned special mobile  
 18 equipment. (1) A person, firm, partnership, or corporation  
 19 who owns, leases, or rents special mobile equipment as  
 20 defined in 61-1-104 and occasionally moves that equipment  
 21 on, over, or across the highways of the state is not subject  
 22 to registration of that equipment or required to pay the  
 23 fees and charges provided for in 61-3-502, 61-4-301 through  
 24 61-4-308, or part 2 of chapter 10. Prior to movement on the  
 25 highways, however, each piece of equipment shall display an



1 equipment identification plate or a dealer's license plate  
2 attached to the equipment.

3 (2) Annual application for the identification plate  
4 shall be made to the county treasurer before any piece of  
5 equipment is moved on the highways. Application shall be  
6 made on a form furnished by the department of justice,  
7 together with the payment of a fee of \$5. The equipment for  
8 which a special mobile equipment plate is sought is subject  
9 to the assessment of personal property taxes on the date  
10 application is made for the plate. The personal property  
11 taxes assessed against the special mobile equipment must be  
12 paid before the issuance of a special mobile equipment  
13 plate. The fees collected under this section belong to the  
14 county road fund.

15 (3) The identification plate expires on December 31 of  
16 each year. If the expired identification plate is displayed,  
17 an owner of special mobile equipment registered under the  
18 provisions of this section is entitled to operate the  
19 equipment between January 1 and February 15 following  
20 expiration without displaying the identification plate or  
21 receipt of the current year.

22 (4) Publicly owned special mobile equipment and  
23 implements of husbandry used exclusively by an owner in the  
24 conduct of his own farming operations are exempt from this  
25 section."

1 Section 26. Section 61-3-501, MCA, is amended to read:

2 "61-3-501. When vehicle taxes and fees are due. (1)  
3 Property taxes, new car taxes, ~~light-vehicle-license-fees,~~  
4 ~~and fees in-lieu-of-tax-on-a-motorcycle, quadricycle, motor~~  
5 ~~home, or travel trailer~~ must be paid on the date of  
6 registration or reregistration of the vehicle.

7 (2) If the anniversary date for reregistration of a  
8 vehicle passes while the vehicle is owned and held for sale  
9 by a licensed new or used car dealer, property taxes, ~~light~~  
10 ~~vehicle--license--fees, or the fee in-lieu-of-property-taxes~~  
11 abate on such vehicle properly reported with the department  
12 of revenue until the vehicle is sold and thereafter the  
13 purchaser shall pay the pro rata balance of the taxes ~~or the~~  
14 ~~fee in-lieu-of-tax~~ due and owing on the vehicle.

15 (3) In the event a vehicle's registration period is  
16 changed under 61-3-315, all taxes and other fees due thereon  
17 shall be prorated and paid from the last day of the old  
18 period until the first day of the new period in which the  
19 vehicle shall be registered. Thereafter taxes and other fees  
20 must be paid from the first day of the new period for a  
21 minimum period of 1 year. When the change is to a later  
22 registration period, taxes and fees shall be prorated and  
23 paid based on the same tax year as the original registration  
24 period. Thereafter, during the appropriate anniversary  
25 registration period, each vehicle shall again register or

1 reregister and shall pay all taxes and fees due thereon for  
2 a 12-month period."

3 Section 27. Section 61-3-502, MCA, is amended to read:

4 "61-3-502. Sales tax on new motor vehicles --  
5 exemptions. (1) In consideration of the right to use the  
6 highways of the state, there is imposed a tax upon all sales  
7 of new motor vehicles for which a license is sought and an  
8 original application for title is made. The tax shall be  
9 paid by the purchaser when he applies for his original  
10 Montana license through the county treasurer.

11 (2) Except as provided in subsection (4), the sales  
12 tax shall be:

13 (a) 1 1/2% of the f.o.b. factory list price or f.o.b.  
14 port-of-entry list price, during the first quarter of the  
15 year or for a registration period other than a calendar year  
16 or calendar quarter;

17 (b) 1 1/8% of the list price during the second quarter  
18 of the year;

19 (c) 3/4 of 1% during the third quarter of the year;

20 (d) 3/8 of 1% during the fourth quarter of the year.

21 (3) If the manufacturer or importer fails to furnish  
22 the f.o.b. factory list price or f.o.b. port-of-entry list  
23 price, the department may use published price lists.

24 (4) The new car sales tax on vehicles subject to the  
25 provisions of 61-3-313 through 61-3-316 is 1 1/2% of the

1 f.o.b. factory list price or f.o.b. port-of-entry list price  
2 regardless of the month in which the new vehicle is  
3 purchased.

4 (5) The proceeds from this tax shall be remitted to  
5 the state treasurer every 30 days for credit to the state  
6 highway account of the state special revenue fund.

7 (6) The new vehicle ~~is subject to the light vehicle~~  
8 ~~license fee, if applicable, but~~ is not subject to any other  
9 ~~assessment, taxation, or fee in lieu of tax or tax~~ during  
10 the calendar year in which the original application for  
11 title is made.

12 (7) (a) The applicant for original registration of any  
13 new and unused motor vehicle, or a new motor vehicle  
14 furnished without charge by a dealer to a school district  
15 for use as a traffic education motor vehicle by a school  
16 district operating a state-approved traffic education  
17 program within the state, whether or not previously licensed  
18 or titled to the school district (except a mobile home as  
19 defined in 15-1-101(1)), acquired by original contract after  
20 January 1 of any year, is required, whenever the vehicle has  
21 not been otherwise assessed, to pay the motor vehicle sales  
22 tax provided by this section irrespective of whether the  
23 vehicle was in the state of Montana on January 1 of the  
24 year.

25 (b) No motor vehicle may be registered or licensed

1 under the provisions of this subsection unless the  
 2 application for registration is accompanied by a statement  
 3 of origin to be furnished by the dealer selling the vehicle,  
 4 showing that the vehicle has not previously been registered  
 5 or owned, except as otherwise provided herein, by any  
 6 person, firm, corporation, or association that is not a new  
 7 motor vehicle dealer holding a franchise or distribution  
 8 agreement from a new car manufacturer, distributor, or  
 9 importer.

10 (8) (a) Motor vehicles operating exclusively for  
 11 transportation of persons for hire within the limits of  
 12 incorporated cities or towns and within 15 miles from such  
 13 limits are exempt from subsection (1).

14 (b) Motor vehicles brought or driven into Montana by a  
 15 nonresident, migratory, bona fide agricultural worker  
 16 temporarily employed in agricultural work in this state  
 17 where those motor vehicles are used exclusively for  
 18 transportation of agricultural workers are also exempt from  
 19 subsection (1).

20 (c) Vehicles lawfully displaying a licensed dealer's  
 21 plate as provided in 61-4-103 are exempt from subsection (1)  
 22 when moving to or from a dealer's place of business when  
 23 unloaded or loaded with dealer's property only, and in the  
 24 case of vehicles having a gross loaded weight of less than  
 25 24,000 pounds, while being demonstrated in the course of the

1 dealer's business."

2 Section 28. Section 61-3-503, MCA, is amended to read:  
 3 "61-3-503. Assessment. (1) Except as provided in  
 4 subsection (2), the following apply to the taxation of motor  
 5 vehicles:

6 (a) Except as provided in subsection subsections  
 7 (1)(c) through (1)(e), a person who files an application for  
 8 registration or reregistration of a motor vehicle shall  
 9 before filing such application with the county treasurer  
 10 submit the application to the county assessor. The county  
 11 assessor shall enter on the application in a space to be  
 12 provided for that purpose the market value and taxable value  
 13 of the vehicle as of January 1 of the year for which the  
 14 application for registration is made.

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

23 (c) Vehicles subject to the provisions of 61-3-313  
 24 through 61-3-316 shall be assessed by-the-county-treasurer  
 25 as of the first day of the registration period, using the

1 market average trade-in, or wholesale, value as of January 1  
 2 of the year of assessment of the vehicle as contained in the  
 3 most recent volume of the Mountain States Edition of the  
 4 National Automobile Dealers Association (N.A.D.A.) Official  
 5 Used Car Guide or of the National Edition of N.A.D.A.  
 6 Appraisal Guides Official Older Used Car Guide, not  
 7 including additions or deductions for options and mileage;  
 8 and a lien for taxes and fees due thereon shall occur on the  
 9 anniversary date of the registration and shall continue  
 10 until such fees and taxes have been paid.

11 (d) Motorcycles, quadricycles, motor homes, travel  
 12 trailers, and campers shall be assessed by--the--county  
 13 treasurer, using the greater of the following:

14 (i) \$1,000; or

15 (ii) the average trade-in, or wholesale, value as of  
 16 January 1 of the year of assessment of the vehicle as  
 17 contained in the most recent volume of the applicable  
 18 National Edition of the N.A.D.A. Motorcycle/Moped/ATV  
 19 Appraisal Guide or N.A.D.A. Recreational Vehicle Appraisal  
 20 Guide, not including additions or deductions for options and  
 21 mileage.

22 (e) If a vehicle assessed under subsection (1)(c) or  
 23 (1)(d) is not originally listed in the applicable N.A.D.A.  
 24 guide, the county treasurer ASSESSOR shall depreciate the  
 25 original f.o.b. factory list price or f.o.b. port-of-entry

1 list price at the rate of 10% a year until a minimum value  
 2 of \$1,000 is attained, and the value shall remain at that  
 3 amount so long as the vehicle is registered. When a vehicle  
 4 is no longer listed in the applicable N.A.D.A. guide, the  
 5 county treasurer ASSESSOR shall depreciate the value of the  
 6 vehicle at the rate of 10% a year until a minimum amount of  
 7 \$1,000 is attained, and the value shall remain at that  
 8 amount so long as the vehicle is registered. ~~If--the~~  
 9 ~~treasurer-is-unable-to-determine-the--original--f.o.b.--list~~  
 10 ~~price--or-the-proper-N.A.D.A.--value-for-a-motor-vehicle,--the~~  
 11 ~~assessor-shall-determine-the-value.~~

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

17 Section 29. Section 61-3-504, MCA, is amended to read:  
 18 "61-3-504. Computation of tax. (1) The amount of taxes  
 19 on a motor vehicle, other than an automobile, truck having a  
 20 rated capacity of three-quarters of a ton or less,  
 21 motorcycle, quadricycle, motor home, travel trailer, camper,  
 22 or mobile home ~~as-defined-in-15-1-101(1)~~, is computed and  
 23 determined by the county treasurer on the basis of the levy  
 24 of the year preceding the current year of application for  
 25 registration or reregistration.

1        (2) (A) The amount of tax on an automobile or truck  
 2 having a rated capacity of three-quarters of a ton or less,  
 3 EXCEPT FOR VEHICLES OWNED BY DISABLED VETERANS QUALIFYING  
 4 FOR SPECIAL LICENSE PLATES UNDER 61-3-451, and on a  
 5 motorcycle, OR quadricycle, motor-home, travel-trailer, or  
 6 camper is determined by the county treasurer and is based on  
 7 ~~2.5%~~ 2% of the value determined under 61-3-503.

8        (B) THE AMOUNT OF TAX ON A MOTOR HOME, TRAVEL TRAILER,  
 9 OR CAMPER IS DETERMINED BY THE COUNTY TREASURER AND IS BASED  
 10 ON 1% OF THE VALUE DETERMINED UNDER 61-3-503.

11        (3) The--determination For all motor vehicles, the  
 12 amount of tax is entered on the application form in a space  
 13 provided therefor."

14        Section 30. Section 61-3-506, MCA, is amended to read:

15        "61-3-506. Rules. The department of revenue shall  
 16 adopt rules for the payment of property taxes ~~and--fees--in~~  
 17 ~~lieu--of-property-taxes~~ and the department of highways shall  
 18 adopt rules for the payment of new car taxes under the  
 19 provisions of 61-3-313 through 61-3-316 and 61-3-501. The  
 20 department of revenue may adopt rules for the proration of  
 21 taxes ~~and--fees-in-lieu-of-taxes~~ for the implementation and  
 22 administration of 61-3-313 through 61-3-316 and 61-3-501,  
 23 but shall specifically provide that new car taxes shall be  
 24 for a 12-month period."

25        Section 31. Section 61-3-509, MCA, is amended to read:

1        "61-3-509. (Temporary) Disposition of taxes ~~and--fees~~  
 2 ~~in--lieu--of--tax.~~ (1) Except as provided in subsections  
 3 subsection (2) and (3), the county treasurer shall credit  
 4 all taxes on motor vehicles, ~~light-vehicle-license-fees~~  
 5 ~~provided-for-in--61-3-532,--and--fees--in--lieu--of--tax--on~~  
 6 ~~motorcycles,--quadricycles,--motor-homes,--and--travel--trailers~~  
 7 collected under 61-3-504 AND [SECTION 39] to a motor vehicle  
 8 suspense fund, and at some time between March 1 and March 10  
 9 of each year and every 60 days thereafter, the county  
 10 treasurer shall distribute the money in the motor vehicle  
 11 suspense fund in the relative proportions required by the  
 12 levies for state, county, school district, and municipal  
 13 purposes in the same manner as personal property taxes are  
 14 distributed.

15        (2) The county treasurer shall credit the fee for  
 16 district courts ~~from--each--light-vehicle--license--fee~~ provided  
 17 for in 61-3-533 to a separate suspense account and shall  
 18 forward the amount in the account to the state treasurer at  
 19 the time the county treasurer distributes the motor vehicle  
 20 suspense fund. The state treasurer shall credit amounts  
 21 received under this subsection to the general fund to be  
 22 used for purposes of state funding of the district court  
 23 expenses enumerated in 3-5-901.

24        ~~(3)--The-county-treasurer-shall-credit-each-block-grant~~  
 25 ~~fee-to-a-separate-suspense-fund.--At-the-time-he--distributes~~

1 ~~the motor vehicle suspense fund, the treasurer shall~~  
 2 ~~distribute the suspense fund provided for in this subsection~~  
 3 ~~to the state treasurer for deposit in the local government~~  
 4 ~~block grant account provided for in 7-6-302. The funds~~  
 5 ~~distributed pursuant to this subsection must be used for the~~  
 6 ~~local government block grant program as provided in 7-6-304.~~  
 7 61-3-509. (Effective July 1, 1987) Disposition of  
 8 taxes and fees in lieu of tax. The (1) Except as provided  
 9 in subsection (2), the county treasurer shall credit all  
 10 taxes on motor vehicles, light vehicle license fees provided  
 11 for in 61-3-532, and fees in lieu of tax on motorcycles,  
 12 quadracycles, motor homes, and travel trailers collected  
 13 under 61-3-504 AND [SECTION 39] to a motor vehicle suspense  
 14 fund, and at some time between March 1 and March 10 of each  
 15 year and every 60 days thereafter, the county treasurer  
 16 shall distribute the money in the motor vehicle suspense  
 17 fund in the relative proportions required by the levies for  
 18 state, county, school district, and municipal purposes in  
 19 the same manner as personal property taxes are distributed.  
 20 (2) The county treasurer shall credit the fee for  
 21 district courts provided for in 61-3-533 to a separate  
 22 suspense account and shall forward the amount in the account  
 23 to the state treasurer at the time the county treasurer  
 24 distributes the motor vehicle suspense fund. The state  
 25 treasurer shall credit amounts received under this

1 subsection to the general fund to be used for purposes of  
 2 state funding of the district court expenses enumerated in  
 3 3-5-901."

4 Section 32. Section 61-3-524, MCA, is amended to read:  
 5 "61-3-524. Fee-paid Tax-paid decal required on camper  
 6 -- application for decal -- application fee -- issuance. (1)  
 7 No camper, subject to taxation in Montana, may be operated  
 8 by any person on the public highways or streets in this  
 9 state unless there is displayed in a conspicuous place  
 10 thereon a decal as visual proof that the fee-in-lieu-of tax  
 11 has been paid thereon for the current year.

12 (2) Application for the issuance of the decal shall be  
 13 made to the department of revenue or the county treasurer  
 14 upon forms to be furnished for this purpose, which may be  
 15 obtained from the department or at the county treasurer's  
 16 office in the county wherein the owner resides, and is to  
 17 provide for substantially the following information:

- 18 (a) name of owner;  
 19 (b) address;  
 20 (c) name of manufacturer;  
 21 (d) model number;  
 22 (e) make;  
 23 (f) year of manufacture;  
 24 (g) statement evidencing payment of the fee-in-lieu-of  
 25 property tax; and

1 (h) such other information as the department may  
2 require.

3 (3) The application must be signed by the county  
4 treasurer and transmitted by him to the department  
5 accompanied by an application fee of \$1. Upon receipt of the  
6 application in approved form the department or county  
7 treasurer shall issue to the applicant a decal in the style  
8 and design prescribed by the department and of a different  
9 color than the preceding year, numbered numerically."

10 Section 33. Section 61-3-531, MCA, is amended to read:

11 "61-3-531. Light ~~vehicle-fee~~ vehicles -- definitions.

12 As used in ~~61-3-531--through--61-3-536~~ 61-3-533 through  
13 61-3-535, the following definitions apply:

14 (1) "Light vehicle" means an automobile or a truck  
15 having a rated capacity of three-quarters of a ton or less.

16 (2) "Vehicle age" means the difference between the  
17 calendar year of the first day of the registration period  
18 and the manufacturer's designated model year."

19 Section 34. Section 61-3-533, MCA, is amended to read:

20 "61-3-533. (Temporary) ~~Schedule-of-fees~~ District court

21 fee for automobiles-and-light-trucks vehicles. ~~{i}-Except-as~~  
22 provided-in-subsection-(3),-the the (1) EXCEPT AS PROVIDED

23 IN SUBSECTION (2), THE following schedule, based on vehicle  
24 age and weight, is used to determine the a district court  
25 fee imposed-by-61-3-532:

Vehicle Age	Weight	Block Grant	District Court Fee	Weight More Than 2,850 Pounds	Block Grant Fee	District Court Fee
Less than or equal to 4 years	2,850 Pounds or-less	\$6	\$7	\$90	\$7-50	\$7
More than 4 years and less than 8 years	4000 Pounds	3	5	50	4	5
8 years old and over	10,000 Pounds	1.50	2.50	15	2	2.50

(2)--(a)--The--fee--for--a--light--vehicle--is--determined--by--  
(i)--multiplying--the--appropriate--dollar--amount--from--the  
table--in--subsection--(1),--but--not--the--block--grant--fee--or--the  
district--court--fee,--by--the--ratio--of--the--PEE--for--the--second  
quarter--of--the--year--prior--to--the--year--of--licensing--to--the  
PEE--for--the--second--quarter--of--1981,--and  
(ii)--rounding--the--product--thus--obtained--to--the--nearest  
whole--dollar--amount.  
(b)--"PEE"--means--the--implicit--price--deflator--for  
personal--consumption--expenditures--as--published--quarterly--in

1 the Survey of Current Business by the bureau of economic  
2 analysis of the United States department of commerce.

3 (3) The light vehicle license fee for disabled  
4 veterans qualifying under the provisions of 61-3-451 through  
5 61-3-455 is \$8, with 93 of the fee earmarked for district  
6 courts.

7 (2) THE DISTRICT COURT FEE FOR A LIGHT VEHICLE OWNED  
8 BY A DISABLED VETERAN QUALIFYING FOR SPECIAL LICENSE PLATES  
9 UNDER 61-3-451 IS \$3.

10 61-3-533. (Effective July 1, 1987) Schedule of fees  
11 District court fee for automobiles and light trucks  
12 vehicles. (1) Except as provided in subsection (3), the  
13 (1) EXCEPT AS PROVIDED IN SUBSECTION (2), THE following  
14 schedule, based on vehicle age and weight, is used to  
15 determine the a district court fee imposed by 61-3-533:

Vehicle Age	Weight District Court Fee	
	2,850-Pounds or Less	More Than 2,850-Pounds
Less than or equal to 4 years	\$70 <u>\$7</u>	\$90
More than 4 years and less than 8 years	40 <u>5</u>	50
8 years old and over	10 <u>2.50</u>	15

23 (2) (a) The fee for a light vehicle is determined by:  
24 (1) multiplying the appropriate dollar amount from the  
25 table in subsection (1) by the ratio of the PCE for the

1 second quarter of the year prior to the year of licensing to  
2 the PCE for the second quarter of 1981, and

3 (1) rounding the product thus obtained to the nearest  
4 whole dollar amount;

5 (b) "PCE" means the implicit price deflator for  
6 personal consumption expenditures as published quarterly in  
7 the Survey of Current Business by the bureau of economic  
8 analysis of the United States department of commerce.

9 (3) The light vehicle license fee for disabled  
10 veterans qualifyir, under the provisions of 61-3-451 through  
11 61-3-455 is \$5.

12 (2) THE DISTRICT COURT FEE FOR A LIGHT VEHICLE OWNED  
13 BY A DISABLED VETERAN QUALIFYING FOR SPECIAL LICENSE PLATES  
14 UNDER 61-3-451 IS \$3."

15 Section 35. Section 61-3-534, MCA, is amended to read:  
16 "61-3-534. Payment of fee property tax required for  
17 operation. (1) No light vehicle subject to the fee imposed  
18 by 61-3-532 a property tax may be operated unless the fee  
19 tax has been paid and the vehicle is licensed.

20 (2) A properly licensed and registered light vehicle  
21 may be operated within Montana, subject to all applicable  
22 federal, state, and local laws."

23 Section 36. Section 61-3-535, MCA, is amended to read:  
24 "61-3-535. Light vehicle Vehicle reregistration by  
25 mail. (1) The department shall develop a procedure to permit



1 the reregistration of light vehicles and other vehicles  
 2 subject to tax under 61-3-504(2) with the county treasurer  
 3 by mail at the option of the owner of the vehicle. The  
 4 option to reregister by mail need only be made available for  
 5 vehicles registered at the close of the expiring  
 6 registration period in the name of the applicant for  
 7 reregistration.

8 (2) The form to be returned to the county treasurer by  
 9 the applicant, with the appropriate tax and fees, is to  
 10 contain a statement, to be subscribed to by the applicant,  
 11 stating compliance with the financial liability requirements  
 12 of 61-6-301.

13 ~~{3}--The procedure for mail reregistration must be in~~  
 14 ~~effect by January 17, 1982.~~

15 ~~{4}{3}~~ The department may adopt rules to implement the  
 16 mail reregistration procedure."

17 Section 37. Section 61-3-701, MCA, is amended to read:

18 "61-3-701. Foreign vehicles used in gainful occupation  
 19 to be registered -- reciprocity. (1) Before any foreign  
 20 licensed motor vehicle may be operated on the highways of  
 21 this state for hire, compensation, or profit or before the  
 22 owner and/or user thereof uses the vehicle if such owner  
 23 and/or user is engaged in gainful occupation or business  
 24 enterprise in the state, including highway work, the owner  
 25 of the vehicle shall make application to a county treasurer

1 for registration upon an application form furnished by the  
 2 department. Upon satisfactory evidence of ownership  
 3 submitted to the county treasurer and the payment of  
 4 property taxes, if appropriate, as required by 15-8-201,  
 5 15-8-202, or 15-24-301, or 61-3-504, OR [SECTION 39] ~~or--the~~  
 6 ~~payment--of--the--light--vehicle--license--fee--as--provided--by~~  
 7 ~~61-3-532--or--the--fee--in--lieu--of--tax--as--provided--by--61-3-541,~~  
 8 the treasurer shall accept the application for registration  
 9 and shall collect the regular license fee required for the  
 10 vehicle.

11 (2) The treasurer shall thereupon issue to the  
 12 applicant a copy of the certificate entitled "Owner's  
 13 Certificate of Registration and Payment Receipt" and forward  
 14 a duplicate copy of the certificate to the department. The  
 15 treasurer shall at the same time issue to the applicant the  
 16 proper license plates or other identification markers, which  
 17 shall at all times be displayed upon the vehicle when  
 18 operated or driven upon roads and highways of this state  
 19 during the period of the life of the license.

20 (3) The registration receipt shall not constitute  
 21 evidence of ownership but shall be used only for  
 22 registration purposes. No Montana certificate of ownership  
 23 shall be issued for this type of registration.

24 (4) This section is not applicable to any vehicle  
 25 covered by a valid and existing reciprocal agreement or

1 declaration entered into under the provisions of the laws of  
2 Montana."

3 Section 38. Section 61-6-302, MCA, is amended to read:

4 "61-6-302. Proof of compliance. (1) Except as provided  
5 in subsection (2), before any applicant required to register  
6 his motor vehicle may do so, the applicant must certify to  
7 the county treasurer that he possesses an automobile  
8 liability insurance policy, a certificate of self-insurance,  
9 or a posted indemnity bond or that he is eligible for an  
10 exemption under 61-6-303 covering the motor vehicle. The  
11 certification shall be on a form prescribed by the  
12 department. The department may immediately cancel the  
13 registration and license plates of the vehicle upon  
14 notification that the insurance certification was not  
15 correctly represented. Any person who intentionally provides  
16 false information on an insurance certification is guilty of  
17 unsworn falsification to authorities, punishable as provided  
18 in 45-7-203.

19 (2) An applicant for registration of ~~an automobile--or~~  
20 ~~a--truck--having-a-rated-capacity-of-three-quarters-of-a-ton~~  
21 ~~or-less,~~ a motor vehicle who wishes to register the vehicle  
22 by mail must sign a statement on the application stating  
23 that the applicant is in compliance with the financial  
24 liability requirements of 61-6-301.

25 (3) An owner of a motor vehicle who ceases to maintain

1 the insurance or bond required or whose certificate of  
2 self-insurance is canceled or whose vehicle ceases to be  
3 exempt shall immediately surrender the registration and  
4 license plates for the vehicle to the county treasurer for  
5 delivery to the department and may not operate or permit  
6 operation of the vehicle in Montana until insurance has  
7 again been furnished as required and the vehicle is again  
8 registered and licensed.

9 (4) Every person shall carry in a motor vehicle being  
10 operated by him an insurance card approved by the department  
11 but issued by the insurance carrier to the motor vehicle  
12 owner as proof of compliance with 61-6-301. A motor vehicle  
13 operator shall exhibit the insurance card upon demand of a  
14 justice of the peace, a city or municipal judge, a peace  
15 officer, a highway patrolman, or a field deputy or inspector  
16 of the department. However, no person charged with violating  
17 this subsection may be convicted if he produces in court or  
18 the office of the arresting officer proof of insurance valid  
19 at the time of his arrest."

20 NEW SECTION. SECTION 39. LOCAL OPTION VEHICLE TAX.

21 (1) A COUNTY MAY IMPOSE A LOCAL VEHICLE TAX ON VEHICLES  
22 SUBJECT TO A PROPERTY TAX UNDER 61-3-504(2) AT THE RATE OF  
23 0.5% OF THE VALUE DETERMINED UNDER 61-3-503, IN ADDITION TO  
24 THE TAX IMPOSED UNDER 61-3-504(2).

25 (2) A LOCAL VEHICLE TAX IS PAYABLE AT THE SAME TIME

1 AND IN THE SAME MANNER AS THE TAX IMPOSED UNDER 61-3-504(2)  
 2 AND IS DISTRIBUTED IN THE SAME MANNER, BASED ON THE  
 3 REGISTRATION ADDRESS OF THE OWNER OF THE MOTOR VEHICLE.

4 (3) THE GOVERNING BODY OF A COUNTY MAY IMPOSE A LOCAL  
 5 VEHICLE TAX FOR A FISCAL YEAR BY ADOPTING A RESOLUTION  
 6 BEFORE JULY 1 OF THE FISCAL YEAR, AFTER CONDUCTING A PUBLIC  
 7 HEARING ON THE PROPOSED RESOLUTION.

8 ~~NEW SECTION. Section 40. Disposition of oil-severance~~  
 9 ~~tax revenue. Any amount that is received after July 17~~  
 10 ~~1987, from oil-severance revenues for any payment period~~  
 11 ~~ending before July 17, 1987, and is deposited in the local~~  
 12 ~~government block grant account must be distributed pursuant~~  
 13 ~~to Title 7, chapter 6, part 3, as that part read prior to~~  
 14 ~~July 17, 1987.~~

15 NEW SECTION. Section 40. Repealer. (1) Sections  
 16 7-6-301 through 7-6-309, MCA, ARE REPEALED.

17 (2) SECTIONS 61-3-521 through 61-3-523, 61-3-532,  
 18 61-3-536, 61-3-541, and 61-3-542, MCA, are repealed.

19 NEW SECTION. Section 41. Extension of authority. Any  
 20 existing authority of the department of revenue, the  
 21 department of justice, or the department of commerce to make  
 22 rules on the subject of the provisions of this act is  
 23 extended to the provisions of this act.

24 NEW SECTION. Section 42. Effective date DATES --  
 25 applicability. (1) SECTION 40(1) IS EFFECTIVE JULY 1, 1987.

1 (2) This act is effective on passage and approval and  
 2 applies to motor vehicles registered on or after July 1,  
 3 1987.

-End-

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB200, third reading copy.

DESCRIPTION OF PROPOSED LEGISLATION:

An Act to replace the fee in lieu of tax on light vehicles, motorcycles, quadricycles, motor homes, travel trailers, and campers with a property tax; and providing an immediate effective date and an applicability date.

ASSUMPTIONS:

1. The taxable value of light motor vehicles in Montana in 1982 was \$185,422,083.
2. The average taxable value for light motor vehicles in 1982 was \$301.514.
3. The average retail market value of a light motor vehicle in 1982 was \$2,319.34 (average taxable divided by 13 percent class nine tax rate).
4. Inflated to January, 1986 (using Consumer Price Index for used cars Dec. 1981 - 284.3; Dec. 1985 - 369.7), the average retail market value of a light motor vehicle in Montana is \$3016. It is assumed that the average value increases by 2 percent each year into the future, yielding average values of \$3,076 for FY88 and \$3,138 for FY89 (avg. increase Dec. 1981 to Dec. 1985 was 7.5%, but values have declined in the last year).
5. There will be 677,386 light motor vehicles licensed in FY88 and 689,165 in FY89 (REAC).
6. The market value of light motor vehicles in Montana will be \$2,083,639,000 in FY88 and \$2,162,600,000 in FY89.
7. Tax rate on light motor vehicles is 2% of average trade-in value or wholesale value.
8. Average trade-in value is 80% of average retail value (1.6% effective tax rate).
9. The following age/weight distributions apply to FY88 and FY89 (REAC).

Age	FY88		FY89	
	Under 2850 lbs.	Over 2850 lbs.	Under 2850 lbs.	Over 2850 lbs.
Less Than 4 Yrs.	83,011	98,774	84,454	100,491
4 to 8 Yrs.	53,185	91,491	54,110	93,082
Over 8 Yrs.	69,263	281,662	70,468	286,560

10. The market value of motor homes, travel trailers, and campers subject to property tax in 1979 (the last year of the property tax) was \$ 61,460,800.
11. It is assumed that the market value of motor homes, travel trailers and campers in the state has increased 20 percent, to \$73,753,000, since 1979 due to growth in numbers and average values.
12. Tax rate on motor homes, travel trailers, and campers is 1% of average trade-in value or wholesale value (0.8% effective tax rate).
13. The market value of motorcycles and quadricycles in 1985 was \$17,543,852. This level is assumed to apply to FY88 and FY89.

David L. Hunter DATE 2/20/87  
 DAVID L. HUNTER, BUDGET DIRECTOR  
 Office of Budget and Program Planning

Ed Smith DATE \_\_\_\_\_  
 ED SMITH, PRIMARY SPONSOR

Fiscal Note for SB200, third reading copy.

SB200  
#2

14. Based on the number of vehicles and the time necessary for assessments, an additional 48 (Grade 7, Step 2) clerks would be required to assess motor vehicles at the time of registration. Forms and manuals would cost \$25,000. The proposal places responsibility on the county treasurers, however, assessors would actually value the motor vehicles.
15. One-third of the oil severance tax proceeds will be \$6,404,000 in FY88 and \$6,940,000 in FY89 (REAC).
16. There will be no general fund appropriation for the block grant program in the biennium. Both the block grant fee and the district court fee are sunsetted for the end of this fiscal year.
17. Mill levies are 6 mills for the university levy, 45 mills for the foundation program and local levies average 251 mills in FY88 and 264 mills in FY89 (REAC).
18. The Block Grant program will not be fully funded by a general fund appropriation.

FISCAL IMPACT:

Revenue Impact:

	FY88			FY89		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Additional General Fund						
Oil Severance Tax*	\$ 0	\$ 6,404,000	\$ 6,404,000	\$ 0	\$ 6,940,000	\$ 6,940,000
District Court Fees	0	2,873,000	2,873,000	0	2,923,000	2,923,000
Light Vehicle Fees	33,567,000	0	(33,567,000)	36,252,000	0	(36,252,000)
Block Grant Program	6,404,000	0	( 6,404,000)	6,940,000	0	( 6,940,000)
Light Vehicle						
Property Tax	0	33,338,224	33,338,224	0	34,601,596	34,601,596
Trailer Property Tax	0	590,024	590,024	0	590,024	590,024
Motorcycle Property Tax	0	350,900	350,900	0	350,900	350,900
Trailer Flat Fees	Not Avail.	0	(Not Avail.)	Not Avail.	0	(Not Avail.)
Motorcycle Flat Fees	Not Avail.	0	(Not Avail.)	Not Avail.	0	(Not Avail.)
<u>Total Revenue</u>	<u>\$39,971,000</u>	<u>\$43,556,148</u>	<u>\$ 3,585,148</u>	<u>\$43,192,000</u>	<u>\$45,405,520</u>	<u>\$ 2,213,520</u>

Expenditure Impact:

Department of Justice	\$ 0	\$ 61,460	\$ 61,460	\$ 0	\$ 61,460	\$ 61,460
Department of Revenue	0	824,200	824,200	0	824,200	824,200
<u>Total Expenditures</u>	<u>\$ 0</u>	<u>\$ 885,660</u>	<u>\$ 885,660</u>	<u>\$ 0</u>	<u>\$ 885,660</u>	<u>\$ 885,660</u>

Net Effect                      \$39,971,000      \$42,670,488      \$ 2,699,488      \$43,192,000      \$44,519,860      \$ 1,327,860

\* The proposal diverts oil severance tax collections from the block grant program to the general fund. This change in allocation is shown as a revenue impact to balance with the revenue impact with the fund distribution table.

SB 200  
H2

Fund Information:

General Fund**	\$	0	\$ 8,391,340	\$ 8,391,340	\$	0	\$ 8,977,340	\$ 8,977,340
Property Taxes/Block Grant/Fees:								
University Levy	\$	795,263	\$ 628,018	\$( 113,245)	\$	824,967	\$ 678,862	\$( 146,105)
Foundation Program	\$	5,964,872	\$ 5,115,477	\$( 849,395)	\$	6,187,729	\$ 5,091,857	\$(1,095,872)
Other Taxing Jurisdictions	\$	33,210,865	\$28,481,653	\$(4,729,212)	\$	36,179,304	\$29,771,801	\$(6,407,503)

\*\* The net effect to the general fund would be an increase of \$7,428,700 in FY88 and \$7,735,363 in FY89. The loss in revenue to the university levy and school foundation program would have to be made up by the general fund.

EFFECT ON LOCAL GOVERNMENT REVENUES:

The impact on local government revenues is shown in the fund distribution above. If all counties adopted the 0.5% local option, an additional \$8,569,787 and \$8,885,630 would be raised in FY88 and FY89 respectively. Because the local option tax revenue would be distributed to all taxing jurisdictions, the school foundation program and university levy would benefit from local decisions to exercise the optional tax.

SB200  
#2

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB200, reference copy.

DESCRIPTION OF PROPOSED LEGISLATION:

An Act to replace the fee in lieu of tax on light vehicles, motorcycles, quadricycles, motor homes, travel trailers, and campers with a property tax; to allow a local option vehicle tax; and providing an immediate effective date, an applicability date, and termination dates.

ASSUMPTIONS:

1. The taxable value of light motor vehicles in Montana in 1982 was \$185,422,083.
2. The average taxable value for light motor vehicles in 1982 was \$301.514.
3. The average retail market value of a light motor vehicle in 1982 was \$2,319.34 (average taxable divided by 13 percent class nine tax rate).
4. Inflated to January, 1986 (using Consumer Price Index for used cars Dec. 1981 - 284.3; Dec. 1985 - 369.7), the average retail market value of a light motor vehicle in Montana is \$3016. It is assumed that the average value increases by 2 percent each year into the future, yielding average values of \$3,076 for FY88 and \$3,138 for FY89 (avg. increase Dec. 1981 to Dec. 1985 was 7.5%, but values have declined in the last year).
5. There will be 677,386 light motor vehicles licensed in FY88 and 689,165 in FY89 (REAC).
6. The market value of light motor vehicles in Montana will be \$2,083,639,000 in FY88 and \$2,162,600,000 in FY89.
7. Tax rate on light motor vehicles is 2% of average trade-in value or wholesale value.
8. Average trade-in value is 80% of average retail value (1.6% effective tax rate).
9. The following age/weight distributions apply to FY88 and FY89 (REAC).

Age	FY88		FY89	
	Under 2850 lbs.	Over 2850 lbs.	Under 2850 lbs.	Over 2850 lbs.
Less Than 4 Yrs.	83,011	98,774	84,454	100,491
4 to 8 Yrs.	53,185	91,491	54,110	93,082
Over 8 Yrs.	69,263	281,662	70,468	286,560

10. It is assumed that 20% of vehicles over eight years of age are valued at \$500 or less using average trade-in value. Lowering the minimum value from \$1,000 to \$500 would reduce property tax revenue by \$677,386 in FY88 and \$689,165 in FY89.
11. The market value of motorcycles and quadricycles in 1985 was \$17,543,852. This level is assumed to apply to FY88 and FY89. Lowering the minimum value from \$500 to \$250 would reduce property tax revenue by about \$7,130 a year.

David L. Hunter DATE 4/16/87  
 DAVID L. HUNTER, BUDGET DIRECTOR  
 Office of Budget and Program Planning

Ed Smith DATE 4-16-87  
 ED SMITH, PRIMARY SPONSOR

Fiscal Note for SB200, reference copy.

5B200  
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Fiscal Note Request, SB200, reference copy.

Form BD-15

Page 2

12. No data is available for the current fee systems for motor homes, travel trailers, campers and motorcycles or the proposed fee system for motorhomes.
13. Based on the number of vehicles and the time necessary for assessments, an additional 48 (Grade 7, Step 2) clerks would be required to assess motor vehicles at the time of registration. Forms and manuals would cost \$25,000. The proposal places responsibility on the county treasurers, however, assessors would actually value the motor vehicles.
14. One-third of the oil severance tax proceeds will be \$6,404,000 in FY88 and \$6,940,000 in FY89 (REAC).
15. There will be no general fund appropriation for the block grant program in the biennium. Both the block grant fee and the district court fee are sunsetted for the end of this fiscal year.
16. The proposal will deduct as a district court fee 7% of the 2% tax, and will be credited to the state general fund.
17. Mill levies are 6 mills for the university levy, 45 mills for the foundation program and local levies average 251 mills in FY88 and 264 mills in FY89 (REAC).
18. The Block Grant program will not be fully funded by a general fund appropriation.

FISCAL IMPACT:

Revenue Impact:

	FY88			FY89		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Additional General Fund						
Oil Severance Tax*	\$ 0	\$ 6,404,000	\$ 6,404,000	\$ 0	\$ 6,940,000	\$ 6,940,000
Light Vehicle Fees	33,567,000	0	(33,567,000)	36,252,000	0	(36,252,000)
Block Grant Program	6,404,000	0	( 6,404,000)	6,940,000	0	( 6,940,000)
Light Vehicle						
Property Tax	0	32,660,838	32,660,838	0	33,912,431	33,912,431
Motorcycle Property Tax	0	343,770	343,770	0	343,770	343,770
Trailer Flat Fees	Not Avail.	Not Avail.	Not Avail.	Not Avail.	Not Avail.	Not Avail.
Motorcycle Flat Fees	Not Avail.	Not Avail.	Not Avail.	Not Avail.	Not Avail.	Not Avail.
<u>Total Revenue</u>	<u>\$39,971,000</u>	<u>\$39,408,608</u>	<u>\$ ( 562,392)</u>	<u>\$43,192,000</u>	<u>\$41,196,201</u>	<u>\$ ( 1,995,799)</u>

Expenditure Impact:

Department of Justice	\$ 0	\$ 61,460	\$ 61,460	\$ 0	\$ 61,460	\$ 61,460
Department of Revenue	0	824,200	824,200	0	824,200	824,200
<u>Total Expenditures</u>	<u>\$ 0</u>	<u>\$ 885,660</u>	<u>\$ 885,660</u>	<u>\$ 0</u>	<u>\$ 885,660</u>	<u>\$ 885,660</u>

<u>Net Effect</u>	<u>\$39,971,000</u>	<u>\$38,522,948</u>	<u>\$ ( 1,448,052)</u>	<u>\$43,192,000</u>	<u>\$40,310,541</u>	<u>\$ 2,881,459</u>
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\* The proposal diverts oil severance tax collections from the block grant program to the general fund. This change in allocation is shown as a revenue impact to balance with the revenue impact with the fund distribution table.

SB 200  
← 3



Fund Information:

General Fund**	\$	0	\$ 7,804,599	\$ 7,804,599	\$	0	\$ 8,428,210	\$ 8,428,210
Property Taxes/Block Grant/Fees:								
University Levy	\$	795,263	\$ 611,172	\$( 184,091)	\$	824,967	\$ 608,952	\$( 216,015)
Foundation Program	\$	5,964,872	\$ 4,584,099	\$(1,380,773)	\$	6,187,729	\$ 4,567,495	\$(1,620,234)
Other Taxing Jurisdictions	\$	33,210,865	\$25,523,078	\$(7,687,787)	\$	36,179,304	\$26,705,884	\$(9,473,420)

\*\* The net effect to the general fund would be an increase of \$6,239,735 in FY88 and \$6,591,961 in FY89. The loss in revenue to the university levy and school foundation program would have to be made up by the general fund.

EFFECT ON LOCAL GOVERNMENT REVENUES:

The impact on local government revenues is shown in the fund distribution above. If all counties adopted the maximum 0.5% local option, an additional \$8,395,661 and \$8,705,086 would be raised in FY88 and FY89 respectively. Because the local option tax revenue would be distributed to all taxing jurisdictions, the school foundation program and university levy would benefit from local decisions to exercise the optional tax.

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

House Bill 2 appropriates from the general fund \$2,500,000 a year for district court expenses. The district court portion of the 2% property tax would amount to \$2,286,259 in FY88 and \$2,373,870 in FY89. The district court revenue from the vehicle tax would be insufficient to meet the appropriation in HB2.

SB 200  
#3

## SENATE BILL NO. 200

INTRODUCED BY E. SMITH, SEVERSON, B. BROWN, TVEIT,  
MCCALLUM, NATHE, HAGER, FARRELL, HIRSCH, LYBECK, BECK,  
DEVLIN, C. SMITH, JONES, KOLSTAD, ELLISON

A BILL FOR AN ACT ENTITLED: "AN ACT TO REPLACE THE FEE IN LIEU OF TAX ON LIGHT VEHICLES, MOTORCYCLES, QUADRICYCLES, MOTOR HOMES, TRAVEL TRAILERS, AND CAMPERS WITH A PROPERTY TAX; TO ALLOW A LOCAL OPTION VEHICLE TAX; AMENDING SECTIONS 7-1-2111, 15-1-501, 15-6-138, 15-6-140, 15-6-201, 15-8-201, 15-8-202, 15-24-101, 15-24-105, 15-24-301, 15-30-121, 15-31-114, 15-36-112, 15-50-207, 20-9-141, 20-9-331, 20-9-333, 20-9-352, 20-9-501, 20-10-144, ~~61-3-303, 61-3-332~~ 61-3-303, 61-3-332, 61-3-431, 61-3-501 THROUGH 61-3-504, 61-3-506, 61-3-509, ~~61-3-521, 61-3-522, 61-3-523~~ 61-3-521, 61-3-524, ~~61-3-531, 61-3-532~~ 61-3-531 THROUGH 61-3-535, 61-3-701, AND 61-6-302, MCA; REPEALING SECTIONS 7-6-301 THROUGH 7-6-309, ~~61-3-521~~ THROUGH ~~61-3-523, 61-3-532~~ 61-3-531 THROUGH 61-3-534, 61-3-536, 61-3-541, AND 61-3-542, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND, AN APPLICABILITY DATE, AND TERMINATION DATES."

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

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

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

purpose of regulating the compensation and salaries of all county officers, not otherwise provided for, and for fixing the penalties of officers' bonds, the several counties of this state shall be classified according to that percentage of the true and full valuation of the property therein upon which the tax levy is made, except for vehicles subject to taxation under 61-3-504(2), as follows:

(a) first class--all counties having such a taxable valuation of \$50 million or over;

(b) second class--all counties having such a taxable valuation of more than \$30 million and less than \$50 million;

(c) third class--all counties having such a taxable valuation of more than \$20 million and less than \$30 million;

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

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

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

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

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

4 (a) that portion of the taxable value of the county on  
5 December 31, 1981, attributable to automobiles and trucks  
6 having a rated capacity of three-quarters of a ton or less;  
7 and

8 (b) the amount of new production taxes levied, as  
9 provided in 15-23-607, divided by the appropriate tax rates  
10 described in 15-23-607(2)(a) or (2)(b) and multiplied by  
11 60%."

12 Section 2. Section 15-1-501, MCA, is amended to read:

13 "15-1-501. Disposition of moneys from certain  
14 designated license and other taxes. (1) The state treasurer  
15 shall deposit to the credit of the state general fund all  
16 moneys received by him from the collection of:

17 (a) fees from driver's licenses, motorcycle  
18 endorsements, and duplicate driver's licenses as provided in  
19 61-5-121;

20 (b) electrical energy producer's license taxes under  
21 chapter 51;

22 (c) severance taxes allocated to the general fund  
23 under chapter 36;

24 (d) liquor license taxes under Title 16;

25 (e) telephone [company] license taxes under chapter

1 53; and

2 (f) inheritance and estate taxes under Title 72,  
3 chapter 16.

4 (2) Seventy-five percent of all moneys received from  
5 the collection of income taxes under chapter 30 and  
6 corporation license and income taxes under chapter 31,  
7 except as provided in 15-31-702, shall be deposited in the  
8 general fund subject to the prior pledge and appropriation  
9 of such income tax and corporation license tax collections  
10 for the payment of long-range building program bonds. The  
11 remaining 25% of the proceeds of the corporation license  
12 tax, excluding that allocated to the counties under  
13 15-31-702, corporation income tax, and income tax shall be  
14 deposited to the credit of the state special revenue fund  
15 for state equalization aid to the public schools of Montana.

16 (3) The state treasurer shall also deposit to the  
17 credit of the state general fund all moneys received by him  
18 from the collection of license taxes, fees, and all net  
19 revenues and receipts from all other sources under the  
20 operation of the Montana Alcoholic Beverage Code.

21 ~~(4) Thirty-three--and--one-third--percent--of--the--total~~  
22 ~~collections--of--the--oil--severance--tax--under--chapter--36--shall~~  
23 ~~be--deposited--into--the--local--government--block--grant--account~~  
24 ~~within--the--state--special--revenue--fund.~~ After the  
25 distribution provided for in 15-36-112, the remainder of the

1 oil severance tax collections shall be deposited in the  
2 general fund."

3 Section 3. Section 15-6-138, MCA, is amended to read:

4 "15-6-138. Class eight property -- description --  
5 taxable percentage. (1) Class eight property includes:

6 (a) all agricultural implements and equipment;  
7 (b) all mining machinery, fixtures, equipment, tools,  
8 and supplies except:

9 (i) those included in class five; and

10 (ii) coal and ore haulers;

11 (c) all manufacturing machinery, fixtures, equipment,  
12 tools, and supplies except those included in class five;

13 (d) all trailers up to and including 18,000 pounds  
14 maximum gross loaded weight, except those subject to ~~a fee~~  
15 ~~in-lieu-of-property-tax~~ taxation under 61-3-504(2);

16 (e) aircraft;

17 (f) all goods and equipment intended for rent or  
18 lease, except goods and equipment specifically included and  
19 taxed in another class; and

20 (g) all other machinery except that specifically  
21 included in another class.

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

24 Section 4. Section 15-6-140, MCA, is amended to read:

25 "15-6-140. Class ten property -- description --

1 taxable percentage. (1) Class ten property includes:

2 (a) radio and television broadcasting and transmitting  
3 equipment;

4 (b) cable television systems;

5 (c) coal and ore haulers;

6 (d) trucks having a rated capacity of more than 1 1/2  
7 tons, including those prorated under 15-24-102;

8 (e) all trailers exceeding 18,000 pounds maximum gross  
9 loaded weight, including those prorated under 15-24-102 and  
10 except those subject to ~~a fee in lieu of property tax~~  
11 taxation under 61-3-504(2);

12 (f) theater projectors and sound equipment; and

13 (g) all other property not included in any other class  
14 in this part except that property subject to a fee in lieu  
15 of a property tax.

16 (2) Class ten property is taxed at 16% of its market  
17 value."

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

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

21 (a) the property of:

22 (i) the United States, the state, counties, cities,  
23 towns, school districts, except, if congress passes  
24 legislation that allows the state to tax property owned by  
25 an agency created by congress to transmit or distribute

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

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

8 (iii) municipal corporations; and

9 (iv) public libraries;

10 (b) buildings, with land they occupy and furnishings  
 11 therein, owned by a church and used for actual religious  
 12 worship or for residences of the clergy, together with  
 13 adjacent land reasonably necessary for convenient use of  
 14 such buildings;

15 (c) property used exclusively for agricultural and  
 16 horticultural societies, for educational purposes, and for  
 17 hospitals;

18 (d) property that meets the following conditions:

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

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

1 (iii) is not maintained and operated for private or  
 2 corporate profit;

3 (e) institutions of purely public charity;

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

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

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

13 (i) a truck canopy cover or topper weighing less than  
 14 300 pounds and having no accommodations attached. Such  
 15 property is also exempt from ~~the fee-in-lieu-of-tax~~ taxation  
 16 under 61-3-504(2) AND [SECTION 39 36].

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

19 (K) MOTOR HOMES, TRAVEL TRAILERS, AND CAMPERS;

20 ~~{k}--automobiles--and--trucks--having--a--rated--capacity--of~~  
 21 ~~three-quarters-of-a-ton-or-less;~~

22 ~~{t}--motorcycles--and--quadricycles;~~

23 ~~{m}{k}{L}~~ fixtures, buildings, and improvements owned  
 24 by a cooperative association or nonprofit corporation  
 25 organized to furnish potable water to its members or

1 customers for uses other than the irrigation of agricultural  
2 land;

3 ~~(n)~~~~(t)~~~~(M)~~ the right of entry that is a property right  
4 reserved in land or received by mesne conveyance (exclusive  
5 of leasehold interests), devise, or succession to enter land  
6 whose surface title is held by another to explore, prospect,  
7 or dig for oil, gas, coal, or minerals;

8 ~~(t)~~~~(n)~~~~(N)~~ property owned and used by a corporation or  
9 association organized and operated exclusively for the care  
10 of the developmentally disabled, mentally ill, or  
11 vocationally handicapped as defined in 18-5-101, which is  
12 not operated for gain or profit; and

13 ~~(p)~~~~(n)~~~~(O)~~ all farm buildings with a market value of  
14 less than \$500 and all agricultural implements and machinery  
15 with a market value of less than \$100.

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

20 (b) The terms "public art galleries" and "public  
21 observatories" include only those art galleries and  
22 observatories, whether of public or private ownership, that  
23 are open to the public without charge at all reasonable  
24 hours and are used for the purpose of education only.

25 (3) The following portions of the appraised value of a

1 capital investment made after January 1, 1979, in a  
2 recognized nonfossil form of energy generation, as defined  
3 in 15-32-102, are exempt from taxation for a period of 10  
4 years following installation of the property:

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

7 (b) \$100,000 in the case of a multifamily residential  
8 dwelling or a nonresidential structure. (Subsection (1)(p)  
9 ~~(now (t)(n) (1)(O))~~ applicable to taxable years beginning  
10 after December 31, 1985--sec. 4, Ch. 463, L. 1985.)"

11 Section 6. Section 15-8-201, MCA, is amended to read:

12 "15-8-201. General assessment day. (1) The department  
13 of revenue or its agent must, between January 1 and the  
14 second Monday of July in each year, ascertain the names of  
15 all taxable inhabitants and assess all property subject to  
16 taxation in each county. The department or its agent must  
17 assess property to the person by whom it was owned or  
18 claimed or in whose possession or control it was at midnight  
19 of January 1 next preceding. It must also ascertain and  
20 assess all mobile homes arriving in the county after  
21 midnight of January 1 next preceding. No mistake in the name  
22 of the owner or supposed owner of real property, however,  
23 renders the assessment invalid.

24 (2) The procedure provided by this section may not  
25 apply to:

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

4 ~~(b) automobiles and trucks having a rated capacity of~~  
5 ~~three-quarters of a ton or less;~~

6 ~~(c) motor homes and travel trailers subject to a fee~~  
7 ~~in lieu of property tax;~~

8 ~~(d) motorcycles and quadricycles;~~

9 (B) MOTOR HOMES, TRAVEL TRAILERS, AND CAMPERS;

10 ~~(e)(b)(C)~~ livestock;

11 ~~(f)(c)(D)~~ property defined in 61-1-104 as "special  
12 mobile equipment" that is subject to assessment for personal  
13 property taxes on the date that application is made for a  
14 special mobile equipment plate; and

15 ~~(g)(d)(E)~~ mobile homes held by a distributor or dealer  
16 of mobile homes as a part of his stock in trade.

17 (3) Credits must be assessed as provided in  
18 15-1-101(1)(d)."

19 Section 7. Section 15-8-202, MCA, is amended to read:

20 "15-8-202. Motor vehicle assessment. (1) The  
21 department or OR its agent, or the county treasurer, under  
22 61-3-503, must, in each year, ascertain and assess all motor  
23 vehicles, OTHER THAN MOTOR HOMES, TRAVEL TRAILERS, AND  
24 CAMPERS ~~other than automobiles, trucks having a rated~~  
25 ~~capacity of three-quarters of a ton or less, motorcycles,~~

1 ~~quadricycles, motor homes, travel trailers,~~ or mobile homes,  
2 in each county subject to taxation as of January 1 or as of  
3 the anniversary registration date of those vehicles AS  
4 PROVIDED BY LAW, subject to 61-3-313 through 61-3-316 and  
5 61-3-501. The assessment for all motor vehicles ~~will~~ must be  
6 made ~~using the market value as of January 1 of the year of~~  
7 ~~assessment of the vehicle as contained in the most recent~~  
8 ~~volume of the Mountain States Edition of the National~~  
9 ~~Automobile Dealers Association Official Used Car Guide in~~  
10 ~~accordance with 61-3-503.~~ The motor vehicles shall be  
11 assessed in each year to the persons by whom owned or  
12 claimed or in whose possession or control they were at  
13 midnight of January 1 or the anniversary registration date  
14 thereof, whichever is applicable.

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

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

1 (4) Goods, wares, and merchandise of motor vehicle  
2 dealers, other than new motor vehicles and new mobile homes,  
3 shall be assessed at market value as of January 1."

4 Section 8. Section 15-24-101, MCA, is amended to read:

5 "15-24-101. Assessment of proportionally registered  
6 interstate motor vehicle fleets -- tax payment required for  
7 registration. (1) The department of revenue shall assess,  
8 for the purpose of personal property taxes, the taxable  
9 vehicles in interstate motor vehicle fleets proportionally  
10 registered under the provisions of 61-3-711 through  
11 61-3-733, and the assessment shall be apportioned on the  
12 ratio of total miles traveled to in-state miles traveled  
13 formula as prescribed by 61-3-721. Interstate motor vehicle  
14 fleets are assessable for taxation purposes upon application  
15 for proportional registration and are assessed to the  
16 persons who own or claim or in whose possession or control  
17 the fleet is at the time of the application.

18 (2) With respect to any fleet contained in an original  
19 application which has a situs for purpose of property  
20 taxation in Montana by the terms of this part or any other  
21 provision of the laws of Montana between January 1 and April  
22 1, the taxable vehicles are taxed for a full year. With  
23 respect to any fleet contained in an original application  
24 which acquires a situs for the purpose of property taxation  
25 in Montana under the provisions of this part or any other

1 law of the state of Montana after April 1, the taxes on  
2 taxable vehicles are apportioned as provided in 15-24-303.

3 (3) With respect to any fleet contained in a renewal  
4 application, the taxable vehicles are assessed and taxed for  
5 a full year.

6 (4) Automobiles and trucks having a rated capacity of  
7 three-quarters of a ton or less that are part of an  
8 interstate motor vehicle fleet are subject to ~~the--light~~  
9 ~~vehicle-license-fee-imposed-by-61-3-532~~ property tax. If the  
10 fleet is proportionally registered, the fee tax is  
11 apportioned in the same fashion as the registration fee  
12 under 61-3-721.

13 (5) Vehicles contained in a fleet for which current  
14 taxes, fees, or both have been assessed and paid shall not  
15 be assessed or charged fees under this section upon  
16 presentation to the department of proof of payment of taxes,  
17 or fees, or both for the current registration year. The  
18 payment of personal property taxes, fees, or both, is a  
19 condition precedent to proportional registration or  
20 reregistration of an interstate motor vehicle fleet."

21 Section 9. Section 15-24-105, MCA, is amended to read:

22 "15-24-105. Deposit and distribution of taxes and fees  
23 on proportionally registered fleets. The personal property  
24 taxes and license fees collected under this part shall be  
25 deposited with the state treasurer for distribution to the



1 general fund of each county on the following basis:

2 (1) for personal property taxes, according to the  
3 ratio of the taxable valuation of each county to the total  
4 state taxable valuation; and

5 (2) for ~~light~~ vehicle license fees, according to the  
6 ratio of ~~light~~ vehicle license fees, other than fees derived  
7 from interstate motor vehicle fleets, collected in each  
8 county to the sum of all such fees collected in all the  
9 counties."

10 Section 10. Section 15-24-301, MCA, is amended to  
11 read:

12 "15-24-301. Personal property brought into the state  
13 -- assessment -- exceptions -- custom combine equipment. (1)  
14 Except as provided in subsections (2) through ~~(6)~~ (5),  
15 property in the following cases is subject to taxation and  
16 assessment for all taxes levied that year in the county in  
17 which it is located:

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

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

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

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

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

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

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

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

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

25 (5) Agricultural harvesting machinery classified under

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

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

12 Section 11. Section 15-30-121, MCA, is amended to  
 13 read:

14 "15-30-121. Deductions allowed in computing net  
 15 income. In computing net income, there are allowed as  
 16 deductions:

17 (1) the items referred to in sections 161 and 211 of  
 18 the Internal Revenue Code of 1954, or as sections 161 and  
 19 211 shall be labeled or amended, subject to the following  
 20 exceptions which are not deductible:

- 21 (a) items provided for in 15-30-123;  
 22 (b) state income tax paid;  
 23 (2) federal income tax paid within the taxable year;  
 24 (3) expenses of household and dependent care services  
 25 as outlined in subsections (3)(a) through (3)(c) and subject

1 to the limitations and rules as set out in subsections  
 2 (3)(d) through (3)(f) as follows:

3 (a) expenses for household and dependent care services  
 4 necessary for gainful employment incurred for:

5 (i) a dependent under 15 years of age for whom an  
 6 exemption can be claimed;

7 (ii) a dependent as allowable under 15-30-112(5),  
 8 except that the limitations for age and gross income do not  
 9 apply, who is unable to care for himself because of physical  
 10 or mental illness; and

11 (iii) a spouse who is unable to care for himself  
 12 because of physical or mental illness;

13 (b) employment-related expenses incurred for the  
 14 following services, but only if such expenses are incurred  
 15 to enable the taxpayer to be gainfully employed:

16 (i) household services which are attributable to the  
 17 care of the qualifying individual; and

18 (ii) care of an individual who qualifies under  
 19 subsection (3)(a);

20 (c) expenses incurred in maintaining a household if  
 21 over half of the cost of maintaining the household is  
 22 furnished by an individual or, if the individual is married  
 23 during the applicable period, is furnished by the individual  
 24 and his spouse;

25 (d) the amounts deductible in subsection (3)(a)

1 through (3)(c) are subject to the following limitations:

2 (i) a deduction is allowed under subsection (3)(a) for  
3 employment-related expenses incurred during the year only to  
4 the extent such expenses do not exceed \$4,800;

5 (ii) expenses for services in the household are  
6 deductible under subsection (3)(a) for employment-related  
7 expenses only if they are incurred for services in the  
8 taxpayer's household, except that employment-related  
9 expenses incurred for services outside the taxpayer's  
10 household are deductible, but only if incurred for the care  
11 of a qualifying individual described in subsection (3)(a)(i)  
12 and only to the extent such expenses incurred during the  
13 year do not exceed:

14 (A) \$2,400 in the case of one qualifying individual;

15 (B) \$3,600 in the case of two qualifying individuals;

16 and

17 (C) \$4,800 in the case of three or more qualifying  
18 individuals;

19 (e) if the combined adjusted gross income of the  
20 taxpayers exceeds \$18,000 for the taxable year during which  
21 the expenses are incurred, the amount of the  
22 employment-related expenses incurred must be reduced by  
23 one-half of the excess of the combined adjusted gross income  
24 over \$18,000;

25 (f) for purposes of this subsection (3):

1 (i) married couples shall file a joint return or file  
2 separately on the same form;

3 (ii) if the taxpayer is married during any period of  
4 the taxable year, employment-related expenses incurred are  
5 deductible only if:

6 (A) both spouses are gainfully employed on a  
7 substantially full-time basis; or

8 (B) the spouse is a qualifying individual described in  
9 subsection (3)(a)(iii);

10 (iii) an individual legally separated from his spouse  
11 under a decree of divorce or of separate maintenance may not  
12 be considered as married;

13 (iv) the deduction for employment-related expenses must  
14 be divided equally between the spouses when filing  
15 separately on the same form;

16 (v) payment made to a child of the taxpayer who is  
17 under 19 years of age at the close of the taxable year and  
18 payments made to an individual with respect to whom a  
19 deduction is allowable under 15-30-112(5) are not deductible  
20 as employment-related expenses;

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

25 (5) that portion of expenses for organic fertilizer

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

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

5 ~~(7) fees in lieu of taxes on motorcycles and~~  
6 ~~quadricycles, as provided by 61-3-541, paid during the~~  
7 ~~taxable year; and~~

8 ~~(8)(6)~~ contributions to the child abuse and neglect  
9 prevention program provided for in 41-3-701, subject to the  
10 conditions set forth in 15-30-156. (Subsection (8) [now  
11 subsection (6)] terminates January 1, 1990--sec. 13, Ch.  
12 610, L. 1985.)"

13 Section 12. Section 15-31-114, MCA, is amended to  
14 read:

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

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

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

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

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

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

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

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

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

7 (B) The deduction for depletion shall not exceed the  
 8 amount which would be allowable if computed under the cost  
 9 method.

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

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

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

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

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

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

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

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

3 (i) Taxes imposed by this part.

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

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

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

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

14 ~~{6}--Eight--vehicle--license--fees;--as---provided---by~~  
15 ~~61-3-532;--and--fees--in--lieu--of--taxes--for--motorcycles--and~~  
16 ~~quadricycles;--as--provided--by--61-3-541;--paid--within--the--year--~~

17 ~~{7}{6}~~ That portion of an energy-related investment  
18 allowed as a deduction under 15-32-103.

19 ~~{8}{7}~~ (a) Except as provided in subsection (b),  
20 charitable contributions and gifts that qualify for  
21 deduction under section 170 of the Internal Revenue Code, as  
22 amended.

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

1        ~~(9)~~(8) In lieu of the deduction allowed under  
 2 subsection ~~(8)~~ (7), the taxpayer may deduct the fair market  
 3 value, not to exceed 30% of the taxpayer's net income, of a  
 4 computer or other sophisticated technological equipment or  
 5 apparatus intended for use with the computer donated to an  
 6 elementary, secondary, or accredited postsecondary school  
 7 located in Montana if:

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

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

13        (c) the taxpayer receives a written statement from the  
 14 donee in which the donee agrees to accept the property and  
 15 representing that the use and disposition of the property  
 16 will be in accordance with the provisions of (b) of this  
 17 subsection ~~(9)~~ (8)."

18        Section 13. Section 15-36-112, MCA, is amended to  
 19 read:

20        "15-36-112. Disposition of oil and gas severance  
 21 taxes. (1) Each year the department of revenue shall  
 22 determine the amount of tax collected under this chapter  
 23 from within each county.

24        (2) The severance taxes collected under this chapter  
 25 are allocated as follows:

1        ~~(a) 33-1/3% of the oil severance tax, not to exceed~~  
 2 ~~\$42 million for the biennium ending June 30, 1985, is~~  
 3 ~~deposited in the local government block grant account within~~  
 4 ~~the state special revenue fund;~~

5        ~~(b)(a)~~ the amount, if any, by which the tax collected  
 6 from within a county for any fiscal year exceeds the total  
 7 amount collected from within that county for the previous  
 8 fiscal year, by reason of increased production and not  
 9 because of increase in or elimination of federal price  
 10 ceilings on oil and gas, is statutorily appropriated, as  
 11 provided in 17-7-502, for allocation to the general fund of  
 12 the county for distribution as provided in subsection (3);

13        ~~(c)(b)~~ any amount not allocated to ~~the local~~  
 14 ~~government block grant account or~~ the county under  
 15 subsection (2)(a) ~~or (2)(b)~~ is allocated to the state  
 16 general fund.

17        (3) (a) The county treasurer shall distribute the  
 18 money received under subsection ~~(2)(b)~~ (2)(a) of this  
 19 section to the county and to all the incorporated cities and  
 20 towns within the county in the following manner. The county  
 21 receives the available money multiplied by the ratio of the  
 22 rural population to the county population. Each incorporated  
 23 municipality receives the available money multiplied by the  
 24 ratio of the population of the incorporated municipality to  
 25 the county population. The rural population is that

1 population of the county living outside the boundaries of an  
 2 incorporated municipality. Population shall be based on the  
 3 most recent figures as determined by the department of  
 4 commerce.

5 (b) The money distributed under this subsection may be  
 6 used for any purpose as determined by the governing body of  
 7 the county, city, or town."

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

10 "15-50-207. Credit against other taxes -- credit for  
 11 personal property taxes and certain fees. (1) The additional  
 12 license fees withheld or otherwise paid as provided herein  
 13 may be used as a credit on the contractor's corporation  
 14 license tax provided for in chapter 31 of this title or on  
 15 the contractor's income tax provided for in chapter 30,  
 16 depending upon the type of tax the contractor is required to  
 17 pay under the laws of the state.

18 (2) Personal property taxes, ~~fees-in-lieu-of-taxes-on~~  
 19 ~~motorcycles-or-quadracycles, or-light-vehicle--license--fees~~  
 20 ~~as--provided--by--61-3-532~~ paid in Montana on any personal  
 21 property of the contractor which is used in the business of  
 22 the contractor and is located within this state may be  
 23 credited against the license fees required under this  
 24 chapter. However, in computing the tax credit allowed by  
 25 this section against the contractor's corporation license

1 tax or income tax, the personal property tax ~~or-light~~  
 2 ~~vehicle-license-fee~~ credit against the license fees herein  
 3 required shall not be considered as license fees paid for  
 4 the purpose of such income tax or corporation license tax  
 5 credit."

6 Section 15. Section 20-9-141, MCA, is amended to read:

7 "20-9-141. Computation of general fund net levy  
 8 requirement by county superintendent. (1) The county  
 9 superintendent shall compute the levy requirement for each  
 10 district's general fund on the basis of the following  
 11 procedure:

12 (a) Determine the total of the funding required for  
 13 the district's final general fund budget less the amount  
 14 established by the schedules in 20-9-316 through 20-9-321 by  
 15 totaling:

16 (i) the district's nonisolated school foundation  
 17 program requirement to be met by a district levy as provided  
 18 in 20-9-303;

19 (ii) the district's permissive levy amount as provided  
 20 in 20-9-352; and

21 (iii) any general fund budget amount adopted by the  
 22 trustees of the district under the provisions of 20-9-353,  
 23 including any additional levies authorized by the electors  
 24 of the district.

25 (b) Determine the total of the moneys available for



1 the reduction of the property tax on the district for the  
2 general fund by totaling:

3 (i) anticipated federal moneys received under the  
4 provisions of Title I of Public Law 81-874 or other  
5 anticipated federal moneys received in lieu of such federal  
6 act;

7 (ii) anticipated tuition payments for out-of-district  
8 pupils under the provisions of 20-5-303, 20-5-307, 20-5-312,  
9 and 20-5-313;

10 (iii) general fund cash reappropriated, as established  
11 under the provisions of 20-9-104;

12 (iv) anticipated or reappropriated state impact aid  
13 received under the provisions of 20-9-304;

14 (v) ~~anticipated or-reappropriated-motor--vehicle--fees~~  
15 ~~and--reimbursement--under--the--provisions--of--61-3-532-and~~  
16 ~~61-3-536 revenue from vehicle property taxes imposed under~~  
17 ~~61-3-504(2) AND [SECTION 39 36];~~

18 (vi) anticipated net proceeds taxes for new production,  
19 as defined in 15-23-601;

20 (vii) anticipated interest to be earned or  
21 reappropriated interest earned by the investment of general  
22 fund cash in accordance with the provisions of 20-9-213(4);  
23 and

24 (viii) any other revenue anticipated by the trustees to  
25 be received during the ensuing school fiscal year which may

1 be used to finance the general fund.

2 (c) Subtract the total of the moneys available to  
3 reduce the property tax required to finance the general fund  
4 that has been determined in subsection (1)(b) from the total  
5 requirement determined in subsection (1)(a).

6 (2) The net general fund levy requirement determined  
7 in subsection (1)(c) shall be reported to the county  
8 commissioners on the second Monday of August by the county  
9 superintendent as the general fund levy requirement for the  
10 district, and a levy shall be made by the county  
11 commissioners in accordance with 20-9-142."

12 Section 16. Section 20-9-331, MCA, is amended to read:

13 "20-9-331. Basic county tax and other revenues for  
14 county equalization of the elementary district foundation  
15 program. (1) It shall be the duty of the county  
16 commissioners of each county to levy an annual basic tax of  
17 28 mills on the dollars of the taxable value of all taxable  
18 property within the county, except for vehicles subject to  
19 taxation under 61-3-504(2), for the purposes of local and  
20 state foundation program support. The revenue to be  
21 collected from this levy shall be apportioned to the support  
22 of the foundation programs of the elementary school  
23 districts in the county and to the state special revenue  
24 fund, state equalization aid account, in the following  
25 manner:

1 (a) In order to determine the amount of revenue raised  
 2 by this levy which is retained by the county, the sum of the  
 3 estimated revenues identified in subsection (2) below shall  
 4 be subtracted from the sum of the county elementary  
 5 transportation obligation and the total of the foundation  
 6 programs of all elementary districts of the county.

7 (b) If the basic levy prescribed by this section  
 8 produces more revenue than is required to finance the  
 9 difference determined above, the county treasurer shall  
 10 remit the surplus funds to the state treasurer for deposit  
 11 to the state special revenue fund, state equalization aid  
 12 account, immediately upon occurrence of a surplus balance  
 13 and each subsequent month thereafter, with any final  
 14 remittance due no later than June 20 of the fiscal year for  
 15 which the levy has been set.

16 (2) The proceeds realized from the county's portion of  
 17 the levy prescribed by this section and the revenues from  
 18 the following sources shall be used for the equalization of  
 19 the elementary district foundation programs of the county as  
 20 prescribed in 20-9-334, and a separate accounting shall be  
 21 kept of such proceeds and revenues by the county treasurer  
 22 in accordance with 20-9-212(1):

23 (a) the portion of the federal Taylor Grazing Act  
 24 funds distributed to a county and designated for the common  
 25 school fund under the provisions of 17-3-222;

1 (b) the portion of the federal flood control act funds  
 2 distributed to a county and designated for expenditure for  
 3 the benefit of the county common schools under the  
 4 provisions of 17-3-232;

5 (c) all money paid into the county treasury as a  
 6 result of fines for violations of law and the use of which  
 7 is not otherwise specified by law;

8 (d) any money remaining at the end of the immediately  
 9 preceding school fiscal year in the county treasurer's  
 10 account for the various sources of revenue established or  
 11 referred to in this section;

12 (e) any federal or state money; ~~including anticipated~~  
 13 ~~or-reappropriated-motor-vehicle-fees-and-reimbursement-under~~  
 14 ~~the-provisions-of-61-3-532-and-61-3-536~~; distributed to the  
 15 county as payment in lieu of the property taxation  
 16 established by the county levy required by this section; and

17 (f) net proceeds taxes for new production, as defined  
 18 in 15-23-601; and

19 (g) anticipated revenue from vehicle property taxes  
 20 imposed under 61-3-504(2) AND [SECTION 39 36]."

21 Section 17. Section 20-9-333, MCA, is amended to read:

22 "20-9-333. Basic special levy and other revenues for  
 23 county equalization of high school district foundation  
 24 program. (1) It shall be the duty of the county  
 25 commissioners of each county to levy an annual basic special

1 tax for high schools of 17 mills on the dollar of the  
 2 taxable value of all taxable property within the county,  
 3 except for vehicles subject to taxation under 61-3-504(2),  
 4 for the purposes of local and state foundation program  
 5 support. The revenue to be collected from this levy shall  
 6 be apportioned to the support of the foundation programs of  
 7 high school districts in the county and to the state special  
 8 revenue fund, state equalization aid account, in the  
 9 following manner:

10 (a) In order to determine the amount of revenue raised  
 11 by this levy which is retained by the county, the estimated  
 12 revenues identified in subsections (2)(a) and (2)(b) below  
 13 shall be subtracted from the sum of the county's high school  
 14 tuition obligation and the total of the foundation programs  
 15 of all high school districts of the county.

16 (b) If the basic levy prescribed by this section  
 17 produces more revenue than is required to finance the  
 18 difference determined above, the county treasurer shall  
 19 remit the surplus to the state treasurer for deposit to the  
 20 state special revenue fund, state equalization aid account,  
 21 immediately upon occurrence of a surplus balance and each  
 22 subsequent month thereafter, with any final remittance due  
 23 no later than June 20 of the fiscal year for which the levy  
 24 has been set.

25 (2) The proceeds realized from the county's portion of

1 the levy prescribed in this section and the revenues from  
 2 the following sources shall be used for the equalization of  
 3 the high school district foundation programs of the county  
 4 as prescribed in 20-9-334, and a separate accounting shall  
 5 be kept of these proceeds by the county treasurer in  
 6 accordance with 20-9-212(1):

7 (a) any money remaining at the end of the immediately  
 8 preceding school fiscal year in the county treasurer's  
 9 accounts for the various sources of revenue established in  
 10 this section;

11 (b) any federal or state moneys, ~~including anticipated~~  
 12 ~~or-reappropriated-motor-vehicle-fees-and-reimbursement-under~~  
 13 ~~the-provisions-of-61-3-532-and-61-3-536,~~ distributed to the  
 14 county as a payment in lieu of the property taxation  
 15 established by the county levy required by this section; and

16 (c) net proceeds taxes for new production, as defined  
 17 in 15-23-601; and

18 (d) anticipated revenue from vehicle property taxes  
 19 imposed under 61-3-504(2) AND [SECTION 39 36]."

20 Section 18. Section 20-9-352, MCA, is amended to read:

21 "20-9-352. Permissive amount and permissive levy. (1)  
 22 Whenever the trustees of any district shall deem it  
 23 necessary to adopt a general fund budget in excess of the  
 24 foundation program amount but not in excess of the maximum  
 25 general fund budget amount for such district as established

1 by the schedules in 20-9-316 through 20-9-321, the trustees  
 2 shall adopt a resolution stating the reasons and purposes  
 3 for exceeding the foundation program amount. Such excess  
 4 above the foundation program amount shall be known as the  
 5 "permissive amount", and it shall be financed by a levy, as  
 6 prescribed in 20-9-141, on the taxable value of all taxable  
 7 property within the district, ~~as--prescribed-in-20-9-141~~  
 8 except for vehicles subject to taxation under 61-3-504(2),  
 9 supplemented with any biennial appropriation by the  
 10 legislature for this purpose. The proceeds of such an  
 11 appropriation shall be deposited to the state special  
 12 revenue fund, permissive account.

13 (2) The district levies to be set for the purpose of  
 14 funding the permissive amount are determined as follows:

15 (a) For each elementary school district, the county  
 16 commissioners shall annually set a levy not exceeding 6  
 17 mills on all the taxable property in the district, except  
 18 for vehicles subject to taxation under 61-3-504(2), for the  
 19 purpose of funding the permissive amount of the district.  
 20 The permissive levy in mills shall be obtained by  
 21 multiplying the ratio of the permissive amount to the  
 22 maximum permissive amount by 6 or by using the number of  
 23 mills which would fund the permissive amount, whichever is  
 24 less. If the amount of revenue raised by this levy, plus  
 25 anticipated ~~or---reappropriated---motor---vehicle---fees---and~~

1 ~~reimbursement-under-the-provisions-of-61-3-532-and-61-3-536,~~  
 2 revenue from vehicle property taxes imposed under  
 3 61-3-504(2) AND [SECTION 39 36], is not sufficient to fund  
 4 the permissive amount in full, the amount of the deficiency  
 5 shall be paid to the district from the state special revenue  
 6 fund according to the provisions of subsections (3) and (4)  
 7 of this section.

8 (b) For each high school district, the county  
 9 commissioners shall annually set a levy not exceeding 4  
 10 mills on all taxable property in the district, except for  
 11 vehicles subject to taxation under 61-3-504(2), for the  
 12 purpose of funding the permissive amount of the district.  
 13 The permissive levy in mills shall be obtained by  
 14 multiplying the ratio of the permissive levy to the maximum  
 15 permissive amount by 4 or by using the number of mills which  
 16 would fund the permissive amount, whichever is less. If the  
 17 amount of revenue raised by this levy, plus anticipated  
 18 ~~motor-vehicle-fees-and-reimbursement-under-the-provisions-of~~  
 19 61-3-532--and--61-3-536, revenue from vehicle property taxes  
 20 imposed under 61-3-504(2) AND [SECTION 39 36], and plus net  
 21 proceeds taxes for new production, as defined in 15-23-601,  
 22 is not sufficient to fund the permissive amount in full, the  
 23 amount of the deficiency shall be paid to the district from  
 24 the state special revenue fund according to the provisions  
 25 of subsections (3) and (4) of this section.

1 (3) The superintendent of public instruction shall, if  
 2 the appropriation by the legislature for the permissive  
 3 account for the biennium is insufficient, request the budget  
 4 director to submit a request for a supplemental  
 5 appropriation in the second year of the biennium. The  
 6 supplemental appropriation shall provide enough revenue to  
 7 fund the permissive deficiency of the elementary and high  
 8 school districts of the state. The proceeds of this  
 9 appropriation shall be deposited to the state special  
 10 revenue fund, permissive account, and shall be distributed  
 11 to the elementary and high school districts in accordance  
 12 with their entitlements as determined by the superintendent  
 13 of public instruction according to the provisions of  
 14 subsections (1) and (2) of this section.

15 (4) Distribution under this section from the state  
 16 special revenue fund shall be made in two payments. The  
 17 first payment shall be made at the same time as the first  
 18 distribution of state equalization aid is made after January  
 19 1 of the fiscal year. The second payment shall be made at  
 20 the same time as the last payment of state equalization aid  
 21 is made for the fiscal year. If the appropriation is not  
 22 sufficient to finance the deficiencies of the districts as  
 23 determined according to subsection (2), each district will  
 24 receive the same percentage of its deficiency. Surplus  
 25 revenue in the second year of the biennium may be used to

1 reduce the appropriation required for the next succeeding  
 2 biennium or may be transferred to the state equalization aid  
 3 state special revenue fund if revenues in that fund are  
 4 insufficient to meet foundation program requirements."

5 Section 19. Section 20-9-501, MCA, is amended to read:  
 6 "20-9-501. Retirement fund. (1) The trustees of any  
 7 district employing personnel who are members of the  
 8 teachers' retirement system or the public employees'  
 9 retirement system or who are covered by unemployment  
 10 insurance or who are covered by any federal social security  
 11 system requiring employer contributions shall establish a  
 12 retirement fund for the purposes of budgeting and paying the  
 13 employer's contributions to such systems. The district's  
 14 contribution for each employee who is a member of the  
 15 teachers' retirement system shall be calculated in  
 16 accordance with Title 19, chapter 4, part 6. The district's  
 17 contribution for each employee who is a member of the public  
 18 employees' retirement system shall be calculated in  
 19 accordance with 19-3-801. The district may levy a special  
 20 tax to pay its contribution to the public employees'  
 21 retirement system under the conditions prescribed in  
 22 19-3-204. The district's contributions for each employee  
 23 covered by any federal social security system shall be paid  
 24 in accordance with federal law and regulation. The  
 25 district's contribution for each employee who is covered by

1 unemployment insurance shall be paid in accordance with  
2 Title 39, chapter 51, part 11.

3 (2) The trustees of any district required to make a  
4 contribution to any such system shall include in the  
5 retirement fund of the preliminary budget the estimated  
6 amount of the employer's contribution and such additional  
7 moneys, within legal limitations, as they may wish to  
8 provide for the retirement fund cash reserve. After the  
9 final retirement fund budget has been adopted, the trustees  
10 shall pay the employer contributions to such systems in  
11 accordance with the financial administration provisions of  
12 this title.

13 (3) When the final retirement fund budget has been  
14 adopted, the county superintendent shall establish the levy  
15 requirement by:

16 (a) determining the sum of the moneys available to  
17 reduce the retirement fund levy requirement by adding:

18 (i) any anticipated moneys that may be realized in the  
19 retirement fund during the ensuing school fiscal year,  
20 including anticipated ~~motor-vehicle-fees-and-reimbursement~~  
21 ~~under-the-provisions-of-61-3-532-and-61-3-536~~ revenue from  
22 vehicle property taxes imposed under 61-3-504(2) AND  
23 [SECTION 39 36];

24 (ii) net proceeds taxes for new production, as defined  
25 in 15-23-601; and

1 (iii) any cash available for reappropriation as  
2 determined by subtracting the amount of the end-of-the-year  
3 cash balance earmarked as the retirement fund cash reserve  
4 for the ensuing school fiscal year by the trustees from the  
5 end-of-the-year cash balance in the retirement fund. The  
6 retirement fund cash reserve shall not be more than 35% of  
7 the final retirement fund budget for the ensuing school  
8 fiscal year and shall be used for the purpose of paying  
9 retirement fund warrants issued by the district under the  
10 final retirement fund budget.

11 (b) subtracting the total of the moneys available for  
12 reduction of the levy requirement as determined in  
13 subsection (3)(a) from the budgeted amount for expenditures  
14 in the final retirement fund budget.

15 (4) The county superintendent shall total the net  
16 retirement fund levy requirements separately for all  
17 elementary school districts, all high school districts, and  
18 all community college districts of the county, including any  
19 prorated joint district or special education cooperative  
20 agreement levy requirements, and shall report each such levy  
21 requirement to the county commissioners on the second Monday  
22 of August as the respective county levy requirements for  
23 elementary district, high school district, and community  
24 college district retirement funds. The county commissioners  
25 shall fix and set such county levy in accordance with

1 20-9-142.

2 (5) The net retirement fund levy requirement for a  
3 joint elementary district or a joint high school district  
4 shall be prorated to each county in which a part of such  
5 district is located in the same proportion as the district  
6 ANB of the joint district is distributed by pupil residence  
7 in each such county. The county superintendents of the  
8 counties affected shall jointly determine the net retirement  
9 fund levy requirement for each county as provided in  
10 20-9-151.

11 (6) The net retirement fund levy requirement for  
12 districts that are members of special education cooperative  
13 agreements shall be prorated to each county in which such  
14 district is located in the same proportion as the budget for  
15 the special education cooperative agreement of the district  
16 bears to the total budget of the cooperative. The county  
17 superintendents of the counties affected shall jointly  
18 determine the net retirement fund levy requirement for each  
19 county in the same manner as provided in 20-9-151 and fix  
20 and levy the net retirement fund levy for each county in the  
21 same manner as provided in 20-9-152."

22 Section 20. Section 20-10-144, MCA, is amended to  
23 read:

24 "20-10-144. Computation of revenues and net tax levy  
25 requirements for the transportation fund budget. Before the

1 fourth Monday of July and in accordance with 20-9-123, the  
2 county superintendent shall compute the revenue available to  
3 finance the transportation fund budget of each district. The  
4 county superintendent shall compute the revenue for each  
5 district on the following basis:

6 (1) The "schedule amount" of the preliminary budget  
7 expenditures that is derived from the rate schedules in  
8 20-10-141 and 20-10-142 shall be determined by adding the  
9 following amounts:

10 (a) the sum of the maximum reimbursable expenditures  
11 for all approved school bus routes maintained by the  
12 district (to determine the maximum reimbursable expenditure,  
13 multiply the applicable rate per bus mile by the total  
14 number of miles to be traveled during the ensuing school  
15 fiscal year on each bus route approved by the county  
16 transportation committee and maintained by such district);  
17 plus

18 (b) the total of all individual transportation per  
19 diem reimbursement rates for such district as determined  
20 from the contracts submitted by the district multiplied by  
21 the number of pupil-instruction days scheduled for the  
22 ensuing school attendance year; plus

23 (c) any estimated costs for supervised home study or  
24 supervised correspondence study for the ensuing school  
25 fiscal year; plus

1 (d) the amount budgeted on the preliminary budget for  
 2 the contingency amount permitted in 20-10-143, except if  
 3 such amount exceeds 10% of the total of subsections (1)(a),  
 4 (1)(b), and (1)(c) or \$100, whichever is larger, the  
 5 contingency amount on the preliminary budget shall be  
 6 reduced to such limitation amount and used in this  
 7 determination of the schedule amount.

8 (2) The schedule amount determined in subsection (1)  
 9 or the total preliminary transportation fund budget,  
 10 whichever is smaller, shall be divided by 3 and the  
 11 resulting one-third amount shall be used to determine the  
 12 available state and county revenue to be budgeted on the  
 13 following basis:

14 (a) the resulting one-third amount shall be the  
 15 budgeted state transportation reimbursement, except that the  
 16 state transportation reimbursement for the transportation of  
 17 special education pupils under the provisions of 20-7-442  
 18 shall be two-thirds of the schedule amount attributed to the  
 19 transportation of special education pupils;

20 (b) the resulting one-third amount, except as provided  
 21 for joint elementary districts in subsection (2)(e), shall  
 22 be the budgeted county transportation reimbursement for  
 23 elementary districts and shall be financed by the basic  
 24 county tax under the provisions of 20-9-334;

25 (c) the resulting one-third amount multiplied by 2

1 shall be the budgeted county transportation reimbursement  
 2 amount for high school districts financed under the  
 3 provisions of subsection (5) of this section, except as  
 4 provided for joint high school districts in subsection  
 5 (2)(e), and except that the county transportation  
 6 reimbursement for the transportation of special education  
 7 pupils under the provisions of 20-7-442 shall be one-third  
 8 of the schedule amount attributed to the transportation of  
 9 special education pupils;

10 (d) when the district has a sufficient amount of cash  
 11 for reappropriation and other sources of district revenue,  
 12 as determined in subsection (3), to reduce the total  
 13 district obligation for financing to zero, any remaining  
 14 amount of such district revenue and cash reappropriated  
 15 shall be used to reduce the county financing obligation in  
 16 subsections (2)(b) or (2)(c) and, if such county financing  
 17 obligations are reduced to zero, to reduce the state  
 18 financial obligation in subsection (2)(a); and

19 (e) the county revenue requirement for a joint  
 20 district, after the application of any district moneys under  
 21 subsection (2)(d) above, shall be prorated to each county  
 22 incorporated by the joint district in the same proportion as  
 23 the ANB of the joint district is distributed by pupil  
 24 residence in each such county.

25 (3) The total of the moneys available for the



1 reduction of property tax on the district for the  
2 transportation fund shall be determined by totaling:

3 (a) anticipated federal moneys received under the  
4 provisions of Title I of Public Law 81-874 or other  
5 anticipated federal moneys received in lieu of such federal  
6 act; plus

7 (b) anticipated payments from other district for  
8 providing school bus transportation services for such  
9 district; plus

10 (c) anticipated payments from a parent or guardian for  
11 providing school bus transportation services for his child;  
12 plus

13 (d) anticipated interest to be earned by the  
14 investment of transportation fund cash in accordance with  
15 the provisions of 20-9-213(4); plus

16 (e) anticipated ~~motor-vehicle-fees--and--reimbursement~~  
17 ~~under--the--provisions-of-61-3-532-and-61-3-536~~ revenue from  
18 vehicle property taxes imposed under 61-3-504(2) AND  
19 [SECTION 39 36]; plus

20 (f) net proceeds taxes for new production, as defined  
21 in 15-23-601; plus

22 (g) any other revenue anticipated by the trustees to  
23 be earned during the ensuing school fiscal year which may be  
24 used to finance the transportation fund; plus

25 (h) any cash available for reappropriation as

1 determined by subtracting the amount of the end-of-the-year  
2 cash balance earmarked as the transportation fund cash  
3 reserve for the ensuing school fiscal year by the trustees  
4 from the end-of-the-year cash balance in the transportation  
5 fund. Such cash reserve shall not be more than 20% of the  
6 final transportation fund budget for the ensuing school  
7 fiscal year and shall be for the purpose of paying  
8 transportation fund warrants issued by the district under  
9 the final transportation fund budget.

10 (4) The district levy requirement for each district's  
11 transportation fund shall be computed by:

12 (a) subtracting the schedule amount calculated in  
13 subsection (1) from the total preliminary transportation  
14 budget amount and, for an elementary district, adding such  
15 difference to the district obligation to finance one-third  
16 of the schedule amount as determined in subsection (2); and

17 (b) subtracting the amount of moneys available to  
18 reduce the property tax on the district, as determined in  
19 subsection (3), from the amount determined in subsection  
20 (4)(a) above.

21 (5) The county levy requirement for the financing of  
22 the county transportation reimbursement to high school  
23 districts shall be computed by adding all such requirements  
24 for all the high school districts of the county, including  
25 the county's obligation for reimbursements in joint high

1 school districts.

2 (6) The transportation fund levy requirements  
 3 determined in subsection (4) for each district and in  
 4 subsection (5) for the county shall be reported to the  
 5 county commissioners on the second Monday of August by the  
 6 county superintendent as the transportation fund levy  
 7 requirements for the district and for the county, and such  
 8 levies shall be made by the county commissioners in  
 9 accordance with 20-9-142."

10 Section 21--Section 61-1-130, MCA, is amended to read:

11 "61-1-130. Motor--home:--"Motor--home"--as--used--in  
 12 61-3-521--and--61-3-522--means--a--self--propelled--motor--vehicle  
 13 originally--designed--or--permanently--altered--to--provide  
 14 temporary--facilities--for--recreational,--travel,--or--camping  
 15 use."

16 Section 22--Section 61-1-131, MCA, is amended to read:

17 "61-1-131. Travel--trailer:--"Travel--trailer"--as--used  
 18 in--61-3-521--and--61-3-523--means--a--trailer--45--feet--or--less--in  
 19 length--and--8--feet--or--less--in--width--originally--designed--or  
 20 permanently--altered--to--provide--temporary--facilities--for  
 21 recreational,--travel,--or--camping--use--and--not--used--as--a  
 22 principal--residence."

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

24 "61-3-303. Application for registration. (1) Every  
 25 owner of a motor vehicle operated or driven upon the public

1 highways of this state shall for each motor vehicle owned,  
 2 except as herein otherwise expressly provided, file or cause  
 3 to be filed in the office of the county treasurer where the  
 4 motor-vehicle-is-owned-or-taxable OWNER MAKES HIS PERMANENT  
 5 RESIDENCE AT THE TIME OF MAKING THE APPLICATION OR, IF THE  
 6 VEHICLE IS OWNED BY A CORPORATION OR USED PRIMARILY FOR  
 7 COMMERCIAL PURPOSES, IN THE TAXING JURISDICTION OF THE  
 8 COUNTY WHERE THE VEHICLE IS PERMANENTLY ASSIGNED, an  
 9 application for registration or reregistration upon a blank  
 10 form to be prepared and furnished by the department. The  
 11 application shall contain:

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

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

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

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

25 (e) such other information as the department may

1 require.

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

6 (a) the registration fee, as provided in 61-3-311 and  
7 61-3-321; and

8 (b) unless it has been previously paid:

9 (i) the personal property taxes assessed against the  
10 vehicle for the current year of registration and the  
11 immediately previous year; or

12 (ii) the new motor vehicle sales tax against the  
13 vehicle for the current year of registration; OR and/or the  
14 license-fee-imposed-by-61-3-532--for--the--current--year--of  
15 registration-and-the-immediately-previous-year;--or

16 (iii)--in--the--case--of--a--motorcycle,--quadracycle,--motor  
17 home,--travel--trailer,--or--camper,--the--fee--in--lieu--of--property  
18 tax--for--the--current--year--of--registration.

19 (III) IN THE CASE OF A MOTOR HOME, TRAVEL TRAILER, OR  
20 CAMPER, THE FEE IN LIEU OF TAX FOR THE CURRENT YEAR OF  
21 REGISTRATION.

22 (3) The application may not be accepted by the county  
23 treasurer unless the payments required by subsection (2)  
24 accompany the application. The DEPARTMENT OR ITS AGENT MAY  
25 NOT ASSESS AND THE county treasurer may not assess-or

1 collect taxes or fees for a period other than:

2 (a) the current year; and

3 (b) the immediately previous year, if the vehicle was  
4 not registered or operated on the highways of the state,  
5 regardless of the period of time since the vehicle was  
6 previously registered or operated.

7 (4) The county--treasurer DEPARTMENT OR ITS AGENT may  
8 make full and complete investigation of the tax status of  
9 the vehicle. Any applicant for registration or  
10 reregistration must submit proof from the tax or other  
11 appropriate records of the proper county at the request of  
12 the county-treasurer DEPARTMENT OR ITS AGENT."

13 Section 22. Section 61-3-332, MCA, is amended to read:

14 "61-3-332. Number plates. (1) Every motor vehicle  
15 which shall be driven upon the streets or highways of this  
16 state shall display both front and rear a number plate,  
17 bearing the distinctive number assigned such vehicle. Such  
18 number plate shall be in eight series: one series for owners  
19 of motorcars, one for owners of motor vehicles of the  
20 motorcycle or quadracycle type, one for trailers, one for  
21 trucks, one for dealers in vehicles of the motorcycle or  
22 quadracycle type which shall bear the distinctive letters  
23 "MCD" or the letters "MC" and the word "DEALER", one for  
24 franchised dealers in new motorcars (including trucks and  
25 trailers) or new and used motorcars (including trucks and

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

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

18 (3) In the case of motorcars and trucks, plates shall  
 19 be of metal 6 inches wide and 12 inches in length. The  
 20 outline of the state of Montana shall be used as a  
 21 distinctive border on such license plates, and the word  
 22 "Montana" with the year shall be placed across the plates.  
 23 Such registration plates shall be treated with a  
 24 reflectorized background material according to  
 25 specifications prescribed by the department.

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

14 (5) For the use of tax-exempt motor vehicles ~~that--are~~  
 15 ~~also--exempt--from-the-light-vehicle-license-fee-as-provided~~  
 16 ~~in--subsection--(2)(a)--of--61-3-532~~, in addition to the  
 17 markings herein provided, number plates shall have thereon  
 18 the following distinctive markings:

19 (a) For vehicles owned by the state the department may  
 20 designate the prefix number for the various state  
 21 departments, and all numbered plates issued to state  
 22 departments shall bear the words "State Owned" and no year  
 23 number will be indicated thereon as these numbered plates  
 24 will be of a permanent nature and will be replaced by the  
 25 department at such time when the physical condition of

1 numbered plates requires same.

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

19 (6) On all number plates assigned to motor vehicles of  
20 the truck and trailer type, other than tax-exempt trucks  
21 ~~that are also exempt from the light vehicle license fee as~~  
22 ~~provided in subsection (2)(a) of 61-3-532 and tax-exempt~~  
23 tax-exempt trailers, there shall appear the letter "T" or  
24 the word "TRUCK" for plates assigned to trucks and the  
25 letters "TR" or the word "TRAILER" for plates assigned to

1 trailers and housetrainers. The letters "MC" or the word  
2 "CYCLE" shall appear for plates assigned to vehicles of the  
3 motorcycle or quadricycle type.

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

10 (8) For the purpose of this chapter, the several  
11 counties of the state shall be assigned numbers as follows:  
12 Silver Bow, 1; Cascade, 2; Yellowstone, 3; Missoula, 4;  
13 Lewis and Clark, 5; Gallatin, 6; Flathead, 7; Fergus, 8;  
14 Powder River, 9; Carbon, 10; Phillips, 11; Hill, 12;  
15 Ravalli, 13; Custer, 14; Lake, 15; Dawson, 16; Roosevelt,  
16 17; Beaverhead, 18; Chouteau, 19; Valley, 20; Toole, 21; Big  
17 Horn, 22; Musselshell, 23; Blaine, 24; Madison, 25; Pondera,  
18 26; Richland, 27; Powell, 28; Rosebud, 29; Deer Lodge, 30;  
19 Teton, 31; Stillwater, 32; Treasure, 33; Sheridan, 34;  
20 Sanders, 35; Judith Basin, 36; Daniels, 37; Glacier, 38;  
21 Fallon, 39; Sweet Grass, 40; McCone, 41; Carter, 42;  
22 Broadwater, 43; Wheatland, 44; Prairie, 45; Granite, 46;  
23 Meagher, 47; Liberty, 48; Park, 49; Garfield, 50; Jefferson,  
24 51; Wibaux, 52; Golden Valley, 53; Mineral, 54; Petroleum,  
25 55; Lincoln, 56. Any new counties shall be assigned numbers

1 by the department as they may be formed, beginning with the  
2 number 57."

3 Section 23. Section 61-3-431, MCA, is amended to read:

4 "61-3-431. Special mobile equipment -- exemption from  
5 registration and payment of fees and charges --  
6 identification plate -- publicly owned special mobile  
7 equipment. (1) A person, firm, partnership, or corporation  
8 who owns, leases, or rents special mobile equipment as  
9 defined in 61-1-104 and occasionally moves that equipment  
10 on, over, or across the highways of the state is not subject  
11 to registration of that equipment or required to pay the  
12 fees and charges provided for in 61-3-502, 61-4-301 through  
13 61-4-308, or part 2 of chapter 10. Prior to movement on the  
14 highways, however, each piece of equipment shall display an  
15 equipment identification plate or a dealer's license plate  
16 attached to the equipment.

17 (2) Annual application for the identification plate  
18 shall be made to the county treasurer before any piece of  
19 equipment is moved on the highways. Application shall be  
20 made on a form furnished by the department of justice,  
21 together with the payment of a fee of \$5. The equipment for  
22 which a special mobile equipment plate is sought is subject  
23 to the assessment of personal property taxes on the date  
24 application is made for the plate. The personal property  
25 taxes assessed against the special mobile equipment must be

1 paid before the issuance of a special mobile equipment  
2 plate. The fees collected under this section belong to the  
3 county road fund.

4 (3) The identification plate expires on December 31 of  
5 each year. If the expired identification plate is displayed,  
6 an owner of special mobile equipment registered under the  
7 provisions of this section is entitled to operate the  
8 equipment between January 1 and February 15 following  
9 expiration without displaying the identification plate or  
10 receipt of the current year.

11 (4) Publicly owned special mobile equipment and  
12 implements of husbandry used exclusively by an owner in the  
13 conduct of his own farming operations are exempt from this  
14 section."

15 Section 24. Section 61-3-501, MCA, is amended to read:

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

21 (2) If the anniversary date for reregistration of a  
22 vehicle passes while the vehicle is owned and held for sale  
23 by a licensed new or used car dealer, property taxes, ~~light~~  
24 ~~vehicle--license--fees, or the fee in-lieu-of--property--taxes~~  
25 abate on such vehicle properly reported with the department

1 of revenue until the vehicle is sold and thereafter the  
2 purchaser shall pay the pro rata balance of the taxes ~~or the~~  
3 ~~fee-in-lieu-of-tax~~ due and owing on the vehicle.

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

17 Section 25. Section 61-3-502, MCA, is amended to read:

18 "61-3-502. Sales tax on new motor vehicles --  
19 exemptions. (1) In consideration of the right to use the  
20 highways of the state, there is imposed a tax upon all sales  
21 of new motor vehicles for which a license is sought and an  
22 original application for title is made. The tax shall be  
23 paid by the purchaser when he applies for his original  
24 Montana license through the county treasurer.

25 (2) Except as provided in subsection (4), the sales

1 tax shall be:

2 (a) 1 1/2% of the f.o.b. factory list price or f.o.b.  
3 port-of-entry list price, during the first quarter of the  
4 year or for a registration period other than a calendar year  
5 or calendar quarter;

6 (b) 1 1/8% of the list price during the second quarter  
7 of the year;

8 (c) 3/4 of 1% during the third quarter of the year;

9 (d) 3/8 of 1% during the fourth quarter of the year.

10 (3) If the manufacturer or importer fails to furnish  
11 the f.o.b. factory list price or f.o.b. port-of-entry list  
12 price, the department may use published price lists.

13 (4) The new car sales tax on vehicles subject to the  
14 provisions of 61-3-313 through 61-3-316 is 1 1/2% of the  
15 f.o.b. factory list price or f.o.b. port-of-entry list price  
16 regardless of the month in which the new vehicle is  
17 purchased.

18 (5) The proceeds from this tax shall be remitted to  
19 the state treasurer every 30 days for credit to the state  
20 highway account of the state special revenue fund.

21 (6) ~~The new vehicle is subject to the light vehicle~~  
22 ~~license fee, if applicable, but~~ is not subject to any other  
23 ~~assessment, FEE IN LIEU OF TAX, taxation or fee-in-lieu-of~~  
24 ~~tax or tax~~ during the calendar year in which the original  
25 application for title is made.

1 (7) (a) The applicant for original registration of any  
 2 new and unused motor vehicle, or a new motor vehicle  
 3 furnished without charge by a dealer to a school district  
 4 for use as a traffic education motor vehicle by a school  
 5 district operating a state-approved traffic education  
 6 program within the state, whether or not previously licensed  
 7 or titled to the school district (except a mobile home as  
 8 defined in 15-1-101(1)), acquired by original contract after  
 9 January 1 of any year, is required, whenever the vehicle has  
 10 not been otherwise assessed, to pay the motor vehicle sales  
 11 tax provided by this section irrespective of whether the  
 12 vehicle was in the state of Montana on January 1 of the  
 13 year.

14 (b) No motor vehicle may be registered or licensed  
 15 under the provisions of this subsection unless the  
 16 application for registration is accompanied by a statement  
 17 of origin to be furnished by the dealer selling the vehicle,  
 18 showing that the vehicle has not previously been registered  
 19 or owned, except as otherwise provided herein, by any  
 20 person, firm, corporation, or association that is not a new  
 21 motor vehicle dealer holding a franchise or distribution  
 22 agreement from a new car manufacturer, distributor, or  
 23 importer.

24 (8) (a) Motor vehicles operating exclusively for  
 25 transportation of persons for hire within the limits of

1 incorporated cities or towns and within 15 miles from such  
 2 limits are exempt from subsection (1).

3 (b) Motor vehicles brought or driven into Montana by a  
 4 nonresident, migratory, bona fide agricultural worker  
 5 temporarily employed in agricultural work in this state  
 6 where those motor vehicles are used exclusively for  
 7 transportation of agricultural workers are also exempt from  
 8 subsection (1).

9 (c) Vehicles lawfully displaying a licensed dealer's  
 10 plate as provided in 61-4-103 are exempt from subsection (1)  
 11 when moving to or from a dealer's place of business when  
 12 unloaded or loaded with dealer's property only, and in the  
 13 case of vehicles having a gross loaded weight of less than  
 14 24,000 pounds, while being demonstrated in the course of the  
 15 dealer's business."

16 Section 26. Section 61-3-503, MCA, is amended to read:  
 17 "61-3-503. Assessment. (1) Except as provided in  
 18 subsection (2), the following apply to the taxation of motor  
 19 vehicles:

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



1 provided for that purpose the market value and taxable value  
2 of the vehicle as of January 1 of the year for which the  
3 application for registration is made.

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

12 (c) Vehicles subject to the provisions of 61-3-313  
13 through 61-3-316 shall be assessed by the county treasurer  
14 as of the first day of the registration period, using the  
15 market average trade-in, or wholesale, value as of January 1  
16 of the year of assessment of the vehicle as contained in the  
17 most recent volume of the Mountain States Edition of the  
18 National Automobile Dealers Association (N.A.D.A.) Official  
19 Used Car Guide or of, the National Edition of N.A.D.A.  
20 Appraisal Guides Official Older Used Car Guide, OR, FOR  
21 VEHICLES NOT LISTED IN THE PRECEDING GUIDES, THE LOW VALUE  
22 LISTED IN THE VALUE GUIDE TO CARS OF PARTICULAR INTEREST,  
23 not including additions or deductions for options and  
24 mileage; and a lien for taxes and fees due thereon shall  
25 occur on the anniversary date of the registration and all

1 continue until such fees and taxes have been paid. IF THE  
2 VALUE SHOWN IN ANY OF THE APPRAISAL GUIDES LISTED IN THIS  
3 SECTION IS LESS THAN \$1,000, THE DEPARTMENT SHALL VALUE THE  
4 VEHICLE AT \$1,000.

5 (d) Motorcycles, AND quadricycles, motor-homes, travel  
6 trailers, and campers shall be assessed by the county  
7 treasurer, using the greater of the following:

8 (i) \$1,000 or \$250; or

9 (ii) the average trade-in, or wholesale, value as of  
10 January 1 of the year of assessment of the vehicle as  
11 contained in the most recent volume of the applicable  
12 National Edition of the N.A.D.A. Motorcycle/Moped/ATV  
13 Appraisal Guide or N.A.D.A. Recreational Vehicle Appraisal  
14 Guide, not including additions or deductions for options and  
15 mileage.

16 (e) If a vehicle assessed under subsection (1)(c) or  
17 (1)(d) is not originally listed in the applicable N.A.D.A.  
18 guide, the county treasurer ASSESSOR DEPARTMENT OF REVENUE  
19 OR ITS AGENT shall depreciate the original f.o.b. factory  
20 list price or, f.o.b. port-of-entry list price at the rate  
21 of 10% a year until a minimum value of \$1,000 is attained,  
22 and the value shall remain at that amount so long as the  
23 vehicle is registered. When a vehicle, OR THE MANUFACTURER'S  
24 SUGGESTED LIST PRICE, USING THE FOLLOWING METHODS:

25 (1) IF THE NEW CAR SALES TAX HAS BEEN PREVIOUSLY PAID

1 AND THE VEHICLE IS LESS THAN 1 YEAR IN AGE, THE DEPRECIATION  
 2 PERCENTAGE SHALL BE 20%; OR

3 (II) IF THE VEHICLE IS 1 YEAR OR OLDER IN AGE AND IT IS  
 4 NOT LISTED IN ANY OF THE APPRAISAL GUIDES LISTED IN THIS  
 5 SECTION, THE DEPARTMENT OF REVENUE SHALL DETERMINE THE  
 6 DEPRECIATION PERCENTAGE TO APPROXIMATE THE AVERAGE WHOLESALE  
 7 OR TRADE-IN VALUES IN THE CURRENT N.A.D.A. GUIDES REFERRED  
 8 TO IN THIS SUBSECTION. FOR PURPOSES OF THIS SUBSECTION (1),  
 9 THE AGE OF THE VEHICLE IS DETERMINED BY SUBTRACTING THE  
 10 MANUFACTURER'S MODEL YEAR OF THE VEHICLE FROM THE CALENDAR  
 11 YEAR OF ASSESSMENT.

12 (F) WHEN A MINIMUM VALUE OF \$1,000 \$500 IS REACHED,  
 13 THE VALUE SHALL REMAIN AT THAT MINIMUM SO LONG AS THE  
 14 VEHICLE IS REGISTERED.

15 (G) IF A PREVIOUSLY REGISTERED VEHICLE IS NO LONGER  
 16 LISTED IN THE APPLICABLE N.A.D.A. GUIDE, THE COUNTY  
 17 TREASURER ASSESSOR DEPARTMENT OR ITS AGENT SHALL DEPRECIATE  
 18 THE VALUE OF THE VEHICLE AT THE RATE OF 10% A YEAR UNTIL A  
 19 MINIMUM AMOUNT OF \$1,000 \$500 IS ATTAINED, AND THE VALUE  
 20 SHALL REMAIN AT THAT AMOUNT SO LONG AS THE VEHICLE IS  
 21 REGISTERED. IF THE TREASURER IS UNABLE TO DETERMINE THE  
 22 ORIGINAL F.O.B. LIST PRICE OR THE PROPER N.A.D.A. VALUE FOR  
 23 A MOTOR VEHICLE, THE ASSESSOR SHALL DETERMINE THE VALUE.

24 (2) The provisions of subsections (1)(a) through  
 25 ~~(1)(c)~~ ~~(1)(e)~~ (1)(G) do not apply to MOTOR HOMES, TRAVEL

1 TRAILERS, CAMPERS, OR automobiles-and-trucks-having-a-rated  
 2 capacity--of--three-quarters--of-a-ton-or-less, motorcycles,  
 3 quadricycles, motor-homes, travel-trailers, or mobile homes  
 4 as defined in 15-1-101(1)."

5 Section 27. Section 61-3-504, MCA, is amended to read:  
 6 "61-3-504. Computation of tax. (1) The amount of taxes  
 7 on a motor vehicle, other than an automobile, truck having a  
 8 rated capacity of three-quarters of a ton or less,  
 9 motorcycle, quadricycle, motor home, travel trailer, camper,  
 10 or mobile home as defined in 15-1-101(1), is computed and  
 11 determined by the county treasurer on the basis of the levy  
 12 of the year preceding the current year of application for  
 13 registration or reregistration.

14 (2) (A) The amount of tax on an automobile or truck  
 15 having a rated capacity of three-quarters of a ton or less,  
 16 EXCEPT FOR VEHICLES OWNED BY DISABLED VETERANS QUALIFYING  
 17 FOR SPECIAL LICENSE PLATES UNDER 61-3-451, and on a  
 18 motorcycle, OR quadricycle, motor-home, travel-trailer, or  
 19 camper is determined by the county treasurer and is based on  
 20 2.5% 2% of the value determined under 61-3-503.

21 ~~(B) THE AMOUNT OF TAX ON A MOTOR HOME, TRAVEL TRAILER,~~  
 22 ~~OR CAMPER IS DETERMINED BY THE COUNTY TREASURER AND IS BASED~~  
 23 ~~ON 1% OF THE VALUE DETERMINED UNDER 61-3-503.~~

24 (3) ~~The determination~~ For all TAXABLE motor vehicles,  
 25 the amount of tax is entered on the application form in a

1 space provided therefor."

2 Section 28. Section 61-3-506, MCA, is amended to read:

3 "61-3-506. Rules. The department of revenue shall  
4 adopt rules for the payment of property taxes ~~and fees in~~  
5 ~~lieu of property taxes~~ and the department of highways shall  
6 adopt rules for the payment of new car taxes under the  
7 provisions of 61-3-313 through 61-3-316 and 61-3-501. The  
8 department of revenue may adopt rules for the proration of  
9 taxes ~~and fees in lieu of taxes~~ for the implementation and  
10 administration of 61-3-313 through 61-3-316 and 61-3-501,  
11 but shall specifically provide that new car taxes shall be  
12 for a 12-month period."

13 Section 29. Section 61-3-509, MCA, is amended to read:

14 "61-3-509. (Temporary) Disposition of taxes ~~and fees~~  
15 ~~in lieu of tax~~. (1) Except as provided in subsections  
16 subsection (2) and (3), the county treasurer shall, AFTER  
17 DEDUCTING THE DISTRICT COURT FEE credit all taxes on motor  
18 vehicles AND FEES IN LIEU OF TAX ON MOTOR HOMES, TRAVEL  
19 TRAILERS, AND CAMPERS, light vehicle license fees provided  
20 for in 61-3-532, and fees in lieu of tax on motorcycles,  
21 quadricycles, motor homes, and travel trailers collected  
22 under 61-3-504, 61-3-521, AND [SECTION 39 40 36] to a motor  
23 vehicle suspense fund, and at some time between March 1 and  
24 March 10 of each year and every 60 days thereafter, the  
25 county treasurer shall distribute the money in the

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

5 (2) THE COUNTY TREASURER SHALL DEDUCT AS A DISTRICT  
6 COURT FEE 7% OF THE AMOUNT OF THE 2% TAX COLLECTED ON AN  
7 AUTOMOBILE OR TRUCK HAVING A RATED CAPACITY OF  
8 THREE-QUARTERS OF A TON OR LESS. The county treasurer shall  
9 credit the fee for district courts ~~from each light vehicle~~  
10 ~~license fee provided for in 61-3-533~~ to a separate suspense  
11 account and shall forward the amount in the account to the  
12 state treasurer at the time the county treasurer distributes  
13 the motor vehicle suspense fund. The state treasurer shall  
14 credit amounts received under this subsection to the general  
15 fund to be used for purposes of state funding of the  
16 district court expenses enumerated in 3-5-901. ANY AMOUNT  
17 FORWARDED TO THE STATE TREASURER UNDER THIS SUBSECTION NOT  
18 USED FOR DISTRICT COURT EXPENSES MUST BE REFUNDED TO THE  
19 COUNTIES IN THE PROPORTION THAT THE AMOUNT COLLECTED FROM  
20 EACH COUNTY BEARS TO THE TOTAL AMOUNT COLLECTED.

21 (3) ~~The county treasurer shall credit each block grant~~  
22 ~~fee to a separate suspense fund. At the time he distributes~~  
23 ~~the motor vehicle suspense fund, the treasurer shall~~  
24 ~~distribute the suspense fund provided for in this subsection~~  
25 ~~to the state treasurer for deposit in the local government~~

1 ~~block grant account provided for in 7-6-302. The funds~~  
 2 ~~distributed pursuant to this subsection must be used for the~~  
 3 ~~local government block grant program as provided in 7-6-304.~~  
 4 61-3-509. (Effective July 1, 1987) Disposition of  
 5 ~~taxes and fees in lieu of tax.~~ The (1) Except as provided  
 6 in subsection (2), the county treasurer shall, AFTER  
 7 DEDUCTING THE DISTRICT COURT FEE, credit all taxes on motor  
 8 vehicles, AND FEES IN LIEU OF TAX ON MOTOR HOMES, TRAVEL  
 9 TRAILERS, AND CAMPERS light vehicle license fees provided  
 10 ~~for in 61-3-532, and fees in lieu of tax on motorcycles,~~  
 11 ~~quadracycles, motor homes, and travel trailers~~ collected  
 12 under 61-3-504, 61-3-521, AND [SECTION 39 40 36] to a motor  
 13 vehicle suspense fund, and at some time between March 1 and  
 14 March 10 of each year and every 60 days thereafter, the  
 15 county treasurer shall distribute the money in the motor  
 16 vehicle suspense fund in the relative proportions required  
 17 by the levies for state, county, school district, and  
 18 municipal purposes in the same manner as personal property  
 19 taxes are distributed.  
 20 (2) THE COUNTY TREASURER SHALL DEDUCT AS A DISTRICT  
 21 COURT FEE 7% OF THE AMOUNT OF THE 2% TAX COLLECTED ON AN  
 22 AUTOMOBILE OR TRUCK HAVING A RATED CAPACITY OF  
 23 THREE-QUARTERS OF A TON OR LESS. The county treasurer shall  
 24 credit the fee for district courts provided for in 61-3-533  
 25 to a separate suspense account and shall forward the amount

1 in the account to the state treasurer at the time the county  
 2 treasurer distributes the motor vehicle suspense fund. The  
 3 state treasurer shall credit amounts received under this  
 4 subsection to the general fund to be used for purposes of  
 5 state funding of the district court expenses enumerated in  
 6 3-5-901. ANY AMOUNT FORWARDED TO THE STATE TREASURER UNDER  
 7 THIS SUBSECTION NOT USED FOR DISTRICT COURT EXPENSES MUST BE  
 8 REFUNDED TO THE COUNTIES IN THE PROPORTION THAT THE AMOUNT  
 9 COLLECTED FROM EACH COUNTY BEARS TO THE TOTAL AMOUNT  
 10 COLLECTED."

11 ~~SECTION 31. SECTION 61-3-521, MCA, IS AMENDED TO READ:~~  
 12 ~~"61-3-521. Fee in lieu of tax for certain vehicles~~  
 13 ~~motor homes; (1) There is a fee in lieu of property tax~~  
 14 ~~imposed on motor homes, travel trailers, and campers. The~~  
 15 ~~fee is in addition to annual registration fees.~~  
 16 ~~(2) The provisions of 61-10-208 do not apply to a~~  
 17 ~~vehicle that qualifies under subsection (1) above motor~~  
 18 ~~home.~~  
 19 ~~(3) The fee imposed by subsection (1) above need not~~  
 20 ~~be paid by a dealer for vehicles that constitute inventory~~  
 21 ~~of the dealership."~~

22 SECTION 30. SECTION 61-3-522, MCA, IS AMENDED TO READ:  
 23 "61-3-522. Schedule of fees for motor homes. (1) The  
 24 owner of a motor home shall pay a fee based on the age of  
 25 the motor home according to the following schedule:

1	less than 2 years old .....	<del>\$200</del> <u>250</u>
2	2 years old and less than 3 years old .....	<del>100</del> <u>230</u>
3	3 years old and less than 4 years old .....	<del>145</del> <u>195</u>
4	4 years old and less than 5 years old .....	<del>100</del> <u>150</u>
5	5 years old and less than 6 years old .....	<del>75</del> <u>125</u>
6	6 years old and less than 7 years old .....	<del>50</del> <u>100</u>
7	7 years old and less than 8 years old .....	<del>25</del> <u>75</u>
8	8 years old and older .....	<del>15</del> <u>65</u>

9 (2) The age of a motor home is determined by  
10 subtracting the manufacturer's designated model year from  
11 the current calendar year."

12 SECTION 31. SECTION 61-3-523, MCA, IS AMENDED TO READ:

13 "61-3-523. Schedule of fees for travel trailers and  
14 campers. (1) The fee imposed by 61-3-521 on a travel trailer  
15 less than 3 years old is ~~\$40~~ \$60. In all other cases the fee  
16 is ~~\$15~~ \$22.50.

17 (2) The fee imposed by 61-3-521 on a camper less than  
18 3 years old is ~~\$35~~ \$52.50. In all other cases the fee is  
19 ~~\$15~~ \$22.50.

20 (3) The age of a travel trailer or camper is  
21 determined by subtracting the manufacturer's designated  
22 model year from the current calendar year."

23 Section 32. Section 61-3-524, MCA, is amended to read:

24 "61-3-524. ~~Fee-paid~~ Tax-paid decal required on camper  
25 -- application for decal -- application fee -- issuance. (1)

1 No camper, subject to taxation in Montana, may be operated  
2 by any person on the public highways or streets in this  
3 state unless there is displayed in a conspicuous place  
4 thereon a decal as visual proof that the ~~fee-in-lieu-of~~ tax  
5 has been paid thereon for the current year.

6 (2) Application for the issuance of the decal shall be  
7 made to the department of revenue or the county treasurer  
8 upon forms to be furnished for this purpose, which may be  
9 obtained from the department or at the county treasurer's  
10 office in the county wherein the owner resides, and is to  
11 provide for substantially the following information:

- 12 (a) name of owner;
- 13 (b) address;
- 14 (c) name of manufacturer;
- 15 (d) model number;
- 16 (e) make;
- 17 (f) year of manufacture;
- 18 (g) statement evidencing payment of the ~~fee-in-lieu-of~~  
19 property tax; and
- 20 (h) such other information as the department may  
21 require.

22 (3) The application must be signed by the county  
23 treasurer and transmitted by him to the department  
24 accompanied by an application fee of \$1. Upon receipt of the  
25 application in approved form the department or county

1 treasurer shall issue to the applicant a decal in the style  
2 and design prescribed by the department and of a different  
3 color than the preceding year, numbered numerically."

4 Section 33,--Section 61-3-531, MCA, is amended to read:  
5 "61-3-531,--light vehicle fee vehicles ---definitions:  
6 As--used--in--61-3-531--through--61-3-536 61-3-533--through  
7 61-3-535, the following definitions apply:

8 (1)--"light vehicle"--means an automobile or a truck  
9 having a rated capacity of three quarters of a ton or less.

10 (2)--"Vehicle age"--means the difference between the  
11 calendar year of the first day of the registration period  
12 and the manufacturer's designated model year."

13 Section 34,--Section 61-3-533, MCA, is amended to read:

14 "61-3-533,--(Temporary) Schedule of fees District court  
15 fee for automobiles and light trucks vehicles; (1) Except as  
16 provided in subsection (3), the The (1) EXCEPT AS PROVIDED  
17 IN SUBSECTION (2), THE following schedule, based on vehicle  
18 age and weight, is used to determine the a district court  
19 fee imposed by 61-3-532:

Vehicle Age	Weight	Weight	
		More	
2,7050	Block	District	Than
	Grant	Court	2,7050
	Fee	Fee	Grant
	or less	Fee	Court
		Fee	Fee
		Fee	Fee

25 less--than

1 or--equal  
2 to-----4  
3 years \$70 \$6 \$7 \$90 \$7-50 \$7  
4 More than 4  
5 years and  
6 less than  
7 0--years 40 3 5 50 4 5  
8 0-years old  
9 and--over 10 1-50 2-50 15 2 2-50  
10 (2)--(a) The fee for a light vehicle is determined by:  
11 (1) multiplying the appropriate dollar amount from the  
12 table in subsection (1) but not the block grant fee or the  
13 district court fee by the ratio of the PEE for the second  
14 quarter of the year prior to the year of licensing to the  
15 PEE for the second quarter of 1981; and  
16 (ii) rounding the product thus obtained to the nearest  
17 whole dollar amount;  
18 (b) "PEE"--means the implicit price deflator for  
19 personal consumption expenditures as published quarterly in  
20 the Survey of Current Business by the bureau of economic  
21 analysis of the United States department of commerce.  
22 (3) The light vehicle license fee for disabled  
23 veterans qualifying under the provisions of 61-3-451 through  
24 61-3-455 is \$87 with \$3 of the fee earmarked for district  
25 courts.

1 (2)--THE--DISTRICT--COURT--FEE--FOR--A--LIGHT--VEHICLE--OWNED  
 2 BY--A--DISABLED--VETERAN--QUALIFYING--FOR--SPECIAL--LICENSE--PLATES  
 3 UNDER--61-3-451--IS--\$3.

4 (3)--THE--DISTRICT--COURT--FEE--IS--NOT--IN--ADDITION--TO  
 5 VEHICLE--PROPERTY--TAXES. THE--COUNTY--TREASURER--SHALL--DEDUCT  
 6 THE--DISTRICT--COURT--FEE--FROM--THE--VEHICLE--PROPERTY--TAX--AND  
 7 CREDIT--THE--FEE--TO--A--SUSPENSE--ACCOUNT--AS--PROVIDED--IN  
 8 61-3-509.

9 61-3-533. (Effective July 17, 1987) Schedule of fees  
 10 District court fee for automobiles and light trucks  
 11 vehicles: (1) Except as provided in subsection (3), the  
 12 (1) EXCEPT AS PROVIDED IN SUBSECTION (2), THE following  
 13 schedule, based on vehicle age and weight, is used to  
 14 determine the a district court fee imposed by 61-3-532:

Vehicle Age	Weight	District Court Fee
	2,850 Pounds	More Than
	or less	2,850 Pounds
Less than or equal to 4 years	\$70	\$7
More than 4 years and less than 8 years	40	5
8 years old and over	10	2.50

22 (2)--(a)--The fee for a light vehicle is determined by:  
 23 (i)--multiplying the appropriate dollar amount from the  
 24 table in subsection (1) by the ratio of the PCE for the  
 25 second quarter of the year prior to the year of licensing to

1 the PCE for the second quarter of 1981, and  
 2 (ii) rounding the product thus obtained to the nearest  
 3 whole dollar amount.

4 (b)--"PCE" means the implicit price deflator for  
 5 personal consumption expenditures as published quarterly in  
 6 the Survey of Current Business by the bureau of economic  
 7 analysis of the United States department of commerce.

8 (3) The light vehicle license fee for disabled  
 9 veterans qualifying under the provisions of 61-3-451 through  
 10 61-3-455 is \$5.

11 (2)--THE--DISTRICT--COURT--FEE--FOR--A--LIGHT--VEHICLE--OWNED  
 12 BY--A--DISABLED--VETERAN--QUALIFYING--FOR--SPECIAL--LICENSE--PLATES  
 13 UNDER--61-3-451--IS--\$3.

14 (3)--THE--DISTRICT--COURT--FEE--IS--NOT--IN--ADDITION--TO  
 15 VEHICLE--PROPERTY--TAXES. THE--COUNTY--TREASURER--SHALL--DEDUCT  
 16 THE--DISTRICT--COURT--FEE--FROM--THE--VEHICLE--PROPERTY--TAX--AND  
 17 CREDIT--THE--FEE--TO--A--SUSPENSE--ACCOUNT--AS--PROVIDED--IN  
 18 61-3-509."

19 Section 35. Section 61-3-534, MCA, is amended to read:  
 20 "61-3-534. Payment of fee property tax required for  
 21 operation: (1) No light vehicle subject to the fee imposed  
 22 by 61-3-532 a property tax may be operated unless the fee  
 23 tax has been paid and the vehicle is licensed;

24 (2) A properly licensed and registered light vehicle  
 25 may be operated within Montana, subject to all applicable

1 ~~federal, state, and local laws.~~"

2 Section 33. Section 61-3-535, MCA, is amended to read:

3 "61-3-535. ~~Light--vehicle~~ Vehicle reregistration by  
4 mail. (1) The department shall develop a procedure to permit  
5 the reregistration of light vehicles and other vehicles  
6 subject to tax under 61-3-504(2) with the county treasurer  
7 by mail at the option of the owner of the vehicle. The  
8 option to reregister by mail need only be made available for  
9 vehicles registered at the close of the expiring  
10 registration period in the name of the applicant for  
11 reregistration.

12 (2) The form to be returned to the county treasurer by  
13 the applicant, with the appropriate tax and fees, is to  
14 contain a statement, to be subscribed to by the applicant,  
15 stating compliance with the financial liability requirements  
16 of 61-6-301.

17 ~~{3}--The procedure for mail reregistration must be in~~  
18 ~~effect by January 17, 1982:~~

19 ~~{4}{3}~~ The department may adopt rules to implement the  
20 mail reregistration procedure."

21 Section 34. Section 61-3-701, MCA, is amended to read:

22 "61-3-701. Foreign vehicles used in gainful occupation  
23 to be registered -- reciprocity. (1) Before any foreign  
24 licensed motor vehicle may be operated on the highways of  
25 this state for hire, compensation, or profit or before the

1 owner and/or user thereof uses the vehicle if such owner  
2 and/or user is engaged in gainful occupation or business  
3 enterprise in the state, including highway work, the owner  
4 of the vehicle shall make application to a county treasurer  
5 for registration upon an application form furnished by the  
6 department. Upon satisfactory evidence of ownership  
7 submitted to the county treasurer and the payment of  
8 property taxes, if appropriate, as required by 15-8-201,  
9 15-8-202, or 15-24-301, or 61-3-504, OR [SECTION 39 36] ~~or~~  
10 ~~the--payment-of-the-light-vehicle-license-fee-as-provided-by~~  
11 ~~61-3-532-or-the-fee-in-lieu-of-tax-as-provided-by--61-3-541,~~  
12 the treasurer shall accept the application for registration  
13 and shall collect the regular license fee required for the  
14 vehicle.

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

24 (3) The registration receipt shall not constitute  
25 evidence of ownership but shall be used only for



1 registration purposes. No Montana certificate of ownership  
2 shall be issued for this type of registration.

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

7 Section 35. Section 61-6-302, MCA, is amended to read:

8 "61-6-302. Proof of compliance. (1) Except as provided  
9 in subsection (2), before any applicant required to register  
10 his motor vehicle may do so, the applicant must certify to  
11 the county treasurer that he possesses an automobile  
12 liability insurance policy, a certificate of self-insurance,  
13 or a posted indemnity bond or that he is eligible for an  
14 exemption under 61-6-303 covering the motor vehicle. The  
15 certification shall be on a form prescribed by the  
16 department. The department may immediately cancel the  
17 registration and license plates of the vehicle upon  
18 notification that the insurance certification was not  
19 correctly represented. Any person who intentionally provides  
20 false information on an insurance certification is guilty of  
21 unsworn falsification to authorities, punishable as provided  
22 in 45-7-203.

23 (2) An applicant for registration of ~~an automobile or~~  
24 ~~a truck having a rated capacity of three-quarters of a ton~~  
25 ~~or less,~~ a motor vehicle who wishes to register the vehicle

1 by mail must sign a statement on the application stating  
2 that the applicant is in compliance with the financial  
3 liability requirements of 61-6-301.

4 (3) An owner of a motor vehicle who ceases to maintain  
5 the insurance or bond required or whose certificate of  
6 self-insurance is canceled or whose vehicle ceases to be  
7 exempt shall immediately surrender the registration and  
8 license plates for the vehicle to the county treasurer for  
9 delivery to the department and may not operate or permit  
10 operation of the vehicle in Montana until insurance has  
11 again been furnished as required and the vehicle is again  
12 registered and licensed.

13 (4) Every person shall carry in a motor vehicle being  
14 operated by him an insurance card approved by the department  
15 but issued by the insurance carrier to the motor vehicle  
16 owner as proof of compliance with 61-6-301. A motor vehicle  
17 operator shall exhibit the insurance card upon demand of a  
18 justice of the peace, a city or municipal judge, a peace  
19 officer, a highway patrolman, or a field deputy or inspector  
20 of the department. However, no person charged with violating  
21 this subsection may be convicted if he produces in court or  
22 the office of the arresting officer proof of insurance valid  
23 at the time of his arrest."

24 NEW SECTION. SECTION 36. LOCAL OPTION VEHICLE TAX.  
25 (1) A COUNTY MAY IMPOSE A LOCAL VEHICLE TAX ON VEHICLES

1 SUBJECT TO A PROPERTY TAX UNDER 61-3-504(2) AT THE RATE OF A  
2 RATE OF UP TO 0.5% OF THE VALUE DETERMINED UNDER 61-3-503,  
3 IN ADDITION TO THE TAX IMPOSED UNDER 61-3-504(2).

4 (2) A LOCAL VEHICLE TAX IS PAYABLE AT THE SAME TIME  
5 AND IN THE SAME MANNER AS THE TAX IMPOSED UNDER 61-3-504(2)  
6 AND IS DISTRIBUTED IN THE SAME MANNER, BASED ON THE  
7 REGISTRATION ADDRESS OF THE OWNER OF THE MOTOR VEHICLE.

8 (3) THE GOVERNING BODY OF A COUNTY MAY IMPOSE A LOCAL  
9 VEHICLE TAX FOR A FISCAL YEAR BY ADOPTING A RESOLUTION  
10 BEFORE JULY 1 OF THE FISCAL YEAR, AFTER CONDUCTING A PUBLIC  
11 HEARING ON THE PROPOSED RESOLUTION IF THE TAX IS APPROVED BY  
12 THE ELECTIONS OF THE COUNTY FOR A FISCAL YEAR BY ADOPTING A  
13 RESOLUTION BEFORE JULY 1 OF THE FISCAL YEAR, AFTER  
14 CONDUCTING A PUBLIC HEARING ON THE PROPOSED RESOLUTION.

15 NEW SECTION. Section 40. Disposition of oil severance  
16 tax revenue. Any amount that is received after July 1,  
17 1987, from oil severance revenues for any payment period  
18 ending before July 1, 1987, and is deposited in the local  
19 government block grant account must be distributed pursuant  
20 to Title 7, chapter 6, part 3, as that part read prior to  
21 July 1, 1987.

22 NEW SECTION. SECTION 37. ANNIVERSARY REREGISTRATION.  
23 A PERSON MAY NOT CHANGE THE ANNIVERSARY DATE FOR  
24 REREGISTRATION OF A VEHICLE PURSUANT TO THE PROVISIONS OF  
25 61-3-315 FROM [THE EFFECTIVE DATE OF THIS ACT] UNTIL JANUARY

1 1, 1988.

2 NEW SECTION. Section 38. Repealer. (1) Sections  
3 7-6-301 through 7-6-309, MCA, ARE REPEALED.

4 (2) SECTIONS 61-3-521 through 61-3-523, 61-3-532  
5 61-3-531 THROUGH 61-3-534, 61-3-536, 61-3-541, and 61-3-542,  
6 MCA, are repealed.

7 NEW SECTION. Section 39. Extension of authority. Any  
8 existing authority of the department of revenue, the  
9 department of justice, or the department of commerce to make  
10 rules on the subject of the provisions of this act is  
11 extended to the provisions of this act.

12 NEW SECTION. Section 40. Effective date DATES --  
13 applicability -- TERMINATION. (1) SECTION 40(1) 42(1) 38(1)  
14 IS EFFECTIVE JULY 1, 1987.

15 (2) This act is effective on passage and approval and  
16 applies to motor vehicles registered on or after July 1,  
17 1987.

18 (3) (A) SECTION 40 36 TERMINATES JULY 1, 1989.

19 (B) SECTION 41 37 TERMINATES JANUARY 1, 1988.

-End-

## 1 SENATE BILL NO. 200

2 INTRODUCED BY E. SMITH, SEVERSON, B. BROWN, TVEIT,  
 3 MCCALLUM, NATHE, HAGER, FARRELL, HIRSCH, LYBECK, BECK,  
 4 DEVLIN, C. SMITH, JONES, KOLSTAD, ELLISON

5  
 6 A BILL FOR AN ACT ENTITLED: "AN ACT TO REPLACE THE FEE IN  
 7 LIEU OF TAX ON LIGHT VEHICLES, MOTORCYCLES, QUADRICYCLES,  
 8 MOTOR HOMES, TRAVEL TRAILERS, AND CAMPERS WITH A PROPERTY  
 9 TAX; TO ALLOW A LOCAL OPTION VEHICLE TAX; AMENDING SECTIONS  
 10 7-1-2111, 15-1-501, 15-6-138, 15-6-140, 15-6-201, 15-8-201,  
 11 15-8-202, 15-24-101, 15-24-105, 15-24-301, 15-30-121,  
 12 15-31-114, 15-36-112, 15-50-207, 20-9-141, 20-9-331,  
 13 20-9-333, 20-9-352, 20-9-501, 20-10-144, ~~61-3-530, 61-3-531,~~  
 14 61-3-303, 61-3-332, 61-3-431, 61-3-501 THROUGH 61-3-504,  
 15 61-3-506, 61-3-509, ~~61-3-521,~~ 61-3-522, 61-3-523, 61-3-524,  
 16 ~~61-3-531, 61-3-533~~ THROUGH 61-3-535, 61-3-701, AND 61-6-302,  
 17 MCA; REPEALING SECTIONS 7-6-301 THROUGH 7-6-309, ~~61-3-521~~  
 18 ~~THROUGH--61-3-523,~~ ~~61-3-532~~ 61-3-531 THROUGH 61-3-534,  
 19 61-3-536, 61-3-541, AND 61-3-542, MCA; AND PROVIDING AN  
 20 IMMEDIATE EFFECTIVE DATE AND, AN APPLICABILITY DATE, AND  
 21 TERMINATION DATES."

22  
 23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

24 Section 1. Section 7-1-2111, MCA, is amended to read:  
 25 "7-1-2111. Classification of counties. (1) For the

THERE IS A CORRECTION ON P. 32  
 OF SB 200. DUE TO LENGTH THIS  
 BILL WILL NOT BE REPRINTED.  
 PLEASE INSERT CORRECTED PAGE  
 IN REFERENCE (SALMON) COPY.

1 SUBJECT TO A PROPERTY TAX UNDER 61-3-504(2) AT THE RATE OF A  
2 RATE OF UP TO 0.5% OF THE VALUE DETERMINED UNDER 61-3-503,  
3 IN ADDITION TO THE TAX IMPOSED UNDER 61-3-504(2).

4 (2) A LOCAL VEHICLE TAX IS PAYABLE AT THE SAME TIME  
5 AND IN THE SAME MANNER AS THE TAX IMPOSED UNDER 61-3-504(2)  
6 AND IS DISTRIBUTED IN THE SAME MANNER, BASED ON THE  
7 REGISTRATION ADDRESS OF THE OWNER OF THE MOTOR VEHICLE.

8 (3) THE GOVERNING BODY OF A COUNTY MAY IMPOSE A LOCAL  
9 VEHICLE TAX FOR A FISCAL YEAR BY ADOPTING A RESOLUTION  
10 BEFORE JULY 1 OF THE FISCAL YEAR, AFTER CONDUCTING A PUBLIC  
11 HEARING ON THE PROPOSED RESOLUTION IF THE TAX IS APPROVED BY  
12 THE ELECTORS OF THE COUNTY FOR A FISCAL YEAR BY ADOPTING A  
13 RESOLUTION BEFORE JULY 1 OF THE FISCAL YEAR, AFTER  
14 CONDUCTING A PUBLIC HEARING ON THE PROPOSED RESOLUTION.

15 NEW SECTION: Section 40. Disposition of oil-severance  
16 tax revenue. Any amount that is received after July 1,  
17 1987, from oil-severance revenues for any payment period  
18 ending before July 1, 1987, and is deposited in the local  
19 government block grant account must be distributed pursuant  
20 to Title 7, chapter 6, part 3, as that part read prior to  
21 July 1, 1987.

22 NEW SECTION. SECTION 37. ANNIVERSARY REREGISTRATION.  
23 A PERSON MAY NOT CHANGE THE ANNIVERSARY DATE FOR  
24 REREGISTRATION OF A VEHICLE PURSUANT TO THE PROVISIONS OF  
25 61-3-315 FROM [THE EFFECTIVE DATE OF THIS ACT] UNTIL JANUARY

1 1, 1988.

2 NEW SECTION. Section 38. Repealer. (1) Sections  
3 7-6-301 through 7-6-309, MCA, ARE REPEALED.

4 (2) SECTIONS 61-3-521 through 61-3-523, 61-3-532  
5 61-3-531 THROUGH 61-3-534, 61-3-536, 61-3-541, and 61-3-542,  
6 MCA, are repealed.

7 NEW SECTION. Section 39. Extension of authority. Any  
8 existing authority of the department of revenue, the  
9 department of justice, or the department of commerce to make  
10 rules on the subject of the provisions of this act is  
11 extended to the provisions of this act.

12 NEW SECTION. Section 40. Effective date DATES --  
13 applicability -- TERMINATION. (1) SECTION 40(1) 42(1) 38(1)  
14 IS EFFECTIVE JULY 1, 1987.

15 (2) This act is effective on passage and approval and  
16 applies to motor vehicles registered on or after July 1,  
17 1987.

18 (3) (A) SECTION 40 36 TERMINATES JULY 1, 1989.

19 (B) SECTION 41 37 TERMINATES JANUARY 1, 1988.

-End-

STANDING COMMITTEE REPORT

Page 1 of 7

HOUSE

APRIL 13 1987

Mr. Speaker: We, the committee on HOUSE TAXATION  
report SENATE BILL NO. 200

do pass  be concurred in  as amended  
 do not pass  be not concurred in  statement of intent attached

Be amended as follows:

*Ramirez*  
Representative Jack Ramirez, Chairman

1. Title, line 13  
Strike: "61-1-130,"
2. Title, line 15  
Following: "61-3-509,"  
Insert: "61-3-521, 61-3-522,"
3. Title, line 17  
Following: "7-6-309,"  
Strike: "61-3-521 THROUGH"
4. Title, line 19.  
Following: "DATE"  
Strike: "AND"  
Insert: ", "
5. Title, line 20.  
Following: "DATE"  
Insert: ", AND TERMINATION DATES"
6. Page 8, line 18  
Following: line 17  
Insert: "(k) motor homes;"  
Renumber: subsequent subsections
7. Page 10, line 6  
Strike: "(1)(n)"  
Insert: "(1)(o)"
8. Page 11, line 21  
Following: "homes"  
Insert: ", "
9. Page 11, line 6  
Following: line 5  
Insert: "(b) motor homes;"  
Renumber: subsequent subsections

SB 200  
Page 2 of 7

APRIL 13 1987

10. Page 11, line 19  
Following: "vehicles"  
Insert: ", other than motor homes"
11. Page 11, line 23  
Following: "vehicles"  
Insert: "as provided by law,"
12. Page 16, line 7  
Following: "tax"  
Insert: "not subject to a fee in lieu of tax"
13. Page 49, lines 5 through 10  
Strike: section 21 in its entirety  
Renumber: subsequent sections
14. Page 49, line 24  
Following: line 23  
Strike: "motor vehicle is owned or taxable"  
Insert: "owner makes his permanent residence at the time of making the application or, if the vehicle is owned by a corporation or used primarily for commercial purposes, in the taxing jurisdiction of the county where the vehicle is permanently assigned,"
15. Page 51, line 2  
Strike: "or"
16. Page 51, line 4  
Strike: "."  
Insert: "; or"
17. Page 51, line 10  
Following: line 9  
Insert: "(iii) in the case of a motor home, the fee in lieu of tax for the current year of registration."
18. Page 51, line 12  
Following: "The"  
Insert: "department or its agent may not assess and the"
19. Page 51, line 13  
Following: line 12  
Strike: "assess or"

TP TRD BLUE  
reading copy color

STATE PUB CO  
Helena, Mont.

*Ramirez*  
Representative Jack Ramirez, Chairman

20. Page 51, line 19  
Following: "The"  
Strike: "county treasurer"  
Insert: "department or its agent"
21. Page 51, line 23  
Following: "of the"  
Strike: "county treasurer"  
Insert: "department or its agent"
22. Page 60, line 9  
Following: "assessment"  
Insert: ", fee in lieu of tax,"
23. Page 63, line 5  
Following: "Guide"  
Strike: "or of"  
Insert: ", "
24. Page 63, line 6  
Following: "Guide,"  
Insert: "or, for vehicles not listed in the preceding guides, the low value listed in The Value Guide to Cars of Particular Interest,"
25. Page 63, line 10  
Following: "paid."  
Insert: "If the value shown in any of the appraisal guides listed in this section is less than \$1,000, the department shall value the vehicle at \$1,000."
26. Page 63, line 11  
Strike: "motor homes,"
27. Page 63, line 24  
Following: "guide, the"  
Strike: "county ~~treasurer~~ ASSESSOR"  
Insert: "department of revenue or its agent"
28. Page 63, line 25  
Following: "price"  
Strike: "or"  
Insert: ", "

29. Page 64, lines 1 through 3  
Following: "price" on line 1  
Strike: remainder of line 1 through line 3 in its entirety  
Insert: ", or the manufacturer's suggested list price, using the following methods:  
(i) if the new car sales tax has been previously paid and the vehicle is less than 1 year in age, the depreciation percentage shall be 20%; or  
(ii) if the vehicle is 1 year or older in age and it is not listed in any of the appraisal guides listed in this section, the department of revenue shall determine the depreciation percentage to approximate the average wholesale or trade-in values in the current N.A.D.A. guides referred to in this subsection. For purposes of this subsection (1), the age of the vehicle is determined by subtracting the manufacturer's model year of the vehicle from the calendar year of assessment.  
(f) When a minimum value of \$1,000 is reached, the value shall remain at that minimum so long as the vehicle is registered."
30. Page 64, line 4  
Following: line 3  
Insert: "(g) If a previously registered vehicle"
31. Page 64, line 5  
Following: line 4  
Strike: "county ~~treasurer~~ ASSESSOR"  
Insert: "department or its agent"
32. Page 64, line 13  
Strike: "(1) (e)"  
Insert: "(1) (g)"  
Following: "to"  
Insert: "motor homes or"
33. Page 65, line 6  
Following: "~~is~~ "SAMPLE IS"  
Strike: remainder of line 6 in its entirety

- 34. Page 65, line 8  
Strike: "MOTOR HOME,"
- 35. Page 65, lines 9 and 10  
Following: "CAMPER IS"  
Strike: remainder of line 9 through "ON" on line 10
- 36. Page 65, line 11  
Following: "all"  
Insert: "taxable"
- 37. Page 66, line 3  
Following: "shall"  
Insert: ", after deducting the district court fee,"
- 38. Page 66, line 4  
Following: "vehicles"  
Insert: "and fees in lieu of tax on motor homes"
- 39. Page 66, line 7  
Following: "61-3-504"  
Insert: ", 61-3-521,"  
Following: "SECTION"  
Strike: "39"  
Insert: "40"
- 40. Page 67, line 9  
Following: "shall"  
Insert: ", after deducting the district court fee,"
- 41. Page 67, line 10  
Following: "vehicles"  
Strike: ", "  
Insert: "and fees in lieu of tax on motor homes"
- 42. Page 67, line 13  
Following: "61-3-504"  
Insert: ", 61-3-521,"  
Following: "SECTION"  
Strike: "39"  
Insert: "40"

- 43. Page 68, line 4  
Following: line 3  
Insert: "Section 31. Section 61-3-521, MCA, is amended to read:  
"61-3-521. Fee in lieu of tax for ~~certain vehicles~~ motor homes. (1) There is a fee in lieu of property tax imposed on motor homes, ~~travel trailers, and campers~~. The fee is in addition to annual registration fees.  
(2) The provisions of 61-10-208 do not apply to a ~~vehicle that qualifies under subsection (1) above~~ motor home.  
(3) The fee imposed by subsection (1) above need not be paid by a dealer for vehicles that constitute inventory of the dealership."  
Section 32, Section 61-3-522, MCA, is amended to read:  
"61-3-522. Schedule of fees for motor homes. (1) The owner of a motor home shall pay a fee based on the age of the motor home according to the following schedule:
- |   |       |     |
|---|-------|-----|
| less than 2 years old.....                  | \$200 | 250 |
| 2 years old and less than 3 years old ..... | 100   | 230 |
| 3 years old and less than 4 years old ..... | 145   | 195 |
| 4 years old and less than 5 years old ..... | 100   | 150 |
| 5 years old and less than 6 years old ..... | 75    | 125 |
| 6 years old and less than 7 years old ..... | 50    | 100 |
| 7 years old and less than 8 years old ..... | 25    | 75  |
| 8 years old and older .....                 | 15    | 65  |
- (2) The age of a motor home is determined by subtracting the manufacturer's designated model year from the current calendar year."  
Renumber: subsequent sections


*J. Ramirez*  
REPRESENTATIVE JACK RAMIREZ  
Chairman.

*J. Ramirez*  
Representative Jack Ramirez  
Chairman.

.....APRIL 13..... 19 87.....

44. Page 71, line 10  
Following: line 9  
Insert: "(3) The district court fee is not in addition to vehicle property taxes. The county treasurer shall deduct the district court fee from the vehicle property tax and credit the fee to a suspense account as provided in 61-3-509."
45. Page 72, line 15  
Following: line 14  
Insert: "(3) The district court fee is not in addition to vehicle property taxes. The county treasurer shall deduct the district court fee from the vehicle property tax and credit the fee to a suspense account as provided in 61-3-509."
46. Page 77, lines 5 through 7  
Following: "TAX" on line 5  
Strike: remainder of line 5 through "RESOLUTION" on line 7  
Insert: "if the tax is approved by the electors of the county"
47. Page 77, line 14  
Insert: "NEW SECTION. Section 41. Anniversary reregistration. A person may not change the anniversary date for reregistration of a vehicle pursuant to the provisions of 61-3-315 from [the effective date of this act] until January 1, 1988."  
Renumber: subsequent sections
48. Page 77, line 17.  
Following: "SECTIONS"  
Strike: "61-3-521 through"
49. Page 77, line 25  
Following: "applicability"  
Insert: "-- termination"  
Following: "SECTION"  
Strike: "40(1)"  
Insert: "42(1)"
50. Page 78, line 4  
Following: line 3  
Insert: "(3) (a) Section 40 terminates July 1, 1989.  
(b) Section 41 terminates January 1, 1988."

~~Version of SB 200~~

  
Representative Jack Ramirez, Chairman



COMMITTEE OF THE WHOLE AMENDMENT

(29)

4-14-87

DATE

12:50

TIME

HOUSE

MR. CHAIRMAN: I MOVE TO AMEND SB 200

3rd reading copy (blue Color) as follows:

PASSED

- 1) Page 76, line 22.
- Strike: "THE RATE OF"
- Insert: "a rate of up to"

COMMITTEE OF THE WHOLE AMENDMENT

4-14-87

DATE

12:45

TIME

MR. CHAIRMAN: I MOVE TO AMEND SB 200

3rd reading copy (blue Color) as follows:

- 1) Page 63, line 14.
- Strike: "\$1,000"
- Insert: "\$250"
- 2) Page 64, line 2.
- Strike: "\$1,000"
- Insert: "\$500"
- 3) Page 64, line 7.
- Strike: "\$1,000"
- Insert: "\$500"

ADOPT  
REJECT

4141250T.CW

Bob Raney  
Rep. Raney

ADOPT  
REJECT

4141245T.CW

Rep. Glaser

COMMITTEE OF THE WHOLE AMENDMENT

Page 1 of 4  
4-14-87  
DATE  
14:00  
TIME

Page 2 of 4

SB 200

19

MR. CHAIRMAN: I MOVE TO AMEND SB 200

3rd reading copy (blue) as follows:  
Color

House Taxation Standing Committee Report is amended as follows:

1. Instruction No. 1 is amended as follows:
  1. Title, line 13  
Strike: "61-1-130, 61-1-131"
2. Instruction No. 2 is amended as follows:
  2. Title, line 15  
Following: "61-3-509,"  
Insert: "61-3-521, 61-3-522, 61-3-523"
3. Instruction No. 3 is amended as follows:
  3. Title, line 17  
Following: "7-6-309,"  
Strike: "61-3-521 THROUGH 61-3-523"
4. Instruction No. 6 is amended as follows:
  6. Page 8, line 18  
Following: line 17  
Insert: "(k) motor homes, travel trailers, and campers;"  
Renumber: subsequent subsections
5. Instruction No. 9 is amended as follows:
  9. Page 11, line 6  
Following: line 5  
Insert: "(b) motor homes, travel trailers, and campers;"  
Renumber: subsequent subsections
6. Instruction No. 10 is amended as follows:
  10. Page 11, line 19  
Following: "vehicles"  
Insert: ", other than motor homes, travel trailers, and campers"

7. Instruction No. 13 is amended as follows:
  13. Page 49, lines 5 through 10 17  
Strike: section sections 21 and 22 in its entirety  
Renumber: subsequent sections
8. Instruction No. 17 is amended as follows:
  17. Page 51, line 10  
Following: line 9  
Insert: "(iii) in the case of a motor home, travel trailer, or camper the fee in lieu of tax for the current year of registration."
9. Instruction No. 26 is amended as follows:
  26. Page 63, line 11  
Following: motorcycles  
Strike: ", "  
Insert: "and"  
Following: "quadricycles"  
Strike: "motor homes, remainder of line 11 through "campers" on line 12"
10. Instruction No. 32 is amended as follows:
  32. Page 64, line 13  
Strike: "(1)(e)"  
Insert: "(1)(g)"  
Following: "to"  
Insert: "motor homes, travel trailers, campers, or"
11. Instruction No. 34 is amended as follows:
  34. Page 65, line 8 through line 10  
Strike: "MOTOR-HOME, subsection (B) in its entirety"
12. Strike: Instruction No. 35 in its entirety
13. Instruction No. 38 is amended as follows:
  38. Page 66, line 4  
Following: "vehicles"  
Insert: "and fees in lieu of tax on motor homes, travel trailers, and campers"
14. Instruction No. 41 is amended as follows:
  41. Page 67, line 10  
Following: "vehicles"  
Strike: ", "  
Insert: "and fees in lieu of tax on motor homes, travel trailers, and campers"
15. Instruction No. 43 is amended as follows:
  43. Page 68, line 4  
Following: line 3  
Insert: "Section 31. Section 61-3-521, MCA, is

ADOPT  
REJECT

WT Menahan  
Rep. Menahan

amended-to-read:

~~"61-3-521. -- Fee in lieu of tax for certain vehicles motor homes. (1) There is a fee in lieu of property tax imposed on motor homes, travel trailers, and campers. The fee is in addition to annual registration fees. (2) The provisions of 61-10-208 do not apply to a vehicle that qualifies under subsection (1) above motor home. (3) The fee imposed by subsection (1) above need not be paid by a dealer for vehicles that constitute inventory of the dealership."~~

Section 32, Section 61-3-522, MCA, is amended to read:

"61-3-522. Schedule of fees for motor homes. (1) The owner of a motor home shall pay a fee based on the age of the motor home according to the following schedule:

less than 2 years old.....	\$200	<u>250</u>
2 years old and less than 3 years old .....	<del>100</del>	<u>230</u>
3 years old and less than 4 years old .....	<del>145</del>	<u>195</u>
4 years old and less than 5 years old .....	<del>100</del>	<u>150</u>
5 years old and less than 6 years old .....	75	<u>125</u>
6 years old and less than 7 years old .....	<del>50</del>	<u>100</u>
7 years old and less than 8 years old .....	25	<u>75</u>
8 years old and older .....	15	<u>65</u>

(2) The age of a motor home is determined by subtracting the manufacturer's designated model year from the current calendar year."

Section 32. Section 61-3-523, MCA, is amended to read:

"61-3-523. Schedule of fees for travel trailers and campers. (1) The fee imposed by 61-3-521 on a travel trailer less than 3 years old is ~~\$40~~ \$60. In all other cases the fee is ~~\$15~~ \$22.50.

(2) The fee imposed by 61-3-521 on a camper less than 3 years old is ~~\$35~~ \$52.50. In all other cases the fee is ~~\$15~~ \$22.50.

(3) The age of a travel trailer or camper is determined by subtracting the manufacturer's designated model year from the current calendar year."

Renumber: subsequent sections

16. SB 200, third reading, blue is further amended as follows:

1. Page 65, line 1.  
Following: "(2)"  
Strike: "(A)"

Amendments, SB 200  
7104d/C:JEANNE\WP:jj

COMMITTEE OF THE WHOLE AMENDMENT

PAGE 201

4-13-87  
DATE  
17:00  
TIME

19

MR. CHAIRMAN: I MOVE TO AMEND SB 200

3rd reading copy ( blue ) as follows:  
Color

House Taxation Standing Committee Report is amended as follows:

1. House Taxation Committee amendment #39 is amended to read:

Page 66, line 7  
Following: "61-3-504"  
Insert: "61-3-521,"  
Following: "SECTION"  
Strike: "39"  
Insert: "46" "37"

2. House Taxation Committee amendment #42 is amended to read:

Page 67, line 13  
Following: "61-3-504"  
Insert: "61-3-521,"  
Following: "SECTION"  
Strike: "39"  
Insert: "46" "37"

3. House Taxation Committee amendment #49 is amended to read:

Page 77, line 25  
Following: "applicability"  
Insert: "-- termination"  
Following: "SECTION"  
Strike: "40(1)"  
Insert: "42(1)" "39(1)"

SB 200, Third Reading (blue) is further amended as follows:

1. Title, line 15  
Following: "61-3-524,"  
Strike: "61-3-531, 61-3-533 THROUGH"

2. Title, line 18  
Following: line 17  
Strike: "61-3-532"  
Insert: "61-3-531 THROUGH 61-4-534"

3. Page 66, line 15  
Following: "(2)"  
Insert: "The county treasurer shall deduct as a district court fee 7% of the amount of the 2% tax collected on an automobile or truck having a rated capacity of three-quarters of a ton or less." *Kadas #1*

- 4. Page 66, lines 16 and 17  
Following: "fee" on line 16  
Strike: remainder of line 16 through "61-3-533" on line 17
- 5. Page 66, line 23  
Following: "."  
Insert: "Any amount forwarded to the state treasurer under this subsection not used for district court expenses must be refunded to the counties in the proportion that the amount collected from each county bears to the total amount collected."
- 6. Page 67, line 20  
Following: "(2)"  
Insert: "The county treasurer shall deduct as a district court fee 7% of the amount of the 2% tax collected on an automobile or truck having a rated capacity of three-quarters of a ton or less."
- 7. Page 67, line 21  
Following: "courts"  
Strike: "provided for in 61-3-533"
- 8. Page 68, line 3  
Following: "."  
Insert: "Any amount forwarded to the state treasurer under this subsection not used for district court expenses must be refunded to the counties in the proportion that the amount collected from each county bears to the total amount collected."
- 9. Page 69, line 10 through page 72, line 22  
Strike: Sections 34 through 36 in their entirety  
Renummer: subsequent sections
- 10. Page 77, line 17  
Following: "61-3-523,"  
Strike: "61-3-532"  
Insert: "61-3-531 through 61-3-534"

*MS*

*CR*  
ADOPT  
REJECT

**COMMITTEE OF THE WHOLE AMENDMENT**

~~4-13-87~~  
DATE

17:01  
TIME

MR CHAIRMAN: I MOVE TO AMEND SB 200  
3rd blue  
reading copy ( blue ) as follows:  
Color

House Taxation Standing Committee Report is amended as follows:

1. Strike House Taxation Committee amendment #46 in its entirety

*NR*

ADOPT  
 REJECT

*Kadas* #2  
Rep. Kadas