

SB 386 INTRODUCED BY KEATING, HARDING, BECK, ET AL.  
REPEAL PERSONAL PROPERTY TAXES/CAP ON REAL PROPERTY  
AT 1 PERCENT OF MARKET VALUE

2/20 INTRODUCED  
2/20 REFERRED TO TAXATION  
2/20 FISCAL NOTE REQUESTED  
3/04 FISCAL NOTE RECEIVED  
3/05 HEARING  
3/09 TABLED IN COMMITTEE

1 *Senate* BILL NO. *386*  
 2 INTRODUCED BY *Senator Pauline Beck Livingston*  
 3 *Bengtson* *Rep. Trent B...*  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE  
 5 PROPERTY TAXATION BY REPEALING TAXES ON PERSONAL PROPERTY;  
 6 PLACING A CAP ON CERTAIN REAL PROPERTY TAXES EQUIVALENT TO  
 7 PERCENT OF MARKET VALUE; MAKING PROPERTY TAX REVISIONS  
 8 CONTINGENT ON PASSAGE AND APPROVAL OF A GENERAL SALES TAX  
 9 WITH REVENUE DIRECTED TO EDUCATIONAL AND OTHER LOCAL  
 10 GOVERNMENT PURPOSES; AMENDING SECTIONS 7-21-2104, 15-1-101,  
 11 15-1-701, 15-6-101, 15-6-135, 15-6-137, 15-6-138, 15-6-140,  
 12 15-6-141, 15-6-145, 15-6-147, 15-6-201, 15-6-203, 15-7-102,  
 13 15-8-104, 15-8-111, 15-8-201, 15-8-301, 15-8-407, 15-8-701,  
 14 15-8-706, 15-10-105, 15-10-302, 15-16-117, 15-16-611,  
 15 15-18-103, 15-18-205, 15-18-305, 15-23-101, 15-23-103,  
 16 15-23-105, 15-23-106, 15-23-201, 15-23-202, 15-23-501,  
 17 15-23-503, 15-23-504, 15-23-508, 15-23-522, 15-23-608,  
 18 15-23-611, 15-23-704, 15-23-806, 15-24-601, 15-24-701,  
 19 15-24-801, 15-24-1001, 15-24-1101, 15-24-1104, 15-24-1203,  
 20 20-15-403, 25-13-404, 61-3-532, 61-3-701, 61-12-206,  
 21 67-3-201, 67-3-202, 81-7-303, AND 81-8-804, MCA; REPEALING  
 22 SECTIONS 15-6-136, 15-6-139, 15-6-142, 15-6-146, 15-6-202,  
 23 15-6-204, 15-6-207, 15-6-210, 15-8-202, 15-8-204, 15-8-205,  
 24 15-8-401, 15-8-404, 15-8-405, 15-8-408, 15-16-111 THROUGH  
 25 15-16-115, 15-16-401, 15-16-402, 15-16-404, 15-16-503,

1 15-16-701 THROUGH 15-16-703, 15-17-901 THROUGH 15-17-903,  
 2 15-23-401 THROUGH 15-23-403, 15-24-101 THROUGH 15-24-105,  
 3 15-24-201 THROUGH 15-24-208, 15-24-301 THROUGH 15-24-304,  
 4 15-24-901 THROUGH 15-24-906, 15-24-908 THROUGH 15-24-911,  
 5 15-24-921 THROUGH 15-24-926, 15-24-931, 15-24-941 THROUGH  
 6 15-24-943, AND 61-3-707, MCA; AND PROVIDING A CONTINGENT  
 7 EFFECTIVE PROVISION AND A RETROACTIVE APPLICABILITY DATE."

9 WHEREAS, the electors of Montana approved Initiative  
 10 No. 105 limiting certain property taxes to 1986 levels  
 11 unless the Legislature reduces property taxes prior to July  
 12 1, 1987, and establishes alternative revenue sources; and

13 WHEREAS, it is the intent of the Legislature to enact  
 14 provisions compatible with the will of the electors in  
 15 limiting certain property taxes; and

16 WHEREAS, the Legislature intends by this bill to  
 17 provide broad property tax relief and a revenue source to  
 18 fund such relief, while maintaining the fiscal integrity of  
 19 necessary local government services.

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

22 NEW SECTION. Section 1. Property tax limit --  
 23 percentage of market value. Property taxed under Title 15,  
 24 chapter 6, is subject to a tax equal to the lesser of the  
 25 following:



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1 (1) the tax liability determined by the product of the  
2 taxable value multiplied by total mills levied in a tax  
3 year; or

4 (2) 1% of the market value of the property.

5 NEW SECTION. Section 2. Property tax limit -- special  
6 considerations. (1) The limitation on the amount of tax  
7 liability based on a percentage of market value does not  
8 mean that no increase may be made in the market value of  
9 property resulting from:

10 (a) expansion, addition, replacement, or remodeling of  
11 improvements;

12 (b) transfer of property from tax-exempt to taxable  
13 status; or

14 (c) revaluations caused by cyclical reappraisal.

15 (2) The limitation on the amount of tax liability  
16 based on a percentage of market value does not apply to the  
17 following levy or special assessment categories, whether  
18 they are based on commitments made before or commitments  
19 made after [the effective date of this act]:

20 (a) rural improvement districts;

21 (b) special improvement districts;

22 (c) levies pledged for the repayment of bonded  
23 indebtedness, including tax increment bonds;

24 (d) city street maintenance districts;

25 (e) satisfaction of judgments against a taxing unit;

1 (f) electric company street lighting assessments; and

2 (g) revolving funds to support any of the above.

3 (3) If the tax liability for a property is a  
4 percentage of market value and one or more of the items in  
5 subsection (2) are applicable, the tax bill must include an  
6 additional amount for such items. That amount is determined  
7 by the product of the appropriate mills multiplied by  
8 taxable value.

9 NEW SECTION. Section 3. Disbursement of property tax  
10 paid as percentage of market value. The property tax paid as  
11 a percentage of market value pursuant to [section 1] must be  
12 disbursed to all affected taxing jurisdictions according to  
13 the ratio of the mills levied by each taxing jurisdiction in  
14 proportion to the total mills levied against a property.

15 Section 4. Section 7-21-2104, MCA, is amended to read:

16 "7-21-2104. Lien arising from license. (1) All  
17 property held or used in any trade, occupation, or  
18 profession for which a license is required by the provisions  
19 of this part is liable for such license and subject to a  
20 lien for the amount thereof. This lien has precedence of any  
21 other lien, claim, or demand.

22 (2) If any person fails or refuses to procure a  
23 license before the transaction of the business specified,  
24 the county treasurer must seize such property or any other  
25 property belonging to such person and sell the same in the

1 ~~manner-provided-in-15-17-901-through-15-17-903."~~

2 Section 5. Section 15-1-101, MCA, is amended to read:

3 "15-1-101. Definitions. (1) Except as otherwise  
4 specifically provided, when terms mentioned in this section  
5 are used in connection with taxation, they are defined in  
6 the following manner:

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

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

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

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

23 (ii) The following types of property are not  
24 commercial:

25 (A) agricultural lands;

1 (B) timberlands;

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

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

8 (E) all property described in 15-6-135;

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

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

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

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

18 (g) The term "improvements" includes all buildings,  
19 structures, fences, and improvements situated upon, erected  
20 upon, or affixed to land. When the department of revenue or  
21 its agent determines that the permanency of location of a  
22 mobile home or housetrailer has been established, the mobile  
23 home or housetrailer is presumed to be an improvement to  
24 real property. A mobile home or housetrailer may be  
25 determined to be permanently located only when it is

1 attached to a foundation which cannot feasibly be relocated  
2 and only when the wheels are removed.

3 (h) The term "leasehold improvements" means  
4 improvements to mobile homes and mobile homes located on  
5 land owned by another person. This property is assessed  
6 under the appropriate classification and the taxes are due  
7 and payable in two payments as provided in 15-24-202  
8 15-16-102. Delinquent taxes on such leasehold improvements  
9 are a lien only on such leasehold improvements.

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

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

19 (k) The term "personal property" includes everything  
20 that is the subject of ownership but that is not included  
21 within the meaning of the terms "real estate" and  
22 "improvements".

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

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

8 (n) The term "real estate" includes:

9 (i) the possession of, claim to, ownership of, or  
10 right to the possession of land;

11 (ii) all mine, minerals, and quarries in and under the  
12 land subject to the provisions of 15-23-501 and Title 15,  
13 chapter 23, part 8; all timber belonging to individuals or  
14 corporations growing or being on the lands of the United  
15 States; and all rights and privileges appertaining thereto.

16 (o) The term "taxable value" means the percentage of  
17 market or assessed value as provided for in 15-6-131 through  
18 15-6-140.

19 (2) The phrase "municipal corporation" or  
20 "municipality" or "taxing unit" shall be deemed to include a  
21 county, city, incorporated town, township, school district,  
22 irrigation district, drainage district, or any person,  
23 persons, or organized body authorized by law to establish  
24 tax levies for the purpose of raising public revenue.

25 (3) The term "state board" or "board" when used

1 without other qualification shall mean the state tax appeal  
2 board."

3 Section 6. Section 15-1-701, MCA, is amended to read:

4 "15-1-701. Warrant for distraint. (1) A warrant for  
5 distraint is an order, under the official seal of the  
6 department of revenue, directed to a sheriff of any county  
7 of Montana or to any agent authorized by law to collect a  
8 tax. The order commands the recipient to levy upon and sell  
9 the real ~~and-personal~~ property of a delinquent taxpayer.

10 (2) Upon filing the warrant as provided in 15-1-704,  
11 there is a lien against all real ~~and-personal~~ property of  
12 the delinquent taxpayer located in the county where the  
13 warrant is filed. The resulting lien is treated in the same  
14 manner as a properly docketed judgment lien, and the  
15 department may collect delinquent taxes and enforce the tax  
16 lien in the same manner as a judgment is enforced.

17 (3) A warrant may be issued for the amount of unpaid  
18 tax plus penalty, if any, and accumulated interest. The lien  
19 is for the amount indicated on the warrant plus accrued  
20 interest from the date of the warrant."

21 Section 7. Section 15-6-101, MCA, is amended to read:

22 "15-6-101. Property subject to taxation --  
23 classification. (1) All real property and improvements in  
24 this state ~~is~~ are subject to taxation, except as provided  
25 otherwise.

1 (2) For the purpose of taxation, the taxable property  
2 in the state shall be classified in accordance with this  
3 part."

4 Section 8. Section 15-6-135, MCA, is amended to read:

5 "15-6-135. Class five property -- description --  
6 taxable percentage. (1) Class five property includes:

7 (a) all real property and improvements used and owned  
8 by cooperative rural electrical and cooperative rural  
9 telephone associations organized under the laws of Montana,  
10 except property owned by cooperative organizations described  
11 in subsection (1)(c) of 15-6-137;

12 (b) air and water pollution control equipment  
13 improvements as defined in this section;

14 (c) new industrial property as defined in this  
15 section;

16 (d) any ~~personal--or~~ real property and improvements  
17 used primarily in the production of gasohol during  
18 construction and for the first 3 years of its operation.

19 (2) (a) "Air and water pollution equipment control  
20 improvements" means facilities, ~~machinery, or equipment~~ used  
21 to reduce or control water or atmospheric pollution or  
22 contamination by removing, reducing, altering, disposing, or  
23 storing pollutants, contaminants, wastes, or heat. The  
24 department of health and environmental sciences shall  
25 determine if such utilization is being made.

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

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

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

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

22 (i) manufacture, mill, mine, produce, process, or  
 23 fabricate materials;

24 (ii) do similar work, employing capital and labor, in  
 25 which materials unserviceable in their natural state are

1 extracted, processed, or made fit for use or are  
 2 substantially altered or treated so as to create commercial  
 3 products or materials; or

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

9 (5) New industrial property does not include:

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

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

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

18 (6) Class five property is taxed at 3% of its market  
 19 value."

20 Section 9. Section 15-6-137, MCA, is amended to read:

21 "15-6-137. Class seven property -- description --  
 22 taxable percentage. (1) Class seven property includes:

23 (a) all real property and improvements used and owned  
 24 by persons, firms, corporations, or other organizations that  
 25 are engaged in the business of furnishing telephone

1 communications exclusively to rural areas or to rural areas  
2 and cities and towns of 800 persons or less;

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

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

14 ~~{d}--tools,--implements,--and--machinery--used--to--repair~~  
15 ~~and--maintain--machinery--not--used--for--manufacturing--and--mining~~  
16 ~~purposes.~~

17 (2) To qualify for this classification, the average  
18 circuit miles for each station on the telephone  
19 communication system described in subsection (1)(b) must be  
20 more than 1 mile.

21 (3) Class seven property is taxed at 8% of its market  
22 value."

23 Section 10. Section 15-6-138, MCA, is amended to read:

24 "15-6-138. Class eight property -- description --  
25 taxable percentage. (1) Class eight property includes:

1 ~~{a}--all--agricultural--implements--and--equipment;~~  
2 ~~{b} all mining--machinery,--fixtures,--equipment,--tools,~~  
3 ~~and--supplies improvements except:~~

4 ~~{i}--those--included--in--class--five;--and~~

5 ~~{ii}--coal--and--ore--haulers;~~

6 ~~{c}--all, including manufacturing machinery,--fixtures,~~  
7 ~~equipment,--tools,--and--supplies improvements, except those~~  
8 ~~included in another class five;~~

9 ~~{d}--all--trailers--up--to--and--including--10,000--pounds~~  
10 ~~maximum--gross--loaded--weight,--except--those--subject--to--a--fee~~  
11 ~~in--lieu--of--property--tax;~~

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 11. 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} improvements used for radio and television~~  
24 ~~broadcasting and transmitting equipment;~~

25 ~~{b} and for cable television systems;~~



~~(c) coal and ore haulers;~~

~~(d) trucks having a rated capacity of more than 1 1/2 tons, including those prorated under 15-24-102;~~

~~(e) all trailers exceeding 10,000 pounds maximum gross loaded weight, including those prorated under 15-24-102 and except those subject to a fee in lieu of property tax;~~

~~(f) theater projectors and sound equipment; and~~

~~(g) all other property not included in any other class in this part except that property subject to a fee in lieu of a property tax.~~

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

Section 12. Section 15-6-141, MCA, is amended to read:

"15-6-141. Class eleven property -- description -- taxable percentage. (1) Class eleven property includes real property and improvements as follows:

(a) centrally assessed electric power companies' allocations, including, if congress passes legislation that allows the state to tax property owned by an agency created by congress to transmit or distribute electrical energy, allocations of properties constructed, owned, or operated by a public agency created by the congress to transmit or distribute electric energy produced at privately owned generating facilities (not including rural electric cooperatives);

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

(c) centrally assessed companies' allocations except:

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

(ii) property owned by cooperative rural electric and cooperative rural telephone associations and classified in class five;

(iii) property owned by organizations providing telephone communications to rural areas and classified in class seven;

(iv) railroad transportation property included in class fifteen; and

(v) airline transportation property included in class seventeen.

(2) Class eleven property is taxed at 12% of market value."

Section 13. Section 15-6-145, MCA, is amended to read:

"15-6-145. Class fifteen property -- description -- taxable percentage. (1) Class fifteen property includes all railroad transportation real property and improvements as described in the Railroad Revitalization and Regulatory Reform Act of 1976 as it read on January 1, 1986.

(2) For the taxable year beginning January 1, 1986,

1 and for each taxable year thereafter, class fifteen property  
2 is taxed at the percentage rate "R", to be determined by the  
3 department as provided in subsection (3), or 12%, whichever  
4 is less.

5 (3) R = A/B where:

6 (a) A is the total statewide taxable value of all  
7 commercial property, except class fifteen property, as  
8 commercial property is described in 15-1-101(1)(d),  
9 including class 1 and class 2 property; and

10 (b) B is the total statewide market value of all  
11 commercial property, except class fifteen property, as  
12 commercial property is described in 15-1-101(1)(d),  
13 including class 1 and class 2 property.

14 (4) (a) For the taxable year beginning January 1,  
15 1986, and for every taxable year thereafter, the department  
16 shall conduct a sales assessment ratio study of all  
17 commercial and industrial real property and improvements.  
18 The study must be based on:

19 (i) assessments of such property as of January 1 of  
20 the year for which the study is being conducted; and

21 (ii) a statistically valid sample of sales using data  
22 from realty transfer certificates filed during the same  
23 taxable year or from the immediately preceding taxable year,  
24 but only if a sufficient number of certificates is  
25 unavailable from the current taxable year to provide a

1 statistically valid sample.

2 (b) The department shall determine the value-weighted  
3 mean sales assessment ratio "M" for all such property and  
4 reduce the taxable value of property described in subsection  
5 (4) only, by multiplying the total statewide taxable value  
6 of property described in subsection (4) by "M" prior to  
7 calculating "A" in subsection (3).

8 (c) The adjustment referred to in subsection (4)(b)  
9 will be made beginning January 1, 1986, and in each  
10 subsequent tax year to equalize the railroad taxable values.

11 (5) For the purpose of complying with the Railroad  
12 Revitalization and Regulatory Reform Act of 1976, as it read  
13 on January 1, 1986, the rate "R" referred to in this section  
14 is the equalized average tax rate generally applicable to  
15 commercial and industrial property, except class fifteen  
16 property, as commercial property is defined in  
17 15-1-101(1)(d)."

18 Section 14. Section 15-6-147, MCA, is amended to read:

19 "15-6-147. Class seventeen property -- description --  
20 taxable percentage. (1) Class seventeen property includes  
21 all airline transportation real property and improvements as  
22 described in the Tax Equity and Fiscal Responsibility Act of  
23 1982 as it read on January 1, 1986.

24 (2) For the taxable years 1986 through 1990 class  
25 seventeen property is taxed at 12%, and for each taxable

1 year thereafter, class seventeen property is taxed at the  
 2 lesser of 12% or the percentage rate for class fifteen  
 3 property without adjustment.

4 (3) For the purpose of complying with the Tax Equity  
 5 and Fiscal Responsibility Act of 1982, as it read on January  
 6 1, 1986, the rate "R" referred to in this section is the  
 7 equalized average tax rate generally applicable to  
 8 commercial and industrial property, except class seventeen  
 9 property, as commercial property is defined in  
 10 15-1-101(1)(d)."

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

12 "15-6-201. Exempt categories. (1) The following  
 13 categories of property are exempt from taxation:

14 (a) all personal property;

15 (b) the property of:

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

25 (ii) irrigation districts organized under the laws of

1 Montana and not operating for profit;

2 (iii) municipal corporations; and

3 (iv) public libraries;

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

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

12 ~~(d)(e)~~ property that meets the following conditions:

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

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

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

22 ~~(e)(f)~~ institutions of purely public charity;

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

25 ~~(g)(h)~~ public art galleries and public observatories

1 not used or held for private or corporate profit;

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

7 ~~{i}--a--truck-canopy-cover-or-topper-weighing-less-than~~  
8 ~~300-pounds--and--having--no--accommodations--attached.--Such~~  
9 ~~property-is-also-exempt-from-the-fee-in-lieu-of-tax;~~

10 ~~{j}--a--bicycle,--as--defined--in-61-1-123,--used-by-the~~  
11 ~~owner-for-personal-transportation-purposes;~~

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

14 ~~{l}--motorcycles-and-quadricycles;~~

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

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

24 {o}{k} property owned and used by a corporation or  
25 association organized and operated exclusively for the care

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

4 {p}{l} all farm buildings with a market value of less  
5 than \$500 ~~and-all-agricultural-implements-and-machinery-with~~  
6 ~~a-market-value-of-less-than-\$100.~~

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

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

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

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

23 (b) \$100,000 in the case of a multifamily residential  
24 dwelling or a nonresidential structure. (Subsection (1)(p)  
25 [(1)(1)] applicable to taxable years beginning after

1 December 31, 1985--sec. 4, Ch. 463, L. 1985.)"

2 Section 16. Section 15-6-203, MCA, is amended to read:

3 "15-6-203. Veterans' clubhouse exemption --

4 incompetent veterans' trusts. (1) When a clubhouse or

5 building erected by or belonging to any society or

6 organization of honorably discharged United States military

7 personnel is used exclusively for educational, fraternal,

8 benevolent, or purely public charitable purposes rather than

9 for gain or profit, ~~together with the library and furniture~~

10 ~~necessarily used in any such building,~~ such property is

11 exempt from taxation.

12 (2) All property, ~~real or personal,~~ in the possession

13 of legal guardians of incompetent veterans of U.S. military

14 service or minor dependents of such veterans, where such

15 property is funds or derived from funds received from the

16 United States as pension, compensation, insurance, adjusted

17 compensation, or gratuity, shall be exempt from all taxation

18 as property of the United States while held by the guardian,

19 but not after title passes to the veteran or minor in his or

20 her own right on account of removal of legal disability."

21 Section 17. Section 15-7-102, MCA, is amended to read:

22 "15-7-102. Notice of classification and appraisal to

23 owners -- appeals. (1) It shall be the duty of the

24 department of revenue to cause to be mailed to each owner

25 and purchaser under contract for deed a notice of the

1 classification of the land owned or being purchased by him

2 and the appraisal of the improvements thereon only if one or

3 more of the following changes pertaining to the land or

4 improvements have been made since the last notice:

5 (a) change in ownership;

6 (b) change in classification; or

7 (c) change in valuation; or

8 ~~(d) addition or subtraction of personal property~~

9 ~~affixed to the land.~~

10 (2) The notice of classification and appraisal

11 provided by the department under subsection (1) must be on

12 a standardized form adopted by the department containing

13 sufficient information in a comprehensible manner designed

14 to fully inform the taxpayer as to the classification and

15 appraisal of his property and of changes over the prior tax

16 year.

17 (3) If the owner of any land and improvements is

18 dissatisfied with the appraisal or classification of his

19 land or improvements, he may submit his objection in writing

20 to the department's agent. The department shall give

21 reasonable notice to such taxpayer of the time and place of

22 hearing and hear any testimony or other evidence which the

23 taxpayer may desire to produce at such time and afford the

24 opportunity to other interested persons to produce evidence

25 at such hearing. Thereafter, the department shall determine

1 the true and correct appraisal and classification of such  
 2 land or improvements and forthwith notify the taxpayer of  
 3 its determination. In the notification, the department must  
 4 state its reasons for revising the classification or  
 5 appraisal. When so determined, the land shall be classified  
 6 and improvements appraised in the manner ordered by the  
 7 department.

8 (4) Whether a hearing as provided in subsection (3) is  
 9 held or not, the department or its agent may not adjust an  
 10 appraisal or classification upon taxpayer's objection  
 11 unless:

12 (a) the taxpayer has submitted his objection in  
 13 writing; and

14 (b) the department or its agent has stated its reason  
 15 in writing for making the adjustment.

16 (5) A taxpayer's written objection to a classification  
 17 or appraisal and the department's notification to the  
 18 taxpayer of its determination and the reason for that  
 19 determination are public records. Each county appraiser  
 20 shall make such records available for inspection during  
 21 regular office hours.

22 (6) If any property owner shall feel aggrieved at the  
 23 classification and/or the appraisal so made by the  
 24 department, he shall have the right to appeal to the county  
 25 tax appeal board and then to the state tax appeal board,

1 whose findings shall be final subject to the right of review  
 2 in the proper court or courts."

3 Section 18. Section 15-8-104, MCA, is amended to read:

4 "15-8-104. Department audit of taxable value -- costs  
 5 of audit paid by department. (1) When in the judgment of the  
 6 director of revenue it is necessary, audits may be made for  
 7 the purpose of determining the taxable value of net proceeds  
 8 of mines and oil and gas wells and all other types of  
 9 property subject to ad valorem taxation.

10 ~~{2}--The--department-of-revenue-shall-conduct-audits-of~~  
 11 ~~the-assessment-of-all-commercial-personal-property-to-assure~~  
 12 ~~that-the-value-of-the-property--in--those--classes--reflects~~  
 13 ~~market--value.---Because--the--assessed--value-of-commercial~~  
 14 ~~personal--property--is--defined--as---market---value---under~~  
 15 ~~15-8-111(2),--the-audits-conducted-by-the-department-shall-be~~  
 16 ~~primarily-directed-toward-ensuring-that-all-taxable-personal~~  
 17 ~~property-is-reported-to-the-department.~~

18 ~~{3}{2}~~ The cost of any audit performed under  
 19 subsection (1) or ~~{2}~~ shall be paid by the department."

20 Section 19. Section 15-8-111, MCA, is amended to read:

21 "15-8-111. Assessment -- market value standard --  
 22 exceptions. (1) All taxable property must be assessed at  
 23 100% of its market value except as otherwise provided in  
 24 subsection ~~{5}~~ of this section and in ~~15-7-111~~ through  
 25 ~~15-7-114~~.

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

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

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

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

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

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

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

5 (5) (4) The taxable value for all property in classes  
6 four through eleven and fifteen through nineteen is the  
7 percentage of market or assessed value established for each  
8 class of property in 15-6-134 through 15-6-141 and 15-6-145  
9 through 15-6-149.

10 (6) (5) The assessed value of properties in 15-6-131  
11 through 15-6-133 is as follows:

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

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

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

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

1        ~~{7}~~(6) Land and the improvements thereon are  
2 separately assessed when any of the following conditions  
3 occur:

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

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

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

8        ~~{8}~~The taxable value of all property in 15-6-131 and  
9 classes two, three, and thirteen is the percentage of  
10 assessed value established in 15-6-131(2), 15-6-132,  
11 15-6-133, and 15-6-143 for each class of property.  
12 (Subsections (3)(a) and (3)(b) [now deleted] applicable to  
13 tax years beginning after December 31, 1985--sec. 4, Ch.  
14 463, L. 1985. Subsection (6)(d) [(5)(d)] and references in  
15 (8) [now deleted] to class thirteen and 15-6-143 terminate  
16 January 1, 1991--sec. 10, Ch. 681, L. 1985.)"

17        Section 20. Section 15-8-201, MCA, is amended to read:

18        "15-8-201. General assessment day. (1) The department  
19 of revenue or its agent must, between January 1 and the  
20 second Monday of July in each year, ascertain the names of  
21 all taxable inhabitants and assess all property subject to  
22 taxation in each county. The department or its agent must  
23 assess property to the person by whom it was owned or  
24 claimed or in whose possession or control it was at midnight  
25 of January 1 next preceding if the property becomes subject

1        to taxation under 15-6-134. It must also ascertain and  
2 assess all mobile homes arriving in the county after  
3 midnight of January 1 next preceding that become an  
4 improvement to real property. No mistake in the name of the  
5 owner or supposed owner of real property, however, renders  
6 the assessment invalid.

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

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

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

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

16        ~~(d)(c)~~ motorcycles and quadricycles;

17        ~~(e) livestock;~~

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

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

24        (3) Credits must be assessed as provided in  
25 15-1-101~~(1)~~~~(d)~~(1)(f)."



1 Section 21. Section 15-8-301, MCA, is amended to read:

2 "15-8-301. Statement -- what to contain. (1) The  
3 department of revenue or its agent must require from each  
4 person a statement under oath setting forth specifically all  
5 the real ~~and--personal~~ property and improvements owned by  
6 such person or in his possession or under his control at  
7 midnight on January 1. Such statement must be in writing,  
8 showing separately:

9 (a) all property belonging to, claimed by, or in the  
10 possession or under the control or management of such  
11 person;

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

15 (c) all property belonging to, claimed by, or in the  
16 possession or under the control or management of any  
17 corporation of which such person is president, secretary,  
18 cashier, or managing agent;

19 (d) the county in which such property is situated or  
20 in which it is liable to taxation and (if liable to taxation  
21 in the county in which the statement is made) also the city,  
22 town, school district, road district, or other revenue  
23 districts in which it is situated;

24 (e) an exact description of all lands in parcels or  
25 subdivisions not exceeding 640 acres each and the sections

1 and fractional sections of all tracts of land containing  
2 more than 640 acres which have been sectionized by the  
3 United States government; improvements ~~and--personal~~  
4 ~~property,--including--all--vessels,--steamers,--and--other~~  
5 ~~watercraft; all--taxable--state,--county,--city,--or--other~~  
6 ~~municipal--or--public--bonds--and--the--taxable--bonds--of--any~~  
7 ~~person,--firm,--or--corporation--and--deposits--of--money,--gold~~  
8 ~~dust,--or--other--valuables--and--the--names--of--the--persons--with~~  
9 ~~whom--such--deposits--are--made--and--the--places--in--which--they--may~~  
10 ~~be--found; all mortgages, deeds of trust, contracts, and~~  
11 ~~other obligations by which a debt is secured and the taxable~~  
12 ~~property in the county affected thereby;~~

13 ~~(f) all solvent credits, secured or unsecured, due or~~  
14 ~~owing to such person or any firm of which he is a member or~~  
15 ~~due or owing to any corporation of which he is president,~~  
16 ~~secretary, cashier, or managing agent;~~

17 ~~(g)(f) all depots, shops, stations, buildings, and~~  
18 ~~other structures erected on the space covered by the~~  
19 ~~right-of-way and all other taxable property owned by any~~  
20 ~~person owning or operating any railroad within the county.~~

21 (2) Whenever one member of a firm or one of the proper  
22 officers of a corporation has made a statement showing the  
23 property of the firm or corporation, another member of the  
24 firm or another officer need not include such property in  
25 the statement made by him but this statement must show the

1 name of the person or officer who made the statement in  
2 which such property is included.

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

6 Section 22. Section 15-8-407, MCA, is amended to read:

7 "15-8-407. Railroads and other franchises. (1) The  
8 franchise, roadway, roadbed, rails, ~~rolling-stock~~, and all  
9 other operating taxable property of all railroads operated  
10 in more than one county or more than one state must be  
11 assessed by the department of revenue as hereinafter  
12 provided.

13 (2) Other franchises, if granted by the authorities of  
14 a county or city, must be assessed in the county or city  
15 within which they were granted; if granted by any other  
16 authority, they must be assessed in the county in which the  
17 corporations, firms, or persons owning or holding them have  
18 their principal place of business."

19 Section 23. Section 15-8-701, MCA, is amended to read:

20 "15-8-701. Assessment book -- definition -- listing  
21 property in. (1) Unless the context clearly indicates  
22 otherwise, the term "assessment book" means the record kept  
23 in each county by the agent of the department of revenue and  
24 which contains the information described in subsection (3).  
25 The term includes, in a county wherein the assessment book

1 is kept on a computer system, the information on the system  
2 analogous to the information described in subsection (3).

3 (2) The form of the assessment book must be as  
4 directed by the department.

5 (3) The department must prepare an assessment book  
6 with appropriate headings, alphabetically arranged, in which  
7 must be listed all property within the state and in which  
8 must be specified, in separate columns under the appropriate  
9 head:

10 (a) the name of the person to whom the property is  
11 assessed;

12 (b) land, by township, range, section or fractional  
13 section, and when such land is not a United States land  
14 division or subdivision, by metes and bounds or other  
15 description sufficient to identify it, giving an estimate of  
16 the number of acres, not exceeding in each and every tract  
17 640 acres, locality, and the improvements thereon;

18 (c) city and town lots, naming the city or town and  
19 the number of the lot and block, according to the system of  
20 numbering in such city or town, and the value of same with  
21 improvements thereon;

22 (d) all taxable ~~personal~~ property improvements,  
23 showing the number, kind, ~~amount~~, and quality; but a failure  
24 to enumerate in detail such ~~personal~~ property does not  
25 invalidate the assessment;

1 (e) the assessed value of real estate other than city  
2 or town lots;

3 (f) the assessed value of city and town lots with  
4 improvements thereon, except that a lot and improvements  
5 thereon shall be separately listed when required under  
6 15-8-111;

7 (g) the assessed value of improvements on real estate  
8 assessed to persons other than the owners of the real  
9 estate. Taxable improvements owned by a person, located upon  
10 land exempt from taxation, shall, as to the manner of  
11 assessment, be assessed as other real estate upon the  
12 assessment roll. No value, however, may be assessed against  
13 the exempt land, nor under any circumstances may the land be  
14 charged with or become responsible for the assessment made  
15 against any taxable improvements located thereon.

16 ~~{h}--the---assessed---value--of--all---taxable--personal~~  
17 ~~property;~~

18 ~~{i}~~{h} the school, road, and other revenue districts  
19 in which each piece of property assessed is situated;

20 ~~{j}~~{i} the total assessed value of all property."

21 Section 24. Section 15-8-706, MCA, is amended to read:

22 "15-8-706. Statement by agent to the department. (1)  
23 On the second Monday in July in each year, the agent of the  
24 department of revenue in each county must transmit to the  
25 department a statement showing:

1 ~~{a}--the-several-kinds-of-personal-property;~~

2 ~~{b}--the-average-and-total-value-of-each-kind;~~

3 ~~{c}--the-number-of--livestock;--number--of--bushels--of~~  
4 ~~grain;--number--of-pounds-or-tons-of-any-article-sold-by-the~~  
5 ~~pound-or-ton;~~

6 ~~{d}~~ when practicable, the separate value of each class  
7 of land, specifying the classes and the number of acres in  
8 each.

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

14 Section 25. Section 15-10-105, MCA, is amended to  
15 read:

16 "15-10-105. Tax levy for the university system. There  
17 is levied upon the taxable value of all real ~~and-personal~~  
18 property in the state of Montana, subject to taxation, 6  
19 mills or so much thereof as is necessary to raise the amount  
20 appropriated by the legislature from the state special  
21 revenue fund for the support, maintenance, and improvement  
22 of the Montana university system and other public  
23 educational institutions subject to board of regents'  
24 supervision, as provided in referendum measure No. 75 passed  
25 by vote of the people at the general election held November

1 7, 1978; and the funds raised therefrom shall be deposited  
2 in the state special revenue fund."

3 Section 26. Section 15-10-302, MCA, is amended to  
4 read:

5 "15-10-302. County clerk -- duplicate statement. The  
6 county clerk and recorder shall, on or before the second  
7 Monday in August of each year, prepare from the assessment  
8 book of such year, as corrected by the department of revenue  
9 or its agent, duplicate statements showing in separate  
10 columns:

- 11 (1) the total value of all property;
- 12 (2) the value of real estate, including mining claims,  
13 stated separately;
- 14 (3) the value of the improvements thereon;
- 15 ~~{4}--the value of taxable personal property;~~
- 16 ~~{5}{4}~~ (4) the number of acres of land and the number of  
17 mining claims, stated separately."

18 Section 27. Section 15-16-117, MCA, is amended to  
19 read:

20 "15-16-117. ~~Personal property~~ ~~-----treasurer's~~  
21 Treasurer's duty to collect certain taxes on. (1) The county  
22 treasurer must demand payment of poor taxes, authorized by  
23 53-2-321, and road taxes, authorized by 7-14-2206 or  
24 7-14-2501 through 7-14-2504, of every person liable therefor  
25 whose name does not appear on the assessment lists, and on

1 the neglect or refusal of such person to pay the same, he  
2 must collect by seizure and sale of any taxable property  
3 owned by such person.

4 (2) These taxes shall be added upon the assessment  
5 lists to other taxes of persons liable therefor paying taxes  
6 upon real ~~and personal~~ property and paid to the county  
7 treasurer at the time of payment of other taxes, and all  
8 ~~personal~~ property assessed against a person shall be liable  
9 for the payment of such taxes.

10 ~~{3}--The procedure for the sale of such property by the~~  
11 ~~county treasurer for such taxes shall be regulated by~~  
12 ~~15-16-113 and chapter 17, part 9."~~

13 Section 28. Section 15-16-611, MCA, is amended to  
14 read:

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

24 (2) The county treasurer shall adjust the tax due and  
25 payable for the current year on the property under 15-16-102

1 as provided in subsection (3) of this section.

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

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

8 (b) multiply the amount of tax levied and assessed on  
9 the adjusted taxable value of the property for the remainder  
10 of the year by the ratio that the number of days remaining  
11 in the year after the destruction of the property bears to  
12 365.

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

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

19 Section 29. Section 15-18-103, MCA, is amended to  
20 read:

21 "15-18-103. Piecemeal redemption of land sold for  
22 taxes. ~~{1}~~ Whenever any person shall desire to redeem from a  
23 tax sale and pay all subsequent taxes upon any lot, piece,  
24 or parcel of real estate which said person shall own or hold  
25 a mortgage or other lien against or when such person shall

1 be the owner of or have some interest in such property, it  
2 shall be the duty of the county treasurer of the county in  
3 which such real estate is situated to permit such redemption  
4 and payment. In case the real estate shall have been  
5 assessed and sold, together with other real estate, or in  
6 case the tax assessed against any other property shall be a  
7 lien thereon, then it shall be the duty of said county  
8 treasurer to compute and apportion the tax that should have  
9 properly been assessed against the real estate sought to be  
10 redeemed and upon which the taxes are sought to be paid the  
11 same as if said property had been separately assessed.

12 ~~{2}--Any--personal--property--tax--which--is--a--lien--upon  
13 said--real--estate--shall--be--likewise--computed--and--apportioned  
14 on--the--same--percentage--basis--as--the--tax--assessed--against--the  
15 real--estate--is--apportioned;--"~~

16 Section 30. Section 15-18-205, MCA, is amended to  
17 read:

18 "15-18-205. Form of tax deed -- prima facie evidence.  
19 (1) The form of a tax deed of an estate in real property,  
20 executed by a county treasurer, may be made in substance as  
21 follows:

22 This indenture, made by and between .... (insert name  
23 of treasurer), county treasurer of the county of ....  
24 (insert name of county), in the state of Montana, the party  
25 of the first part, and .... (insert name of grantee), the

1 party of the second part, witnesseth:  
 2       Whereas, there was assessed for the year .... (insert  
 3 year) in the name of .... (insert name) that certain tract  
 4 of land hereinafter described, and the taxes for said year  
 5 levied against said property amounted to the sum of ....  
 6 (insert amount) dollars; and  
 7       Whereas, said taxes were not paid and said property was  
 8 sold for the payment of said taxes to .... (insert name of  
 9 grantee) on the .... (insert day) of .... (insert month),  
 10 A.D. .... (insert year) for the sum of .... (insert amount)  
 11 dollars and certificates of sale were duly issued and filed  
 12 as required by law; and  
 13       Whereas, no redemption from said sale has been made and  
 14 the said grantee has given the necessary notice of  
 15 application for tax deed as required by law;  
 16       Now, therefore, I, .... (insert name of treasurer),  
 17 county treasurer of the county of .... (insert name of  
 18 county), in the state of Montana, for and in consideration  
 19 of the sum of .... (insert amount) dollars paid do grant to  
 20 .... (insert name of grantee) all the property situated in  
 21 .... (insert name of county) County, state of Montana,  
 22 described as follows: .... (here insert description of the  
 23 land sold for taxes and sought to be conveyed).  
 24       Witness my hand this .... (insert day) day of ....  
 25 (insert month), A.D. .... (insert year).

1 .....  
 2       County treasurer of ..... County  
 3       State of Montana  
 4       (2) A tax deed executed in the form as provided in  
 5 this section, when duly acknowledged and proved, is prima  
 6 facie evidence that:  
 7       (a) the property was assessed as required by law;  
 8       (b) the property was equalized as required by law;  
 9       (c) the taxes were levied in accordance with law;  
 10       (d) the taxes were not paid;  
 11       (e) notice of tax sale was given and published and  
 12 property sold at the proper time and place as prescribed by  
 13 law;  
 14       (f) the property was not redeemed, and the proper  
 15 notice of application for deed has been served or posted as  
 16 required by law;  
 17       (g) the person who executed the deed was the proper  
 18 officer;  
 19       ~~(h) where the real estate was sold to pay taxes on~~  
 20       ~~personal property, the real estate belonged to the person~~  
 21       ~~liable to pay the tax."~~  
 22       Section 31. Section 15-18-305, MCA, is amended to  
 23 read:  
 24       "15-18-305. Defense to action -- redemption of  
 25 parcels. Any defendant may appear in the action within the

1 time provided by law for appearances in civil actions, may  
 2 set up any defense to the action he may have, and may  
 3 therein question the legality, validity, or the sufficiency  
 4 of any act had in connection with the assessment or sale of  
 5 the land. Any defendant to the action may make redemption of  
 6 the lands from the tax sale by paying the total amount of  
 7 delinquent taxes and penalties which plaintiff has paid,  
 8 with interest thereon at 8% a year from date of payment,  
 9 together with costs of the action. Upon such payment, a  
 10 certificate of redemption must be issued by the county  
 11 treasurer to the defendant so paying, and thereupon the  
 12 action must be dismissed. Whenever a defendant desires to  
 13 redeem from a tax sale and pay all subsequent taxes upon any  
 14 lot, piece, or parcel of real estate which such defendant  
 15 owns or holds a mortgage or other lien against or has any  
 16 interest in, the county treasurer of the county in which  
 17 such real estate is situated shall permit such redemption  
 18 and payment. In case the real estate has been assessed  
 19 against any other property and is a lien thereon, then the  
 20 county treasurer shall compute and apportion the tax that  
 21 should have properly been assessed against the real estate  
 22 sought to be redeemed and upon which the taxes are sought to  
 23 be paid, the same as if the property had been separately  
 24 assessed. ~~Any personal property tax which is a lien upon~~  
 25 ~~such real estate must be likewise computed and apportioned~~

1 ~~on-the-same-percentage-basis-as-the-tax-assessed-against-the~~  
 2 ~~real-estate-is-apportioned:"~~

3 Section 32. Section 15-23-101, MCA, is amended to  
 4 read:

5 "15-23-101. Properties centrally assessed. The  
 6 department of revenue shall centrally assess each year:

7 (1) the franchise, roadway, roadbeds, rails, ~~rolling~~  
 8 ~~stock~~, and all other operating taxable property of railroads  
 9 operating in more than one county in the state or more than  
 10 one state;

11 (2) property owned by a corporation or other person  
 12 operating a single and continuous property operated in more  
 13 than one county or more than one state, including telegraph,  
 14 telephone, microwave, electric power or transmission lines;  
 15 natural gas or oil pipelines; canals, ditches, flumes, or  
 16 like properties and including, if congress passes  
 17 legislation that allows the state to tax property owned by  
 18 an agency created by congress to transmit or distribute  
 19 electrical energy, property constructed, owned, or operated  
 20 by a public agency created by the congress to transmit or  
 21 distribute electric energy produced at privately owned  
 22 generating facilities (not including rural electric  
 23 cooperatives);

24 (3) all taxable property of scheduled airlines;

25 (4) the net proceeds of mines and of oil and gas

1 wells;

2 (5) the gross proceeds of coal mines; and

3 (6) property described in subsections (1) and (2)  
4 which is subject to the provisions of Title 15, chapter 24,  
5 part 12."

6 Section 33. Section 15-23-103, MCA, is amended to  
7 read:

8 "15-23-103. Due date of reports and returns --  
9 extensions. (1) Except as provided in subsection (2) and  
10 15-23-602, each report or return described in 15-23-301,  
11 ~~15-23-402~~, 15-23-502, or 15-23-701 shall be delivered to the  
12 department on or before March 31 each year.

13 (2) Each report or return for a natural gas or oil  
14 pipeline described in 15-23-301 must be delivered to the  
15 department on or before April 15 each year.

16 (3) Each report described in 15-23-201 shall be  
17 delivered to the department before April 15 each year.

18 (4) The department may for good cause extend the time  
19 for filing a return or report for not more than 30 days."

20 Section 34. Section 15-23-105, MCA, is amended to  
21 read:

22 "15-23-105. Apportionment among counties. The  
23 department shall apportion the value of property assessed  
24 under 15-23-101, or 15-23-202 ~~or~~ ~~15-23-403~~ among the  
25 counties in which such property is located. Apportionment

1 shall be on a mileage basis or on the basis of the original  
2 installed cost of the centrally assessed property located in  
3 the respective counties. If the property is of such a  
4 character that its value cannot reasonably be apportioned on  
5 the basis of mileage or on the basis of the original  
6 installed cost of the centrally assessed property located in  
7 the respective counties, the department may adopt such other  
8 method or basis of apportionment as may be just or proper."

9 Section 35. Section 15-23-106, MCA, is amended to  
10 read:

11 "15-23-106. Transmission to the counties. (1) On or  
12 before July 1, the department shall transmit to its agent in  
13 each county a statement listing:

14 (a) the assessed value of railroad property, as  
15 determined under 15-23-202, apportioned to the county,  
16 including the length or other description of such property;

17 (b) the assessed value of utility property, as  
18 determined under 15-23-303, apportioned to the county,  
19 including the length or other description of such property;

20 (c) the assessed value of property of airline  
21 companies, ~~as determined under 15-23-403~~, apportioned to the  
22 county; 90% of the value of the property of airline  
23 companies apportioned to any county by reason of a state  
24 airport being located in the county shall be stated  
25 separately from the remaining assessed value of the property



1 of airline companies apportioned to the county;

2 (d) the assessed value of the net proceeds and  
3 royalties from mines and oil and gas wells in the county, as  
4 determined under 15-23-503, 15-23-505, 15-23-603, and  
5 15-23-605; and

6 (e) the assessed value of the gross proceeds from coal  
7 mines, as described in 15-23-701.

8 (2) The agent of the department shall enter the  
9 assessed values so transmitted in the assessment book in a  
10 manner prescribed by the department."

11 Section 36. Section 15-23-201, MCA, is amended to  
12 read:

13 "15-23-201. Assessment of railroads. The president,  
14 secretary, or managing agent or such other officer as the  
15 department of revenue may designate of any corporation and  
16 each person or association of persons owning or operating  
17 any railroad in more than one county in this state or more  
18 than one state must on or before April 15 each year furnish  
19 the department a statement signed and sworn to by one of  
20 such officers or by the person or one of the persons forming  
21 such association, showing in detail for the year ending  
22 December 31 immediately preceding:

23 (1) the whole number of miles of railroad in the state  
24 and, where the line is partly out of the state, the whole  
25 number of miles without the state and the whole number

1 within the state, owned or operated by such corporation,  
2 person, or association;

3 (2) the value of the roadway, roadbed, and rails of  
4 the whole railroad and the value of the same within the  
5 state;

6 (3) the width of the right-of-way;

7 ~~(4) the number of each kind of all rolling stock used~~  
8 ~~by such corporation, person, or association in operating the~~  
9 ~~entire railroad, including the part without the state;~~

10 ~~(5) the number, kind, and value of rolling stock owned~~  
11 ~~and operated in the state;~~

12 ~~(6) the number, kind, and value of rolling stock used~~  
13 ~~in the state but not owned by the party making the returns;~~

14 ~~(7) the number, kind, and value of rolling stock owned~~  
15 ~~but used out of the state, either upon divisions of road~~  
16 ~~operated by the party making the returns or by and upon~~  
17 ~~other railroads;~~

18 ~~(8)~~ (4) the whole number of sidetracks in each county,  
19 including the number of miles of track in each railroad yard  
20 in the state;

21 ~~(9) the number of each kind of rolling stock used in~~  
22 ~~operating the entire railroad, including the part without~~  
23 ~~the state, which must include a detailed statement of the~~  
24 ~~number and value thereof of all engines, passenger, mail,~~  
25 ~~express, baggage, freight, and other cars, or property owned~~

~~or-leased-by-such-corporation, person, or association;~~  
~~{10}-the-number-of-sleeping-and-dining-cars-not-owned~~  
~~by-such-corporation, person, or association-but-used-in~~  
~~operating-the-railroads-of-such-corporation, person, or~~  
~~association-in-the-state-or-on-the-line-of-the-road-without~~  
~~the-state-during-each-month-of-the-year-for-which-the-return~~  
~~is-made;--also-the-number-of-miles-each-month-the-cars-have~~  
~~been-run-or-operated-within-and-without-the-state;~~

~~{11}{5} a description of the road, giving the points~~  
~~of entrance into and the points of exit from each county,~~  
~~with a statement of the number of miles in each county. When~~  
~~a description of the road has once been given, no other~~  
~~annual description thereof is necessary unless the road has~~  
~~been changed. Whenever the road or any portion of the road~~  
~~is advertised to be sold or is sold for taxes, either state~~  
~~or county, no other description is necessary than that given~~  
~~by, and the same is conclusive upon, the person,~~  
~~corporation, or association giving the description. No~~  
~~assessment is invalid on account of a misdescription of the~~  
~~railroad or the right-of-way for the same. If such statement~~  
~~is not furnished as above provided, the assessment made by~~  
~~the department upon the property of the corporation, person,~~  
~~or association failing to furnish the statement is~~  
~~conclusive and final.~~

~~{12}{6} the gross earnings of the entire road;~~

~~{13}{7} the gross earnings of the road within the~~  
~~state and, if the railroad is let to other operators, how~~  
~~much was derived by the lessor as rental;~~

~~{14}{8} the cost of operating the entire road,~~  
~~exclusive of sinking fund, expenses of land department, and~~  
~~money paid to the United States;~~

~~{15}{9} net income for such year and amount of~~  
~~dividend declared;~~

~~{16}{10} capital stock authorized;~~

~~{17}{11} capital stock paid in;~~

~~{18}{12} funded debt;~~

~~{19}{13} number of shares authorized;~~

~~{20}{14} number of shares of stock issued;~~

~~{21}{15} any other facts the department may require."~~

~~Section 37. Section 15-23-202, MCA, is amended to~~  
~~read:~~

~~"15-23-202. Assessment -- how made. (1) The department~~  
~~must assess the franchise, roadway, roadbed, rails, rolling~~  
~~stock, and all other operating taxable properties of all~~  
~~railroads operated in more than one county or more than one~~  
~~state. All-rolling-stock-must-be-assessed-in-the-name-of-the~~  
~~person-owning, leasing, or using the same.--Assessment--must~~  
~~be--made--to--the-person-owning-or-leasing-or-using-the-same~~  
~~and-must-be-made-upon-the-entire-railroad-within-the--state.~~  
~~The depots, stations, shops, and buildings erected upon the~~

1 space covered by the right-of-way and all other taxable  
 2 property owned or leased by such person, except as above  
 3 provided, shall be assessed by the department.

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

9 Section 38. Section 15-23-501, MCA, is amended to  
 10 read:

11 "15-23-501. Taxation of mines. All mines and mining  
 12 claims, both placer and rock in place, containing or bearing  
 13 gold, silver, copper, lead, coal, or other valuable mineral  
 14 deposits, after purchase thereof from the United States,  
 15 shall be taxed as all other land is taxed. All machinery  
 16 used---in---mining---and---all real property and surface  
 17 improvements upon or appurtenant to mines and mining claims  
 18 which have a value separate and independent of such mines or  
 19 mining claims and the annual net proceeds of all mines and  
 20 mining claims shall be taxed ~~as other personal property.~~"

21 Section 39. Section 15-23-503, MCA, is amended to  
 22 read:

23 "15-23-503. Net proceeds -- how computed. (1) The  
 24 department of revenue shall calculate from the returns the  
 25 gross product yielded from such mine and its gross value for

1 the year covered by the statement and shall calculate and  
 2 compute the net proceeds of the mine yielded to the person  
 3 engaged in mining. Net proceeds shall be determined by  
 4 subtracting from the value of the gross product thereof the  
 5 following:

6 (a) all royalty paid or apportioned in cash or in kind  
 7 by the person so engaged in mining;

8 (b) all moneys expended for necessary labor,  
 9 machinery, and supplies needed and used in the mining  
 10 operations and developments;

11 (c) all moneys expended for improvements, repairs, and  
 12 betterments necessary in and about the working of the mine,  
 13 except as hereinafter provided;

14 (d) all moneys expended for costs of repairs and  
 15 replacements of the milling and reduction works used in  
 16 connection with the mine;

17 (e) depreciation in the sum of 6% of the assessed  
 18 valuation of such milling and reduction works for the  
 19 calendar year for which such return is made;

20 (f) all moneys actually expended for transporting the  
 21 ores and mineral products or deposits from the mines to the  
 22 mill or reduction works or to the place of sale and for  
 23 extracting the metals and minerals therefrom and for  
 24 marketing the product and the conversion of the same into  
 25 money;

1 (g) all moneys expended for insurance and welfare and  
2 retirement costs reported in the statement required in  
3 15-23-502;

4 (h) all moneys expended for necessary labor,  
5 equipment, and supplies for testing minerals extracted to  
6 satisfy federal or state health and safety laws or  
7 regulations, for plant security in Montana, for assaying and  
8 sampling the extracted minerals, for the cost of reclamation  
9 at the site of the mine, and for engineering and geological  
10 services conducted in Montana for existing mining operations  
11 but not including any such services beyond the stage of  
12 reduction and beneficiation of the minerals.

13 (2) In computing the deductions allowable for repairs,  
14 improvements, and betterments to the mine, the department  
15 shall allow 10% of such cost each year for a period of 10  
16 years.

17 (3) No moneys invested in mines or improvements may be  
18 allowed as a deduction unless all ~~machinery~~~~equipment~~~~and~~  
19 ~~buildings~~ improvements represented by such moneys are  
20 returned to the county in which such mine is located for  
21 assessment purposes at the level of assessment of all other  
22 property in such county.

23 (4) No moneys invested in the mines and improvements  
24 during any year except the year for which such statement is  
25 made and except as provided in this section may be included

1 in such expenditures, and such expenditures may not include  
2 the salaries or any portion thereof of any person or officer  
3 not actually engaged in the working of the mine or  
4 superintending the management thereof."

5 Section 40. Section 15-23-504, MCA, is amended to  
6 read:

7 "15-23-504. Lien of tax and penalty. The tax and  
8 penalty so assessed on net proceeds are a lien upon all of  
9 the right, title, and interest of such operator in or to  
10 such mine or mining claim and upon all of the right, title,  
11 and interest in or to the ~~machinery~~~~buildings~~~~tools~~~~and~~  
12 ~~equipment~~ improvements used in operating the mine or mining  
13 claim. The tax and penalty on such net proceeds may be  
14 collected and the payment enforced by the seizure and sale  
15 of the ~~personal~~ property upon which the tax and penalty are  
16 a lien ~~in the same manner as other personal property is~~  
17 ~~seized and sold for delinquent taxes or by the sale of the~~  
18 ~~mine and improvements~~, as provided for the sale of real  
19 property for delinquent taxes, or by the institution of a  
20 civil action for its collection in any court of competent  
21 jurisdiction. Resort to any one of the methods of enforcing  
22 collection shall not bar the right to resort to either or  
23 both of the other methods, but any two or all of the methods  
24 may be used until the full amount of such tax and penalty is  
25 collected."

1 Section 41. Section 15-23-508, MCA, is amended to  
2 read:

3 "15-23-508. Lien of tax -- enforcement of payment. (1)  
4 The taxes on such net proceeds must be levied as the levy of  
5 other taxes is provided for, and every such tax is a lien  
6 upon the mine or mining claim from which the ore or mineral  
7 products or deposits are mined or extracted and is a prior  
8 lien upon all ~~personal-property-and~~ improvements used in the  
9 process of extracting such ore or mineral products or  
10 deposits, provided such ~~personal-or~~ real property is owned  
11 by or under lease by the person who extracted said ore,  
12 mineral products, or deposits.

13 (2) The tax on such net proceeds may be collected and  
14 the payment thereof enforced by the seizure and sale of the  
15 ~~personal--property--upon-which-the-tax-is-a-lien-in-the-same~~  
16 ~~manner-as-other-personal-property-is--seized--and--sold--for~~  
17 ~~delinquent--taxes-or-by-the-sale-of-the~~ mine or mining claim  
18 and improvements, as provided for the sale of real property  
19 for delinquent taxes, or by the institution of a civil  
20 action for its collection in any court of competent  
21 jurisdiction. A resort to ~~any~~ one of the methods of  
22 enforcing collection as herein provided for shall not bar  
23 the right to resort to ~~either-or-both-of~~ the other ~~methods,~~  
24 ~~but-any-two-or-all-of-the-methods-herein-provided-for-may-be~~  
25 ~~used-until-the-full-amount-of-such-tax-is-collected~~ method."

1 Section 42. Section 15-23-522, MCA, is amended to  
2 read:

3 "15-23-522. Surface ground and improvements not  
4 exempt. Nothing in this part must be construed so as to  
5 exempt from taxation the surface ground, improvements,  
6 buildings, erections, or structures, ~~--or--machinery~~ placed  
7 upon any mine or mining claim or used in connection  
8 therewith or supplies used either in mills, reduction works,  
9 or mines."

10 Section 43. Section 15-23-608, MCA, is amended to  
11 read:

12 "15-23-608. Lien of tax and penalty -- enforcement of  
13 payment. (1) The taxes and/or penalties on such net proceeds  
14 must be levied as the levy of other taxes is provided for.  
15 Every such tax and/or penalty is a lien upon the mine from  
16 which the natural gas, petroleum, or crude or mineral oil is  
17 mined or extracted and is a prior lien upon all ~~personal~~  
18 ~~property--and~~ improvements used in the process of extracting  
19 such natural gas, petroleum, or crude or mineral oil;  
20 provided, however, that such ~~personal-or-real~~ property is  
21 owned by or under lease by the person who extracted said  
22 natural gas, petroleum, or other crude or mineral oil.

23 (2) The tax and/or penalty on such net proceeds may be  
24 collected and the payment thereof enforced by the seizure  
25 and sale of ~~the-personal-property-upon-which-the-tax--and/or~~

~~penalty is a lien in the same manner as other personal property is seized and sold for delinquent taxes or by the sale of the mine and improvements as provided for the sale of real property for delinquent taxes or by the institution of a civil action for its collection in any court of competent jurisdiction, provided however that a A resort to any one of the methods of enforcing collection, as herein provided for, shall not bar the right to resort to either or both of the other methods but that any two or all of the methods herein provided for may be used until the full amount of such tax and/or penalty is collected method."~~

Section 44. Section 15-23-~~1~~, MCA, is amended to read:

"15-23-611. Surface ground and improvements not exempt. Nothing in this part must be construed so as to exempt from taxation the surface ground, improvements, buildings, erections, or structures ~~or machinery~~ placed upon any mine ~~or supplies used in connection therewith.~~"

Section 45. Section 15-23-704, MCA, is amended to read:

"15-23-704. Lien of tax -- enforcement of payment. The tax on gross proceeds from coal shall be levied as taxes on other forms of property, and this tax and the severance tax on coal production are each a lien upon the coal mine and a prior lien upon all ~~personal property and~~ improvements used

to produce the coal. These taxes may be collected by the seizure and sale of the ~~personal~~ property on which the tax is a lien ~~as provided under 15-16-113 and chapter 17, part 9~~ or by suit under 15-16-501 and 15-16-502."

Section 46. Section 15-23-806, MCA, is amended to read:

"15-23-806. Lien of tax. The tax or penalty on gross proceeds is a lien upon the mine from which the metal is extracted and is a prior lien upon all owned or leased ~~personal~~ taxable property and improvements used in extracting the ore or metal. The tax shall be collected in the manner provided in chapters 16, 17, and 18 of this title."

Section 47. Section 15-24-601, MCA, is amended to read:

"15-24-601. Assessment and taxation of insurance companies. Every insurance company organized under the laws of the state shall be assessed and taxed upon its real estate and ~~personal property~~ improvements at the same rate and in the same manner as other property is assessed and taxed in this state."

Section 48. Section 15-24-701, MCA, is amended to read:

"15-24-701. Production credit associations -- assessment and payment. Every production credit association

1 organized under the provisions of section 1131d of Title 12,  
 2 United States Codes Annotated, shall be assessed for and pay  
 3 taxes upon all real ~~and-personal~~ property and improvements  
 4 owned by such association."

5 Section 49. Section 15-24-801, MCA, is amended to  
 6 read:

7 "15-24-801. Savings and loan associations -- taxation.  
 8 Every savings and loan association subject to regulation  
 9 under Title 32, chapter 2, shall be assessed for and pay  
 10 taxes upon all real ~~and-personal~~ property and improvements  
 11 owned by the association. The secretary of an association  
 12 shall furnish to the department of revenue or its agent in  
 13 the county in which the principal office of the association  
 14 is located, within 5 days after demand, a condensed  
 15 statement verified by his oath of the resources and  
 16 liabilities of the association as disclosed by its books at  
 17 noon on January 1 in each year. If the secretary fails to  
 18 make the statement hereby required, the department or its  
 19 agent shall immediately obtain the information from any  
 20 other available source, and for this purpose it shall have  
 21 access to the books of the association. The department or  
 22 its agent shall thereupon make an assessment of the real  
 23 estate and ~~personal--property~~ improvements owned by the  
 24 association, which assessment shall be as fair and equitable  
 25 as it may be able to make from the best information

1 available, or the assessor may, for the purpose of the  
 2 assessment, adopt the figures disclosed by any prior report  
 3 made by the association to any state or federal officer  
 4 under a state or federal law. A person required by this  
 5 section to make the statement provided for in this section  
 6 who fails to furnish it is guilty of a misdemeanor."

7 Section 50. Section 15-24-1001, MCA, is amended to  
 8 read:

9 "15-24-1001. Custom combiner's tax -- collection --  
 10 distribution -- not transferable. (1) In lieu of ~~the--taxes~~  
 11 ~~required--by--15-24-301-and-in-lieu-of~~ motor vehicle license  
 12 fees, gross vehicle weight fees, and overwidth and  
 13 overheight permits provided for in Title 61, a nonresident  
 14 engaged in the business of custom combining who brings  
 15 equipment into the state shall pay a fee of \$40 per unit. A  
 16 unit shall include:

- 17 (a) one truck suitable for hauling grain;
- 18 (b) one header trailer or one combine trailer; and
- 19 (c) pickup trucks and all other equipment, except  
 20 combines, used by a nonresident and brought into the state  
 21 as part of his business of custom combining.

22 (2) In lieu of gross vehicle weight fees and overwidth  
 23 and overheight permits, Montana residents engaged in the  
 24 business of custom combining may pay the annual farm gross  
 25 vehicle weight fees and a fee of \$20 per unit. A unit

1 includes:

- 2 (a) one truck suitable for hauling grain;  
 3 (b) one header trailer or one combine trailer; and  
 4 (c) pickup trucks used by the resident in his business  
 5 of custom combining.

6 (3) The fee required by this section must be collected  
 7 by the department of highways. Upon payment of the fee, the  
 8 department of highways must provide an identifying device to  
 9 be displayed on each truck, header trailer, or combine  
 10 trailer and other equipment used by the nonresident or  
 11 resident in his business of custom combining in the state,  
 12 which device is valid for the calendar year in which the fee  
 13 is collected.

14 (4) All fees collected under this section must be  
 15 distributed not later than January 31 immediately following  
 16 the period of license as follows: 62 1/2% to the county  
 17 general fund in the county in which the permittee declares  
 18 the greatest amount of time will be spent to operate,  
 19 37 1/2% to the state special revenue fund for the department  
 20 of highways.

21 (5) The identifying devices and fee paid for each unit  
 22 are not transferable from one vehicle to another or  
 23 transferable on the sale or change of ownership.

24 (6) Any owner or operator of any equipment included in  
 25 the unit definition in subsection (1) or (2) of this section

1 who violates any provision of this section is guilty of a  
 2 misdemeanor and punishable by a fine of not more than \$300  
 3 or by a sentence of not more than 60 days in the county  
 4 jail, or both."

5 Section 51. Section 15-24-1101, MCA, is amended to  
 6 read:

7 "15-24-1101. Federal property held under contract by  
 8 private person subject to taxation. Real ~~and/or-personal~~  
 9 property and improvements of the United States or any  
 10 department or agency thereof held under contract of sale,  
 11 lease, or other interest or estate therein by any person for  
 12 his exclusive use shall be subject to assessment for ad  
 13 valorem property taxation as provided in this part; provided  
 14 that this part shall not apply to real property and  
 15 improvements held and in immediate use and occupation by  
 16 this state or any county, municipal corporation, or  
 17 political subdivision therein."

18 Section 52. Section 15-24-1104, MCA, is amended to  
 19 read:

20 "15-24-1104. Collection of taxes on interests in  
 21 United States lands. In addition to all other remedies  
 22 available for the collection of taxes, all taxes levied in  
 23 any year against property held as under the provisions of  
 24 this part shall be a debt due and owing from the person so  
 25 holding such property as of the date of delinquency for



1 taxes on property for such tax year. If any such tax be not  
 2 paid within 1 year from such date, the county within which  
 3 such property is located may institute for itself, the state  
 4 of Montana, and all other municipal corporations sharing in  
 5 such taxes an action for the collection of said taxes,  
 6 together with interest, costs, and other lawful charges  
 7 thereon. At the time of commencement of such action, the  
 8 county shall have the benefit of all laws of this state  
 9 pertaining to provisional remedies against the taxable  
 10 properties, either real or personal, of said the person."

11 Section 53. Section 15-24-1203, MCA, is amended to  
 12 read:

13 "15-24-1203. Privilege tax on gainful use of  
 14 tax-exempt property -- exceptions. After March 17, 1969,  
 15 there is imposed and shall be collected a tax upon the  
 16 possession or other beneficial use enjoyed by any private  
 17 individual, association, or corporation of any property,  
 18 real or personal, property and improvements which for any  
 19 reason is are exempt from taxation. No tax may be imposed  
 20 upon the possession or other beneficial use of buildings  
 21 owned by public entities and located upon public airports.  
 22 However, privately owned buildings located on such airport  
 23 property are subject to tax. No tax shall be imposed upon  
 24 the possession or other beneficial use of public lands  
 25 occupied under the terms of mineral, timber, or grazing

1 leases or permits issued by the United States or the state  
 2 of Montana or upon any easement unless the lease, permit, or  
 3 easement entitles the lessee or permittee to exclusive  
 4 possession of the premises to which the lease, permit, or  
 5 easement relates. The tax shall be imposed upon the  
 6 possession or other beneficial use of an electric  
 7 transmission line and associated facilities, except that  
 8 lines and facilities of a design capacity of less than 500  
 9 kilovolts shall not be subject to the tax."

10 Section 54. Section 20-15-403, MCA, is amended to  
 11 read:

12 "20-15-403. Applications of other school district  
 13 provisions. (1) When the term "school district" appears in  
 14 the following sections outside of Title 20, the term  
 15 includes community college districts and the provisions of  
 16 those sections applicable to school districts apply to  
 17 community college districts: 2-9-101, 2-9-111, 2-9-316,  
 18 2-16-114, 2-16-602, 2-16-614, 2-18-703, 7-3-1101, 7-6-2604,  
 19 7-6-2801, 7-7-123, 7-8-2214, 7-8-2215, 7-8-2216, 7-11-103,  
 20 7-12-4106, 7-13-110, 7-13-210, 7-15-4206, 10-1-703,  
 21 15-1-101, ~~15-6-204~~, 15-16-101, 15-16-601, 15-18-108,  
 22 15-55-106, 15-70-301, 15-70-322, 17-5-101, 17-5-202,  
 23 17-6-103, 17-6-204, 17-6-213, 17-7-201, 18-1-102, 18-1-112,  
 24 18-1-201, 18-2-101, 18-2-103, 18-2-113, 18-2-114, 18-2-404,  
 25 18-2-432, 18-5-205, 19-1-102, 19-1-811, 22-1-309, 25-1-402,

1 27-18-406, 33-20-1104, 39-3-104, 39-4-107, 39-31-103,  
 2 39-31-304, 39-71-116, 39-71-117, 39-71-2106, 39-71-2206,  
 3 40-6-237, 41-3-1132, 49-3-101, 49-3-102, 53-20-304,  
 4 77-3-321, 82-10-201, 82-10-202, 82-10-203, 85-7-2158, and  
 5 90-6-208 and Rules 4D(2)(g) and 15(c), M.R.Civ.P., as  
 6 amended.

7 (2) When the term "school district" appears in a  
 8 section outside of Title 20 but the section is not listed in  
 9 subsection (1), the school district provision does not apply  
 10 to a community college district."

11 Section 55. Section 25-13-404, MCA, is amended to  
 12 read:

13 "25-13-404. Return of the execution. (1) Except as  
 14 provided in subsection (2), execution may be made  
 15 returnable, at any time not less than 10 or more than 60  
 16 days after its receipt by the sheriff, to the clerk of the  
 17 court in which the judgment was rendered.

18 (2) The writ of execution issued by the county  
 19 treasurer ~~under 15-16-401~~ may be made returnable, at any  
 20 time not less than 10 or more than 90 days after its receipt  
 21 by the sheriff, to the county treasurer of the county in  
 22 which the writ was issued."

23 Section 56. Section 61-3-532, MCA, is amended to read:

24 "61-3-532. Light vehicle license fee. (1) Except as  
 25 provided in subsection (2), light vehicles are subject to a

1 license fee. This fee is imposed in lieu of a property tax  
 2 and is in addition to the tax on new motor vehicles.

3 (2) (a) Light vehicles that meet the description of  
 4 property exempt from taxation under ~~the provisions of~~  
 5 ~~subsections (a), (c), (d), or (e) of~~ 15-6-201(1) or  
 6 15-6-203(2) are exempt from the fee imposed in subsection  
 7 (1) of this section.

8 (b) A dealer for light vehicles is not required to pay  
 9 the license fee for light vehicles held for sale or used in  
 10 the dealer's business in selling or demonstrating the  
 11 vehicles. Vehicles exempt under this subsection may not be  
 12 used for the personal use of the dealer, his family, or  
 13 employees or for any use not necessary in the pursuit of  
 14 business."

15 Section 57. Section 61-3-701, MCA, is amended to read:

16 "61-3-701. Foreign vehicles used in gainful occupation  
 17 to be registered -- reciprocity. (1) Before any foreign  
 18 licensed motor vehicle may be operated on the highways of  
 19 this state for hire, compensation, or profit or before the  
 20 owner and/or user thereof uses the vehicle if such owner  
 21 and/or user is engaged in gainful occupation or business  
 22 enterprise in the state, including highway work, the owner  
 23 of the vehicle shall make application to a county treasurer  
 24 for registration upon an application form furnished by the  
 25 department. Upon satisfactory evidence of ownership

1 submitted to the county treasurer and the payment of  
 2 property taxes, if appropriate, as required by 15-8-201,  
 3 ~~15-8-202, or 15-24-301~~ or the payment of the light vehicle  
 4 license fee as provided by 61-3-532 or the fee in lieu of  
 5 tax as provided by 61-3-541, the treasurer shall accept the  
 6 application for registration and shall collect the regular  
 7 license fee required for the 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 58. Section 61-12-206, MCA, is amended to

1 read:

2 "61-12-206. Offenses for which arrest authorized. (1)  
 3 Employees appointed under 61-12-201 may make arrests for  
 4 violations of the following statutory provisions only:

- 5 (a) part 1, chapter 10, of this title;
- 6 (b) part 3, chapter 4, of this title;
- 7 ~~(c) sections 15-24-201 through 15-24-205;~~
- 8 ~~(d)~~(c) sections 15-70-302 through 15-70-307;
- 9 ~~(e)~~(d) sections 15-70-311 through 15-70-314;
- 10 ~~(f)~~(e) section 61-3-502(1);
- 11 ~~(g)~~(f) sections 61-10-201 through 61-10-215;
- 12 ~~(h)~~(g) sections 61-10-222 through 61-10-224;
- 13 ~~(i)~~(h) sections 61-10-231 through 61-10-233.

14 (2) These employees may not arrest for violations  
 15 other than specified in this section."

16 Section 59. Section 67-3-201, MCA, is amended to read:

17 "67-3-201. Aircraft registration and licensing. (1)  
 18 Except as provided in 67-3-102 and in subsection (7) (6) of  
 19 this section, a person may not operate or cause or authorize  
 20 to be operated a civil aircraft within this state unless the  
 21 aircraft has an appropriate effective registration, license,  
 22 certificate, or permit issued or approved by the United  
 23 States government which has been registered with the  
 24 department and the registration with the department is in  
 25 force.

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

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

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

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

11 (c) aircraft operated by an airline company and  
12 regularly scheduled for the primary purpose of carrying  
13 persons or property for hire in interstate or international  
14 transportation; or

15 (d) dismantled or otherwise nonflyable aircraft.

16 (4) An aircraft shall be registered as property within  
17 a particular county of the state. This county shall be the  
18 county of the owner's principal residence, if the owner is a  
19 natural person, or the owner's principal place of doing  
20 business in the state, if the owner is not a natural person.  
21 However, if the owner declares by affidavit that the  
22 aircraft is customarily kept at a landing facility in  
23 another county within the state, he may register the  
24 aircraft as property within such other county.

25 ~~(5) Except as provided in 15-6-210, all aircraft shall~~

1 ~~be subject to all state, county, and school district tax~~  
2 ~~levies and all other levies designated for aircraft or~~  
3 ~~airport related uses. Such aircraft shall not be liable for~~  
4 ~~other city tax levies.~~

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

8 ~~(7)~~(6) Owners of ultralight aircraft for which no  
9 appropriate effective license, certificate, or permit is  
10 issued by the United States government shall file with the  
11 department an appropriate registration recognized and  
12 approved by the United States government."

13 Section 60. Section 67-3-202, MCA, is amended to read:

14 "67-3-202. Penalty for registration violations. (1)  
15 When an aircraft required to be registered under the  
16 provisions of subsections (2) through ~~(7)~~ (6) of 67-3-201 is  
17 not registered on or before March 1 of the current calendar  
18 year, a penalty fee of \$100 shall be added to the  
19 registration fee and collected. Registration of an aircraft  
20 in the name of the applicant for the year immediately  
21 preceding the year for which application for registration is  
22 made shall be prima facie evidence that the aircraft has  
23 been based in this state during the year for which  
24 application for registration is made.

25 ~~(2) Except for aircraft exempt from property taxation~~

1 as provided in 15-6-210, an application for registration  
 2 shall be accompanied by a copy of the receipt for or  
 3 statement of personal property tax paid, signed by the  
 4 treasurer of the county where the aircraft is registered, or  
 5 a statement of lien assignment against real property, signed  
 6 by the county assessor where the aircraft is registered. A  
 7 person who pays personal property tax on his aircraft to any  
 8 jurisdiction other than the county where the aircraft is  
 9 required to be registered is liable for the tax in that  
 10 county without credit for such other taxes paid. In addition  
 11 to this civil liability, a person who attempts to establish  
 12 the situs of his aircraft in any jurisdiction other than the  
 13 county where the aircraft is required to be registered with  
 14 intent to avoid payment of taxes to that county commits the  
 15 offense of false swearing as defined in 45-7-202.

16 {3}(2) A person who operates an aircraft required to  
 17 be registered in the state without having displayed upon  
 18 such aircraft a certificate of registration issued by the  
 19 department for that aircraft commits a misdemeanor."

20 Section 61. Section 81-7-303, MCA, is amended to read:

21 "81-7-303. County commissioners permitted to require  
 22 per capita license fee on sheep. (1) To defray the expense  
 23 of such protection the board of county commissioners of any  
 24 county shall have the power to require all owners or persons  
 25 in possession of any sheep coming 1 year old or over in the

1 county on the regular assessment date January 1 of each year  
 2 to pay a license fee in an amount to be determined by the  
 3 board on a per head basis for sheep so owned or possessed by  
 4 him in the county. All owners or persons in possession of  
 5 any sheep coming 1 year old or over coming into the county  
 6 after the regular assessment date and subject to taxation  
 7 under the provisions of 15-24-301 January 1 shall also be  
 8 subject to payment of the license fee herein prescribed.

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

23 (3) When collected, said fees shall be placed by the  
 24 treasurer in the predatory animal control fund and the  
 25 moneys in said fund shall be expended on order of the board

1 of county commissioners of the county for predatory animal  
2 control only."

3 Section 62. Section 81-8-804, MCA, is amended to read:  
4 "81-8-804. Assessments -- refunds. (1) There is  
5 levied~~---in---addition---to---the---tax---on---livestock---prescribed---in~~  
6 ~~Title 15, chapter 24, part 9,~~ a per head tax of 25 cents on  
7 each head of cattle that is more than 9 months of age and is  
8 owned or possessed within a county for the support and  
9 maintenance of research into beef production as provided in  
10 this part. The tax shall be paid to the county treasurer of  
11 that county on or before March 1 of each year.

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

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

18 (4) A person who has paid the tax required by this  
19 section may obtain a refund of the tax upon submission of a  
20 written request to the department. The application must be  
21 made within 30 days after the payment of the tax and on  
22 forms furnished by the department. The department shall,  
23 upon receipt of a timely and otherwise properly submitted  
24 refund request, refund the tax."

25 NEW SECTION. Section 63. Repealer. Sections 15-6-136,

1 15-6-139, 15-6-142, 15-6-146, 15-6-202, 15-6-204, 15-6-207,  
2 15-6-210, 15-8-202, 15-8-204, 15-8-205, 15-8-401, 15-8-404,  
3 15-8-405, 15-8-408, 15-16-111 through 15-16-115, 15-16-401,  
4 15-16-402, 15-16-404, 15-16-503, 15-16-701 through  
5 15-16-703, 15-17-901 through 15-17-903, 15-23-401 through  
6 15-23-403, 15-24-101 through 15-24-105, 15-24-201 through  
7 15-24-208, 15-24-301 through 15-24-304, 15-24-901 through  
8 15-24-906, 15-24-908 through 15-24-911, 15-24-921 through  
9 15-24-926, 15-24-931, 15-24-941 through 15-24-943, and  
10 61-3-707, MCA, are repealed.

11 NEW SECTION. Section 64. Codification instruction.  
12 Sections 1 through 3 are intended to be codified as an  
13 integral part of Title 15, chapter 10, and the provisions of  
14 Title 15, chapter 10, apply to sections 1 through 3.

15 NEW SECTION. Section 65. Extension of authority. Any  
16 existing authority of the department of revenue to make  
17 rules on the subject of the provisions of this act is  
18 extended to the provisions of this act.

19 NEW SECTION. Section 66. Contingent effective  
20 provision -- applicability. (1) This act is effective on  
21 passage and approval of a general sales tax bill that  
22 directs the revenue from the tax to education and other  
23 local government purposes.

24 (2) This act applies retroactively, within the meaning  
25 of 1-2-109, to taxable years beginning after December 31,

LC 0756/01

1 1986.

-End-

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB386, as introduced.

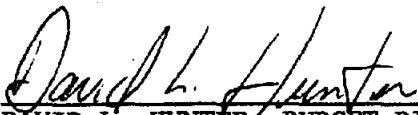
DESCRIPTION OF PROPOSED LEGISLATION:

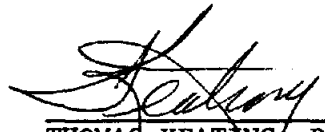
An act to generally revise property taxation by repealing taxes on personal property; placing a cap on certain real property taxes equivalent to 1 percent of market value; making property tax revisions contingent on passage and approval of a general sales tax with revenue directed to educational and other local government purposes; and providing a contingent effective provision and a retroactive applicability date.

ASSUMPTIONS:

1. It is assumed for the purposes of this note that a general sales tax is passed with its revenue directed to education and local governments.
2. The taxable value of the state will be \$1,997,193,000 in FY88 and \$2,024,661,000 in FY89 (REAC).
3. The repeal of personal property taxes would reduce property tax revenue by approximately \$115 million per year in FY88 and FY89 (estimates based on 1986 tax year). The retroactive applicability date will exempt 29.6 percent of personal property from taxation in FY87, since these properties are assessed on January 1 and the taxes are paid in April.
4. The 1 percent cap of the effective property tax rate is estimated to reduce property tax revenue by \$98 million in FY88 and FY89, when the cap is applied to class four, five, eleven, fourteen, fifteen and seventeen properties (If the cap is limited to class four, five and fourteen, then the reduction of revenue would be approximately \$50 million).
5. It is assumed that the sales tax rate will be set to generate \$213 million per year (115 + 98), given the exemptions allowed. Further, it is assumed that the sales tax will be in place at the beginning of FY88 (see technical note).
6. The administrative cost saving from the repeal of personal property taxes will partially fund the administration of the sales tax as shown below.

	<u>FY87</u>	<u>FY88</u>	<u>FY89</u>
Sales Tax Administration	\$ 301,757	\$3,120,294	\$3,431,006
<u>Personal Property Savings</u>	<u>0</u>	<u>894,545</u>	<u>1,867,970</u>
Additional Appropriation	\$ 301,757	\$2,225,749	\$1,563,036

  
 DATE 3/2/87  
 DAVID L. HUNTER, BUDGET DIRECTOR  
 Office of Budget and Program Planning

  
 DATE \_\_\_\_\_  
 THOMAS KEATING, PRIMARY SPONSOR  
 Fiscal Note for SB386, as introduced.

**SB 386**



FISCAL IMPACT:

Revenue Impact:

Any impact to the university and school foundation levies due to the proposal would depend on legislative decisions about the sales tax rate, exemptions and allocation of revenue. This note assumes sales tax revenue would be sufficient to replace the property tax revenue to the university and school foundation levies.

There would be a loss in FY87 due to the retroactive applicability date of the proposal. Revenue from the university levy would decline by \$850,000 ( $6/240 \times 34$  million) and foundation program revenue would fall by \$6,375,000 ( $45/240 \times 34$  million). Sales tax revenue will not replace this revenue due to the delay in the implementation of the tax.

Expenditure Impact:

Additional general fund expenditures of approximately \$2.2 million and \$1.6 million would be incurred to administer a sales tax in FY88 and FY89, respectively. These costs are net of the savings from the repeal of personal property taxes.

Start-up costs of a sales tax are estimated to be approximately \$300,000 (HB 377 fiscal note). These costs would be incurred in FY87 under the proposal. Administrative cost savings from the repeal of personal property taxes would not cover these costs since the property would already be assessed by the time this bill becomes law and due to the time necessary to terminate employees. Hence, an additional general fund appropriation of approximately \$300,000 would be required.

EFFECT ON LOCAL GOVERNMENT REVENUES:

Any impact on local government revenues due to the proposal would depend on Legislative decisions about the sales tax rate, exemptions and allocation of revenue. This note assumes sales tax revenue would be sufficient to replace property tax revenue when the tax is fully implemented.

Further, the note assumes that an allocation formula for the sales tax revenue can be devised to match the flow of sales tax revenue to taxing jurisdictions with the loss in revenue from the repeal of personal property taxes and the effective rate cap. The proposal may create losses to some taxing jurisdictions depending on the allocation of the sale tax revenue.

There would be a loss in FY87 due to the retroactive applicability date of the personal property repeal. Local government revenues would decline by \$26,775,000 ( $189/240 \times 34$  million). Sales tax revenue will not be available to replace these revenues due to the delay in the implementation of the tax.

TECHNICAL OR MECHANICAL DEFECTS OR CONFLICTS WITH EXISTING LEGISLATION:

The proposal would require the Department of Revenue to implement a major new tax in less than three months. This task would include rulemaking, form design, developing a computer system, identifying and notifying taxpayers, and hiring and training additional staff. An orderly development process requires at least one year from the enactment date to the effective date.

Given the time it will take to implement the tax, a change in the applicability date of the proposal would be required to avoid a major reduction in revenue to the university system, to the school foundation program and to local governments.

The proposal does not change the bonded indebtedness limits of the taxing jurisdictions. These limits need to be altered to reflect the significant loss in taxable value due to the repeal of personal property taxes.

Likewise, the bill does not address county classifications, elected officials' salaries, certified mills, and mill levy limits. Each of these need to be adjusted to reflect the lower taxable values of the counties and other taxing jurisdictions.