

SB 394 INTRODUCED BY GAGE
REVISE TAXES ON REAL AND PERSONAL PROPERTY TO DELETE
CERTAIN TAXES ON PERSONAL PROPERTY
BY REQUEST OF SENATE TAXATION COMMITTEE

3/09 INTRODUCED
3/09 REFERRED TO TAXATION
3/09 FISCAL NOTE REQUESTED
3/13 HEARING
3/13 FISCAL NOTE RECEIVED
3/13 TABLED IN COMMITTEE

1 *Senate* BILL NO. *394*
 2 INTRODUCED BY _____
 3 BY REQUEST OF THE SENATE TAXATION COMMITTEE
 4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND
 6 RESTRUCTURE TAXATION OF REAL AND PERSONAL PROPERTY TO
 7 ELIMINATE TAXES ON CERTAIN PERSONAL PROPERTY WITH
 8 CORRESPONDING INCREASES IN REAL PROPERTY VALUATIONS;
 9 PROVIDING FEES IN LIEU OF TAX ON WATERCRAFT, AIRCRAFT, HEAVY
 10 VEHICLES, ROAD TRACTORS, AND TRAILERS; AMENDING SECTIONS
 11 15-1-101, 15-6-133, 15-6-134, 15-6-137, 15-6-139, 15-6-140,
 12 15-6-142, 15-6-143, 15-6-148, 15-6-201, 15-6-207, 15-8-111,
 13 15-8-201, 15-8-301, 15-8-404, 15-8-706, 15-24-301,
 14 15-24-302, 15-24-304, 15-24-921, 15-24-922, 15-24-1102,
 15 15-24-1103, 23-2-512, 23-2-515, 67-3-201, 67-3-202,
 16 81-6-101, 81-6-104, 81-6-204, 81-6-209, 81-7-103, 81-7-104,
 17 81-7-202, 81-7-303, 81-7-305, AND 81-8-804, MCA; REPEALING
 18 SECTIONS 15-6-136, 15-6-138, 15-6-146, 15-6-210, 15-24-901
 19 THROUGH 15-24-906, 15-24-908 THROUGH 15-24-911, 15-24-923
 20 THROUGH 15-24-926, 15-24-931, 15-24-941 THROUGH 15-24-943,
 21 61-3-707, AND 81-7-118, MCA; AND PROVIDING AN EFFECTIVE
 22 DATE."
 23
 24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 25 Section 1. Section 15-1-101, MCA, is amended to read:

1 "15-1-101. Definitions. (1) Except as otherwise
 2 specifically provided, when terms mentioned in this section
 3 are used in connection with taxation, they are defined in
 4 the following manner:
 5 (a) The term "agricultural" refers to the raising of
 6 livestock, poultry, bees, and other species of domestic
 7 animals and wildlife in domestication or a captive
 8 environment, and the raising of field crops, fruit, and
 9 other animal and vegetable matter for food or fiber.
 10 (b) The term "assessed value" means the value of
 11 property as defined in 15-8-111.
 12 (c) The term "average wholesale value" means the value
 13 to a dealer prior to reconditioning and profit margin shown
 14 in national appraisal guides and manuals or the valuation
 15 schedules of the department of revenue.
 16 (d) (i) The term "commercial", when used to describe
 17 property, means any property used or owned by a business, a
 18 trade, or a nonprofit corporation as defined in 35-2-102 or
 19 used for the production of income, except that property
 20 described in subsection (ii).
 21 (ii) The following types of property are not
 22 commercial:
 23 (A) agricultural lands;
 24 (B) timberlands;
 25 (C) single-family residences and ancillary



1 improvements and improvements necessary to the function of a
2 bona fide farm, ranch, or stock operation;

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

6 (E) all property described in 15-6-135;
7 ~~(F) all property described in 15-6-136; and~~
8 ~~(G) all property described in 15-6-146;~~

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

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

16 (g) The term "improvements" includes all buildings,
17 structures, fences, and improvements situated upon, erected
18 upon, or affixed to land. When the department of revenue or
19 its agent determines that the permanency of location of a
20 mobile home or housetrailer has been established, the mobile
21 home or housetrailer is presumed to be an improvement to
22 real property. A mobile home or housetrailer may be
23 determined to be permanently located only when it is
24 attached to a foundation which cannot feasibly be relocated
25 and only when the wheels are removed.

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

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

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

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

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

24 (m) The term "property" includes moneys, credits,
25 bonds, stocks, franchises, and all other matters and things,

1 real, personal, and mixed, capable of private ownership.
 2 This definition must not be construed to authorize the
 3 taxation of the stocks of any company or corporation when
 4 the property of such company or corporation represented by
 5 the stocks is within the state and has been taxed.

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

7 (i) the possession of, claim to, ownership of, or
 8 right to the possession of land;

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

14 (o) The term "taxable value" means the percentage of
 15 market or assessed value as provided for in ~~15-6-131~~ through
 16 ~~15-6-140~~ Title 15, chapter 6, part 1.

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

23 (3) The term "state board" or "board" when used
 24 without other qualification shall mean the state tax appeal
 25 board."

1 Section 2. Section 15-6-133, MCA, is amended to read:

2 "15-6-133. Class three property -- description --
 3 taxable percentage. (1) Class three property includes
 4 agricultural land as defined in 15-7-202.

5 (2) Class three property is taxed at the--taxable
 6 percentage-rate--"P" 50% of its productive capacity.

7 ~~(3)--Until--July--17--1986--the--taxable--percentage--rate~~
 8 ~~"P"--for--class--three--property--is--38%--~~

9 ~~(4)--Prior--to--July--17--1986--the--department--of--revenue~~
 10 ~~shall--determine--the--taxable--percentage--rate--"P"--applicable~~
 11 ~~to--class--three--property--for--the--revaluation--cycle--beginning~~
 12 ~~January--17--1986--as--follows--~~

13 ~~(a)--The--director--of--the--department--of--revenue--shall~~
 14 ~~certify--to--the--governor--before--July--17--1986--the--percentage~~
 15 ~~by--which--the--appraised--value--of--all--property--in--the--state~~
 16 ~~classified--under--class--three--as--of--January--17--1986--has~~
 17 ~~increased--due--to--the--revaluation--conducted--under--15-7-111--~~
 18 ~~This--figure--is--the--"certified--statewide--percentage~~
 19 ~~increase"--~~

20 ~~(b)--The--taxable--value--of--property--in--class--three--is~~
 21 ~~determined--as--a--function--of--the--certified--statewide~~
 22 ~~percentage--increase--in--accordance--with--the--table--shown~~
 23 ~~below--~~

24 ~~(c)--This--table--limits--the--statewide--increase--in~~
 25 ~~taxable--valuation--resulting--from--reappraisal--to--0%--in~~

1 calculating the percentage increase, the department may not
 2 consider agricultural use changes during calendar year 1985.
 3 (d) The taxable percentage must be calculated by
 4 interpolation to coincide with the nearest whole number
 5 certified statewide percentage increase from the following
 6 table:

7 Certified Statewide	8 Class Three Taxable
9 Percentage Increase	10 Percentage "P"
11 0	12 30.00
13 10	14 27.27
15 20	16 25.00
17 30	18 23.08
19 40	20 21.43
21 50	22 20.00

23 (5) After July 17, 1986, no adjustment may be made by
 24 the department to the taxable percentage rate "P" until a
 25 revaluation has been made as provided in 15-7-111."

Section 3. Section 15-6-134, MCA, is amended to read:

"15-6-134. Class four property -- description --
 taxable percentage. (1) Class four property includes:

(a) all land except that specifically included in
 another class;

(b) all improvements and other permanently affixed
 machinery and equipment except those specifically included
 in another class;

(c) the first \$35,000 or less of the market value of
 any improvement on real property and appurtenant land not
 exceeding 5 acres owned or under contract for deed and
 actually occupied for at least 10 months a year as the
 primary residential dwelling of any person whose total
 income from all sources including otherwise tax-exempt
 income of all types is not more than \$10,000 for a single
 person or \$12,000 for a married couple;

(d) all golf courses, including land and improvements
 actually and necessarily used for that purpose, that consist
 of at least 9 holes and not less than 3,000 lineal yards.

(2) Class four property is taxed as follows:

(a) Except as provided in 15-24-1402, or 15-24-1501,
 or subsection (3), property described in subsections (1)(a)
 and (1)(b) is taxed at the taxable percentage rate "P" 7.06%
 of its market value.

(b) Property described in subsection (1)(c) is taxed
 at the taxable percentage rate "P" 7.06% of its market value
 multiplied by a percentage figure based on income and
 determined from the following table:

Income	Income	Percentage
Single Person	Married Couple	Multiplier
\$0 - \$1,000	\$0 - \$1,200	0%
1,001 - 2,000	1,201 - 2,400	10%
2,001 - 3,000	2,401 - 3,600	20%

1	3,001 - 4,000	3,601 - 4,800	30%
2	4,001 - 5,000	4,801 - 6,000	40%
3	5,001 - 6,000	6,001 - 7,200	50%
4	6,001 - 7,000	7,201 - 8,400	60%
5	7,001 - 8,000	8,401 - 9,600	70%
6	8,001 - 9,000	9,601 - 10,800	80%
7	9,001 - 10,000	10,801 - 12,000	90%

8 (c) Property described in subsection (1)(d) is taxed
 9 at one-half the taxable percentage rate-"P" established in
 10 subsection (2)(a).

11 (3)--Until January 1, 1986, the taxable percentage rate
 12 "P" for class four property is 8.55%.

13 (4)--Prior to July 1, 1986, the department of revenue
 14 shall determine the taxable percentage rate-"P" applicable
 15 to class four property for the revaluation cycle beginning
 16 January 1, 1986, as follows:

17 (a)--The director of the department of revenue shall
 18 certify to the governor before July 1, 1986, the percentage
 19 by which the appraised value of all property in the state
 20 classified under class four as of January 1, 1986, has
 21 increased due to the revaluation conducted under 15-7-111.
 22 This figure is the certified statewide percentage increase.

23 (b)--The taxable value of property in class four is
 24 determined as a function of the certified statewide
 25 percentage increase in accordance with the table shown

1 below:

2 (c)--This table limits the statewide increase in
 3 taxable valuation resulting from reappraisal to 0%. In
 4 calculating the percentage increase, the department may not
 5 consider changes resulting from new construction, additions,
 6 or deletions during calendar year 1985.

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

11	Certified Statewide	Class Four Taxable
12	Percentage Increase	Percentage "P"
13	0	8.55
14	10	7.77
15	20	7.12
16	30	6.57
17	40	6.10
18	50	5.70
19	60	5.34
20	70	5.02
21	80	4.75
22	90	4.50
23	100	4.27
24	110	4.07
25	120	3.88

1	130	3.71
2	140	3.56
3	150	3.42
4	160	3.28
5	170	3.16
6	180	3.05
7	190	2.94
8	200	2.85
9	210	2.75
10	220	2.67
11	230	2.59
12	240	2.51
13	250	2.44
14	260	2.37
15	270	2.31
16	280	2.25
17	290	2.19
18	300	2.13

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

22 (3) Only 55% of the market value of property described
 23 in subsections (1)(a) and (1)(b) that is used as a primary
 24 residence is taxable. For purposes of this subsection, a
 25 "primary residence" includes a single-family dwelling or

1 duplex owned and occupied as a residence by the owner for at
 2 least 6 months in a tax year and as much of the surrounding
 3 land, not in excess of 1 acre, as is reasonably necessary
 4 for its use as a dwelling.

5 ~~(6)~~(4) Within the meaning of comparable property as
 6 defined in 15-1-101, property assessed as commercial
 7 property is comparable only to other property assessed as
 8 commercial property, and property assessed as other than
 9 commercial property is comparable only to other property
 10 assessed as other than commercial property."

11 Section 4. Section 15-6-137, MCA, is amended to read:

12 "15-6-137. Class seven property -- description --
 13 taxable percentage. (1) Class seven property includes:

14 (a) all property used and owned by persons, firms,
 15 corporations, or other organizations that are engaged in the
 16 business of furnishing telephone communications exclusively
 17 to rural areas or to rural areas and cities and towns of 800
 18 persons or less;

19 (b) all property owned by cooperative rural electrical
 20 and cooperative rural telephone associations that serve less
 21 than 95% of the electricity consumers or telephone users
 22 within the incorporated limits of a city or town; and

23 (c) electric transformers and meters; electric light
 24 and power substation machinery; natural gas measuring and
 25 regulating station equipment, meters, and compressor station

1 machinery owned by noncentrally assessed public utilities;
2 ~~and--tools--used--in--the--repair--and--maintenance--of--this~~
3 ~~property;--and~~

4 ~~{d}--tools,--implements,--and--machinery--used--to--repair~~
5 ~~and--maintain--machinery--not--used--for--manufacturing--and--mining~~
6 ~~purposes.~~

7 (2) To qualify for this classification, the average
8 circuit miles for each station on the telephone
9 communication system described in subsection (1)(b) must be
10 more than 1 mile.

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

13 Section 5. Section 15-6-139, MCA, is amended to read:

14 "15-6-139. Class nine property -- description --
15 taxable percentage. (1) Class nine property includes:

16 ~~{a}--buses--and--trucks--having--a--rated--capacity--of--more~~
17 ~~than--three--quarters--of--a--ton--but--less--than--or--equal--to--1-1/2~~
18 ~~tons;~~

19 ~~{b}--truck--toppers--weighing--more--than--300--pounds;~~

20 ~~{c}--furniture, permanently affixed fixtures, and~~
21 ~~equipment, including x-ray, medical, and dental equipment,~~
22 ~~except that specifically included in another class, used in~~
23 ~~commercial establishments as defined in this section;~~

24 ~~{d}--x-ray--and--medical--and--dental--equipment;--and~~

25 ~~{e}--citizens'-band--radios--and--mobile--telephones;~~

1 (2) "Commercial establishment" includes any hotel;
2 motel; office; petroleum marketing station; or service,
3 wholesale, retail, or food-handling business.

4 (3) Class nine property is taxed at 13% of its market
5 value."

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

7 "15-6-140. Class ten property -- description --
8 taxable percentage. (1) Class ten property includes:

9 (a) radio and television broadcasting and transmitting
10 equipment;

11 (b) cable television systems;

12 (c) coal and ore haulers; and

13 ~~{d}--trucks--having--a--rated--capacity--of--more--than--1-1/2~~
14 ~~tons;--including--those--prorated--under--15-24-102;~~

15 ~~{e}--all--trailers--exceeding--18,000--pounds--maximum--gross~~
16 ~~loaded--weight;--including--those--prorated--under--15-24-102--and~~
17 ~~except--those--subject--to--a--fee--in--lieu--of--property--tax;~~

18 ~~{f}--theater--projectors--and--sound--equipment;--and~~

19 ~~{g}{d}~~ all other property not included in any other
20 class in this part except that property subject to a fee in
21 lieu of a property tax.

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

24 Section 7. Section 15-6-142, MCA, is amended to read:

25 "15-6-142. Class twelve property -- description --

1 taxable percentage. (1) Class twelve property includes:
 2 (a) a trailer or mobile home used as a residence
 3 except when:
 4 (i) held by a distributor or dealer of trailers or
 5 mobile homes as his stock in trade; or
 6 (ii) specifically included in another class;
 7 (b) the first \$35,000 or less of the market value of a
 8 trailer or mobile home used as a residence and actually
 9 occupied for at least 10 months a year as the primary
 10 residential dwelling of any person whose total income from
 11 all sources including otherwise tax-exempt income of all
 12 types is not more than \$10,000 for a single person or
 13 \$12,000 for a married couple.

14 (2) Class twelve property is taxed as follows:
 15 (a) Property described in subsection (1)(a) that is
 16 not of the type described in subsection (1)(b) is taxed at
 17 ~~the taxable percentage rate "P" described in 15-6-134,~~
 18 3.86% of its market value.
 19 (b) Property described in subsection (1)(b) is taxed
 20 ~~at the taxable percentage rate "P" described in 15-6-134,~~
 21 3.86% of its market value multiplied by a percentage figure
 22 based on income and determined from the table established in
 23 subsection (2)(b) of 15-6-134."
 24 Section 8. Section 15-6-143, MCA, is amended to read:
 25 "15-6-143. Class thirteen property -- description --

1 taxable percentage. (1) Class thirteen property includes all
 2 timberland.
 3 (2) Timberland is contiguous land exceeding 15 acres
 4 in one ownership that is capable of producing timber that
 5 can be harvested in commercial quantity.
 6 (3) Class thirteen property is taxed at ~~the percentage~~
 7 ~~rate "P" 3.84%~~ of the combined appraised value of the
 8 standing timber and grazing productivity of the property.
 9 ~~(4) For taxable years beginning January 1, 1986, and~~
 10 ~~thereafter, the taxable percentage rate "P" applicable to~~
 11 ~~class thirteen property is $30\%/B$, where B is the certified~~
 12 ~~statewide percentage increase to be determined by the~~
 13 ~~department of revenue as provided in subsection (5). The~~
 14 ~~taxable percentage rate "P" shall be rounded downward to the~~
 15 ~~nearest 0.01% and shall be calculated by the department~~
 16 ~~before July 1, 1986.~~
 17 ~~(5) (a) Prior to July 1, 1986, the department shall~~
 18 ~~determine the certified statewide percentage increase for~~
 19 ~~class thirteen property using the formula $B = X/Y$, where:~~
 20 ~~(i) X is the appraised value, as of January 1, 1986,~~
 21 ~~of all property in the state, excluding use changes~~
 22 ~~occurring during the preceding year, classified under class~~
 23 ~~thirteen as class thirteen is described in this section, and~~
 24 ~~(ii) Y is the appraised value, as of January 1, 1985,~~
 25 ~~of all property in the state that, as of January 1, 1986,~~

1 ~~would be classified under class thirteen as class thirteen~~
2 ~~is described in this section.~~

3 ~~(b) B shall be rounded downward to the nearest~~
4 ~~0.0001%.~~

5 ~~(6) After July 1, 1986, no adjustment may be made by~~
6 ~~the department to the taxable percentage rate "P" until a~~
7 ~~valuation has been made as provided in 15-7-111. (Terminates~~
8 ~~January 1, 1991--sec. 10, Ch. 681, L. 1985.)"~~

9 Section 9. Section 15-6-148, MCA, is amended to read:
10 "15-6-148. Class eighteen property -- description --
11 taxable percentage. (1) Class eighteen property includes all
12 nonproductive patented mining claims outside the limits of
13 an incorporated city or town held by an owner for the
14 ultimate purpose of developing the mineral interests on the
15 property. Class eighteen does not include any property that
16 is used for residential, recreational as described in
17 70-16-301, or commercial as defined in 15-1-101, purposes,
18 or if the surface is being used for other than mining
19 purposes or has a separate and independent value for such
20 other purposes.

21 (2) Improvements to class eighteen property that would
22 not disqualify the parcel from designation as class eighteen
23 property are taxed as otherwise provided in this title,
24 including that portion of the land upon which such
25 improvements are located and which is reasonably required

1 for the use of such improvements.

2 (3) Class eighteen property must be valued as if such
3 land were devoted to agricultural grazing use and is taxed
4 at ~~30%~~ 50% of its value."

5 Section 10. Section 15-6-201, MCA, is amended to read:

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

8 (a) the property of:

9 (i) the United States, the state, counties, cities,
10 towns, school districts, except, if congress passes
11 legislation that allows the state to tax property owned by
12 an agency created by congress to transmit or distribute
13 electrical energy, the property constructed, owned, or
14 operated by a public agency created by the congress to
15 transmit or distribute electric energy produced at privately
16 owned generating facilities (not including rural electric
17 cooperatives);

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

20 (iii) municipal corporations; and

21 (iv) public libraries;

22 (b) buildings, with land they occupy and furnishings
23 therein, owned by a church and used for actual religious
24 worship or for residences of the clergy, together with
25 adjacent land reasonably necessary for convenient use of

1 such buildings;

2 (c) property used exclusively for agricultural and
3 horticultural societies, for educational purposes, and for
4 hospitals;

5 (d) property that meets the following conditions:

6 (i) is owned and held by any association or
7 corporation organized under Title 35, chapter 2, 3, 20, or
8 21;

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

13 (iii) is not maintained and operated for private or
14 corporate profit;

15 (e) institutions of purely public charity;

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

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

20 (h) all household goods and furniture, including but
21 not limited to clocks, musical instruments, sewing machines,
22 and wearing apparel of members of the family, used by the
23 owner for personal and domestic purposes or for furnishing
24 or equipping the family residence;

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

1 ~~300-pounds--and~~ having no accommodations attached. Such
2 property is also exempt from the fee in lieu of tax.

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

5 (k) automobiles, and trucks, having a--rated--capacity
6 of three-quarters-of-a-ton-or-less and buses;

7 (l) motorcycles and quadricycles;

8 (m) all watercraft;

9 ~~(n)~~(n) fixtures, buildings, and improvements owned by
10 a cooperative association or nonprofit corporation organized
11 to furnish potable water to its members or customers for
12 uses other than the irrigation of agricultural land;

13 ~~(o)~~(o) the right of entry that is a property right
14 reserved in land or received by mesne conveyance (exclusive
15 of leasehold interests), devise, or succession to enter land
16 whose surface title is held by another to explore, prospect,
17 or dig for oil, gas, coal, or minerals;

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

23 ~~(q)~~(q) all farm buildings with a market value of less
24 than \$500 and all agricultural implements and machinery ~~with~~
25 ~~a-market-value-of-less-than-\$100-;~~

1 (r) all tools, equipment, and implements;
 2 (s) furniture used by commercial establishments;
 3 (t) citizens' band radios, mobile telephones, theater
 4 projectors, and sound equipment;
 5 (u) all aircraft;
 6 (v) all trailers;
 7 (w) all livestock, poultry, bees, and other domestic
 8 animals and wildlife and the unprocessed products of such
 9 animals and wildlife; and
 10 (x) all personal property rented or leased.
 11 (2) (a) The term "institutions of purely public
 12 charity" includes organizations owning and operating
 13 facilities for the care of the retired or aged or
 14 chronically ill, which are not operated for gain or profit.
 15 (b) The terms "public art galleries" and "public
 16 observatories" include only those art galleries and
 17 observatories, whether of public or private ownership, that
 18 are open to the public without charge at all reasonable
 19 hours and are used for the purpose of education only.
 20 (3) The following portions of the appraised value of a
 21 capital investment made after January 1, 1979, in a
 22 recognized nonfossil form of energy generation, as defined
 23 in 15-32-102, are exempt from taxation for a period of 10
 24 years following installation of the property:
 25 (a) \$20,000 in the case of a single-family residential

1 dwelling;
 2 (b) \$100,000 in the case of a multifamily residential
 3 dwelling or a nonresidential structure. (Subsection (1)(p)
 4 [now (1)(q)] applicable to taxable years beginning after
 5 December 31, 1985--sec. 4, Ch. 463, L. 1985.)"
 6 Section 11. Section 15-8-111, MCA, is amended to read:
 7 "15-8-111. Assessment -- market value standard --
 8 exceptions. (1) All taxable property must be assessed at
 9 100% of its market value except as otherwise provided in
 10 subsection (5) of this section and in 15-7-111 through
 11 15-7-114.
 12 (2) (a) Market value is the value at which property
 13 would change hands between a willing buyer and a willing
 14 seller, neither being under any compulsion to buy or to sell
 15 and both having reasonable knowledge of relevant facts.
 16 (b) Except as provided in subsection (3), the market
 17 value of all ~~motor-trucks; agricultural tools; implements;~~
 18 ~~and taxable machinery; and equipment and vehicles of all~~
 19 ~~kinds; including but not limited to aircraft and boats and~~
 20 ~~all watercraft;~~ is the average wholesale value shown in
 21 national appraisal guides and manuals or the value ~~of the~~
 22 ~~vehicle~~ before reconditioning and profit margin. The
 23 department of revenue shall prepare valuation schedules
 24 showing the average wholesale value when no national
 25 appraisal guide exists.

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

6 (a)--the--wholesale--value--for--agricultural--implements
7 and--machinery--is--the--loan--value--as--shown--in--the--Official
8 Guide, Tractor and Farm Equipment, published by the national
9 farm--and--power--equipment--dealers--association, St. Louis,
10 Missouri, and

11 (b)--for--agricultural--implements--and--machinery--not
12 listed in the official guide, the department shall prepare a
13 supplemental manual where the values reflect the same
14 depreciation as those found in the official guide, as
15 otherwise authorized in Title 15 and Title 61.

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

18 (5) The taxable value for all property in classes four
19 through eleven and fifteen through nineteen is the
20 percentage of market or assessed value established for each
21 class of property in-15-6-134-through-15-6-141-and--15-6-145
22 through-15-6-149.

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

25 (a) Properties in 15-6-131, under class one, are

1 assessed at 100% of the annual net proceeds after deducting
2 the expenses specified and allowed by 15-23-503.

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

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

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

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

16 (a) ownership of the improvements is different from
17 ownership of the land;

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

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

20 (8)--The--taxable--value--of--all--property--in--15-6-131--and
21 classes two, three, and thirteen is the percentage of
22 assessed value established in-15-6-131(2), 15-6-132,
23 15-6-133, and 15-6-143 for each class of property.
24 (Subsections (3)(a) and (3)(b) [now deleted] applicable to
25 tax years beginning after December 31, 1985--sec. 4, Ch.

1 463, L. 1985. Subsection (6)(d) and references in (8) [now
2 deleted] to class thirteen and 15-6-143 terminate January 1,
3 1991--sec. 10, Ch. 681, L. 1985.)"

4 Section 12. Section 15-8-201, MCA, is amended to read:

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

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

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

22 (b) automobiles and trucks ~~having a rated capacity of~~
23 ~~three-quarters of a ton or less~~ subject to a fee in lieu of
24 property tax;

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

1 in lieu of property tax;

2 (d) motorcycles and quadricycles;

3 (e) livestock watercraft subject to a fee in lieu of
4 property tax;

5 (f) aircraft subject to a fee in lieu of property tax;

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

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

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

14 Section 13. Section 15-8-301, MCA, is amended to read:

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

22 (a) all taxable property belonging to, claimed by, or
23 in the possession or under the control or management of such
24 person;

25 (b) all taxable property belonging to, claimed by, or

1 in the possession or under the control or management of any
2 firm of which such person is a member;

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

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

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

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

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

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

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

19 Section 14. Section 15-8-404, MCA, is amended to read:

20 "15-8-404. Property of particular types of firms. (1)
21 The taxable personal property belonging to the business of a
22 merchant or of a manufacturer must be listed in the town or
23 district where his business is carried on.

24 (2) The taxable personal property of express,
25 transportation, and stage companies, ~~steamboats, vessels,~~

1 ~~and--other--watercraft~~ must be listed and assessed in the
2 county, town, or district where such property is usually
3 kept.

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

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

10 "15-8-706. Statement by agent to the department. (1)
11 On the second Monday in July in each year, the agent of the
12 department of revenue in each county must transmit to the
13 department a statement showing:

- 14 (a) the several kinds of personal property;
15 (b) the average and total value of each kind;
16 (c) the ~~number of--livestock;--number--of--bushels--of~~
17 ~~grain;~~ number of pounds or tons of any taxable article sold
18 by the pound or ton;
19 (d) when practicable, the separate value of each class
20 of land, specifying the classes and the number of acres in
21 each.

22 (2) An agent of the department who purposely or
23 negligently fails to perform his duty under this section or
24 a deputy or member of the agent's staff delegated such duty
25 who purposely or negligently fails to perform such duty is

1 guilty of official misconduct under 45-7-401."

2 Section 16. Section 15-24-301, MCA, is amended to
3 read:

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

- 10 (a) any taxable personal property (~~including~~ excluding
11 livestock and poultry) brought, driven, or coming into this
12 state at any time during the year that is used in the state
13 for hire, compensation, or profit;
14 (b) taxable property whose owner or user is engaged in
15 gainful occupation or business enterprise in the state; or
16 (c) taxable property which comes to rest and becomes a
17 part of the general property of the state.

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

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

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

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

9 ~~{a}~~ The motor vehicle is taxed by the county in which
10 it is located.

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

15 ~~{c}~~ The quarterly taxes are due the first day of the
16 quarter.

17 ~~{5}~~(4) Agricultural harvesting machinery classified
18 under class eight, licensed in other states, and operated on
19 the lands of persons other than the owner of the machinery
20 under contracts for hire shall be subject to a fee in lieu
21 of taxation of \$35 per machine for the calendar year in
22 which the fee is collected. The machines shall be subject to
23 taxation under class eight only if they are sold in Montana.

24 ~~{6}~~(5) The provisions of this part do not apply to
25 automobiles and trucks, having a rated capacity of

1 ~~three-quarters of a ton or less, watercraft, aircraft,~~
2 ~~trailers, motorcycles, or quadricycles. These vehicles are~~
3 ~~subject to the fee provided for in 67-3-532 or 67-3-541 a~~
4 ~~fee in lieu of tax."~~

5 Section 17. Section 15-24-302, MCA, is amended to
6 read:

7 "15-24-302. Collection procedure. All property
8 mentioned in 15-24-301 is assessed at the same value as
9 property of like kind and character, and the assessment,
10 levy, and collection of the tax are governed by the
11 provisions of 15-8-408; 15-16-111 through 15-16-115;
12 15-16-404; chapter 17, part 9; and 15-24-202, as amended,
13 except:

14 ~~{1}~~ taxation of motor vehicles under 15-24-301~~{4}~~ to
15 the extent that subsection varies from the general
16 provisions cited above; and

17 ~~{2}~~ livestock taxation governed by 81-7-104 and Title
18 81, chapter 77, part 2."

19 Section 18. Section 15-24-304, MCA, is amended to
20 read:

21 "15-24-304. Prorated taxes fee in lieu of tax --
22 aircraft. (1) A person who acquires an aircraft required to
23 be registered under subsections (2) through (7) (6) of
24 67-3-201 after March 1 in any year shall register the
25 aircraft within 30 days of acquiring it. The county assessor

1 ~~shall prorate the personal property tax due on the aircraft~~
 2 ~~for the remaining portion of the year in the manner provided~~
 3 ~~in 15-24-303.~~

4 (2) The fee in lieu of tax must be prorated for
 5 aircraft registered for a period of less than 1 year in the
 6 same manner as personal property taxes are prorated in
 7 15-24-303.

8 (3) A person failing to register an aircraft within 30
 9 days following acquisition of the aircraft or within 30 days
 10 after bringing the aircraft into the state for commercial
 11 purposes is subject to the penalty provided in 67-3-202.

12 (4) A person owning a migratory aircraft shall
 13 register as prescribed in 67-3-201(5) and pay the fee in
 14 lieu of tax."

15 Section 19. Section 15-24-921, MCA, is amended to
 16 read:

17 "15-24-921. ~~Additional~~ Per capita tax levy to pay
 18 expense expenses of enforcing ~~stock~~ livestock and poultry
 19 laws. (1) In addition to appropriations made for such
 20 purposes, a per capita tax is hereby authorized and directed
 21 to be levied on all livestock and poultry in this state for
 22 the purpose of aiding in the payment of the salaries and all
 23 expenses connected with the enforcement of the ~~stock~~
 24 livestock and poultry laws of the state and for the payment
 25 of bounties on wild animals as hereinafter specified.

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

3 Section 20. Section 15-24-922, MCA, is amended to
 4 read:

5 "15-24-922. Department Board of livestock to prescribe
 6 per capita levy. (1) The department--of--revenue--is--hereby
 7 empowered--and--it--is--made--its-duty-to board of livestock
 8 shall annually prescribe the per capita levy to be made
 9 against livestock and poultry of all classes for the purpose
 10 ~~above indicated, and the board of livestock has the right to~~
 11 ~~recommend to said department the amount of such levy in~~
 12 ~~15-24-921.~~

13 (2) The per capita tax levy must be calculated each
 14 year to provide not less than 100% or more than 110% of the
 15 revenue that was generated by 81-7-104, 81-7-118 (now
 16 repealed), and this section in the 1986 taxable year. The
 17 calculation must apply a reasonable factor for nonpayment
 18 and late payment of taxes."

19 NEW SECTION. Section 21. Collection of tax. (1) On or
 20 before January 15 of each year, an owner of poultry or of
 21 livestock or his agent shall make and deliver to the
 22 department of livestock a verified statement showing, as of
 23 January 1, the number of each kind of poultry or livestock
 24 within the state belonging to him or under his charge, with
 25 their marks and brands.

1 (2) Upon notification of the amount of levy set by the
 2 board of livestock under 15-24-922, the department of
 3 livestock shall send to each owner or agent who filed a
 4 report a statement indicating the total amount due under the
 5 levy for the year, the fact that payment is to be made to
 6 the department of livestock on or before June 1 following
 7 assessment of the tax, and the penalties and lien provisions
 8 that apply pursuant to [section 22].

9 NEW SECTION. Section 22. Penalty for failure to file
 10 poultry or livestock report -- lien upon real and personal
 11 property. (1) If a person who is the owner of poultry or
 12 livestock within the state fails to make or have his agent
 13 make the report as required in [section 21], the department
 14 of livestock may, after 10 days' notice to the person who
 15 failed to file the report, assess the tax imposed under
 16 15-24-921, based on the department's estimate of the number
 17 of poultry or livestock owned by the person in the state,
 18 and may add a 10% penalty.

19 (2) The tax imposed under 15-24-921 is a lien upon
 20 both real and personal property of the poultry or livestock
 21 owner who fails to pay the tax on or before June 1 following
 22 assessment of the tax and is collectible under the tax lien
 23 enforcement provisions of Title 15.

24 Section 23. Section 15-24-1102, MCA, is amended to
 25 read:

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

12 Section 24. Section 15-24-1103, MCA, is amended to
 13 read:

14 "15-24-1103. Federal property held under lease. When
 15 the property is held under lease, other interest, or estate
 16 therein less than the fee, except under contract of sale,
 17 the property shall be assessed and taxed as for the value,
 18 as ~~defined in 15-6-131 through 15-6-140~~ set forth in Title
 19 15, chapter 6, of such leasehold, interest, or estate in the
 20 property and the lien for the tax shall attach to and be
 21 enforced against only the leasehold, interest, or estate in
 22 the property. When the United States authorizes the taxation
 23 of the property for the full assessed value of the fee
 24 thereof, the property shall be assessed for full assessed
 25 value as defined in 15-8-111."

1 NEW SECTION. Section 25. Fee in lieu of tax for
2 motorboats and sailboats. (1) There is a fee in lieu of
3 property tax as prescribed in [section 26] imposed on
4 motorboats and sailboats. The fee is in addition to the
5 annual fee required by 23-2-512 for filing of the
6 application for a certificate of number.

7 (2) The fee imposed by subsection (1) need not be paid
8 by a dealer for motorboats or sailboats that constitute
9 inventory of the dealership.

10 NEW SECTION. Section 26. Fees for motorboats and
11 sailboats. (1) The owner of a motorboat 10 feet in length or
12 longer or a sailboat 12 feet in length or longer shall pay a
13 fee based on the length of the motorboat or sailboat.

14 (2) The fee for a motorboat 10 feet to 13 feet 11
15 inches in length or a sailboat 12 feet to 13 feet 11 inches
16 in length is \$7.50.

17 (3) The fee for a motorboat or sailboat 14 feet to 15
18 feet 11 inches in length is \$15.

19 (4) The fee for a motorboat or sailboat 16 feet to 16
20 feet 11 inches in length is \$32.

21 (5) The fee for a motorboat or sailboat 17 feet to 18
22 feet 11 inches in length is \$3 a foot or fraction of a foot.

23 (6) The fee for a motorboat or sailboat 19 feet in
24 length or longer is \$4 a foot or fraction of a foot.

25 NEW SECTION. Section 27. Disposition of fees in lieu

1 of tax. The county treasurer shall distribute all fees in
2 lieu of tax collected on motorboats 10 feet in length or
3 longer and sailboats 12 feet in length or longer pursuant to
4 [sections 25 and 26] in the relative proportions required by
5 the levies for state, county, school district, and municipal
6 purposes in the same manner as personal property taxes are
7 distributed.

8 NEW SECTION. Section 28. Penalty -- disposition. (1)
9 Failure to pay the fee in lieu of tax as provided for in
10 [section 26] is a misdemeanor, punishable by a fine equal to
11 50% of the fee in lieu of tax that is due on the motorboat
12 or sailboat for the current year of registration.

13 (2) All fines collected pursuant to subsection (1)
14 must be distributed in the following ratio:

15 (a) 50% to the general fund of the county in which the
16 motorboat or sailboat is issued a certification number; and

17 (b) 50% to the motorboat account of the state special
18 revenue fund for use by the department in the enforcement of
19 this part.

20 Section 29. Section 23-2-512, MCA, is amended to read:

21 "23-2-512. Identification number. (1) The owner of
22 each motorboat or sailboat requiring numbering by this state
23 shall file an application for number in the office of the
24 county treasurer where the motorboat or sailboat is owned or
25 taxable, on forms prepared and furnished by the department

1 of justice. The application must be signed by the owner of
 2 the motorboat or sailboat and be accompanied by a fee of \$1.
 3 Any alteration, change, or false statement contained in the
 4 application will render the certificate of number void. Upon
 5 receipt of the application in approved form, the county
 6 treasurer shall issue to the applicant a certificate of
 7 number prepared and furnished by the department of justice,
 8 stating the number assigned to the motorboat or sailboat and
 9 the name and address of the owner.

10 ~~{2}~~ Before filing the application with the county
 11 treasurer, the applicant shall submit it to the county
 12 assessor, who shall enter on the application, in a space to
 13 be provided for that purpose, the market value and taxable
 14 value of the motorboat for the year for which the
 15 application for registration is made.

16 {3}{2} The applicant, upon the filing of the
 17 application, shall pay to the county treasurer the
 18 ~~registration fee and the personal property taxes assessed~~
 19 ~~against the motorboat or vessel~~ fee in lieu of tax required
 20 for a motorboat 10 feet in length or longer or a sailboat 12
 21 feet in length or longer for the current year of
 22 registration certification before the application for
 23 registration certification or reregistration recertification
 24 may be accepted by the county treasurer.

25 {4}{3} Should the ownership of a motorboat or sailboat

1 change, a new application form with the certification fee
 2 must be filed within a reasonable time with the county
 3 treasurer and a new certificate of number assigned in the
 4 same manner as provided for in an original assignment of
 5 number.

6 {5}{4} If an agency of the United States government
 7 has in force a comprehensive system of identification
 8 numbering for motorboats or sailboats in the United States,
 9 the numbering system employed pursuant to this part by the
 10 department of justice must be in conformity.

11 {6}{5} Every certificate of number and the license
 12 decals assigned under this part continues in effect for a
 13 period not to exceed 1 year unless terminated or
 14 discontinued in accordance with the provisions of this part.
 15 Certificates of number and license decals must show the date
 16 of expiration and may be renewed by the owner in the same
 17 manner provided for in the initial securing of the
 18 certificate.

19 {7}{6} Certificates of number expire on December 31 of
 20 each year and may not be in effect unless renewed under this
 21 part.

22 {8}{7} In event of transfer of ownership, the
 23 purchaser shall furnish the county treasurer notice within a
 24 reasonable time of the acquisition of all or any part of his
 25 interest, other than the creation of a security interest, in

1 a motorboat or sailboat numbered in this state or of the
 2 loss, theft, destruction, or abandonment of the motorboat or
 3 sailboat. The transfer, loss, theft, destruction, or
 4 abandonment terminates the certificate of number for the
 5 motorboat or sailboat. Recovery from theft or transfer of a
 6 part interest that does not affect the owner's right to
 7 operate the motorboat or sailboat does not terminate the
 8 certificate of number.

9 †9†(8) A holder of a certificate of number shall
 10 notify the county treasurer within reasonable time if his
 11 address no longer conforms to the address appearing on the
 12 certificate and furnish the county treasurer with his new
 13 address. The department of justice may provide by rule for
 14 the surrender of the certificate bearing the former address
 15 and its replacement with a certificate bearing the new
 16 address or the alteration of an outstanding certificate to
 17 show the new address of the holder.

18 ††0†(9) (a) The number assigned must be painted on or
 19 attached to each outboard side of the forward half of the
 20 motorboat or sailboat or, if there are no such sides, at a
 21 corresponding location on both outboard sides of the
 22 foredeck of the motorboat or sailboat. The number assigned
 23 must read from left to right in Arabic numerals and block
 24 characters of good proportion at least 3 inches tall
 25 excluding border or trim of a color that contrasts with the

1 color of the background and be so maintained as to be
 2 clearly visible and legible. The number may not be placed on
 3 the obscured underside of the flared bow where it cannot be
 4 easily seen from another vessel or ashore. No numerals,
 5 letters, or devices other than those used in connection with
 6 the identifying number issued may be placed in the proximity
 7 of the identifying number. No numerals, letters, or devices
 8 that might interfere with the ready identification of the
 9 motorboat or sailboat by its identifying number may be
 10 carried as to interfere with the motorboat's or sailboat's
 11 identification. No number other than the number and license
 12 decal assigned to a motorboat or sailboat or granted
 13 reciprocity under this part may be painted, attached, or
 14 otherwise displayed on either side of the forward half of
 15 the motorboat or sailboat.

16 (b) The certificate of number shall be pocket size and
 17 available to federal, state, or local law enforcement
 18 officers at all reasonable times for inspection on the
 19 motorboat or sailboat whenever the motorboat or sailboat is
 20 on waters of this state.

21 (c) Boat liveries are not required to have the
 22 certificate of number on board each motorboat or sailboat,
 23 but a rental agreement must be carried on board livery
 24 motorboats or sailboats in place of the certificate of
 25 number.

1 ~~†††~~(10) Fees, other than the fee in lieu of tax,
 2 collected under this section shall be transmitted to the
 3 state treasurer, who shall deposit the fees in the motorboat
 4 or sailboat certificate identification account of the state
 5 special revenue fund. These fees shall be used only for the
 6 administration and enforcement of this part, as amended.

7 ~~†††~~(11) An owner of a motorboat or sailboat must
 8 within a reasonable time notify the department of justice,
 9 giving the motorboat's or sailboat's identifying number and
 10 the owner's name, when that ~~the~~ motorboat becomes documented
 11 ~~as a vessel of the United States~~ or sailboat is transferred,
 12 lost, destroyed, abandoned, or frauded or within 60 days
 13 after change of state of principal use or if a motorboat or
 14 sailboat becomes documented as a vessel of the United
 15 States."

16 Section 30. Section 23-2-515, MCA, is amended to read:
 17 "23-2-515. License decals to be displayed. (1) Every
 18 Montana boat motorboat or sailboat numbered in accordance
 19 with the provisions of 23-2-512 and 23-2-513 shall be
 20 required to display license decals. For this purpose the
 21 county treasurer, upon receipt of ~~a certificate of tax of~~
 22 ~~personal property showing payment of tax on the motorboat~~
 23 the fee in lieu of tax for a motorboat 10 feet in length or
 24 longer or a sailboat 12 feet in length or longer for the
 25 current year, shall issue a pair of decals prepared and

1 furnished by the department of justice with all new
 2 certificates of number and renewals thereof.

3 (2) The decals shall be of a style and design
 4 prescribed by the department of justice and shall be a color
 5 differing from the preceding year. The license decal will be
 6 serially numbered and have the expiration date of December
 7 31 of the appropriate year printed thereon.

8 (3) License decals shall be displayed only in the
 9 following manner: one valid license decal on each side of
 10 the forward half, 3 inches aft of the identifying numbers."

11 NEW SECTION. Section 31. Heavy vehicle, road tractor,
 12 and trailer -- highway use fee. (1) Except as provided in
 13 subsection (2), heavy vehicles, road tractors, and trailers
 14 are subject to an annual use fee in consideration of the
 15 right to use the highways of the state.

16 (2) (a) Heavy vehicles, road tractors, and trailers
 17 that meet the description of property exempt from taxation
 18 under the provisions of 15-6-201(1)(a), (1)(c), (1)(d), or
 19 (1)(e) or 15-6-203(2) are exempt from the fee imposed in
 20 subsection (1) of this section.

21 (b) A dealer for heavy vehicles, road tractors, and
 22 trailers is not required to pay the use fee for heavy
 23 vehicles held for sale or used in the dealer's business in
 24 selling or demonstrating the vehicles. Vehicles exempt under
 25 this subsection may not be used for any purpose not

1 necessary to sell the vehicle.

2 NEW SECTION. Section 32. Schedule of fees for heavy
 3 vehicles, road tractors, and trailers. (1) The following
 4 schedule, based on vehicle age and weight, is used to
 5 determine the fee imposed by [section 31]:

Age	Weight		
	26,000 Pounds or Less	26,000 Pounds and Less Than 34,000 Pounds	More Than 34,000 Pounds
Less than or equal to 5 years	\$250	\$400	\$600
More than 5 years and less than 10 years	100	200	300
More than 10 years and less than 20 years	50	100	150
20 years old and over	20	20	20

24 (2) (a) The fee for a heavy vehicle is determined by:
 25 (i) multiplying the appropriate dollar amount from the

1 table in subsection (1) by the ratio of the PCE for the
 2 second quarter of the year prior to the year of licensing to
 3 the PCE for the second quarter of 1988; and

4 (ii) rounding the product thus obtained to the nearest
 5 whole dollar amount.

6 (b) "PCE" means the implicit price deflator for
 7 personal consumption expenditures as published quarterly in
 8 the Survey of Current Business by the bureau of economic
 9 analysis of the United States department of commerce.

10 NEW SECTION. Section 33. Disposition of heavy
 11 vehicle, road tractor, and trailer highway use fees. The
 12 county treasurer shall distribute all fees in lieu of tax
 13 collected on heavy vehicles, road tractors, and trailers in
 14 the relative proportions required by the levies for state,
 15 county, school district, and municipal purposes in the same
 16 manner as personal property taxes are distributed.

17 NEW SECTION. Section 34. Registration application --
 18 payment of fees -- deposit of fees. (1) The owner of an
 19 aircraft subject to the fee in lieu of property tax must
 20 submit an application for registration or registration
 21 renewal to the department on or before March 1 of each year.
 22 The application must be accompanied by the fee in lieu of
 23 tax prescribed in [section 37].

24 (2) An aircraft subject to the fee in lieu of tax may
 25 not be registered until payment of the fee is made to the

1 department.

2 (3) All fees paid to the department for registration
3 must be deposited to the account established in [section
4 36].

5 NEW SECTION. Section 35. Fee in lieu of tax on
6 registered aircraft -- decal. (1) Except as provided in
7 subsection (3), aircraft required to be registered in
8 Montana are subject to a registration fee. The registration
9 fee is in lieu of property tax.

10 (2) The department shall issue a decal to the owner of
11 an aircraft required to be registered at the time of payment
12 of the registration fee in lieu of tax as provided in
13 [section 37]. No aircraft subject to a fee in lieu of tax
14 may be operated in this state unless there is displayed on
15 the aircraft a decal as visual proof that the fee in lieu of
16 tax has been paid for the aircraft and that the aircraft is
17 registered for the current year.

18 (3) Aircraft that meet the description of property
19 described in 15-6-147 are exempt from the fee imposed by
20 subsection (1). Aircraft subject to the fee in lieu of tax
21 are exempt from all other taxation.

22 NEW SECTION. Section 36. Aircraft registration
23 account -- source of funds -- allocation. (1) There is an
24 account of the agency fund type, to which must be credited
25 all money received from fees paid in lieu of tax on aircraft

1 as required in this part and 15-24-304 and all penalties
2 collected for registration violations as provided in
3 67-3-202.

4 (2) Money in the account is allocated as follows:

5 (a) 90% to the counties in the proportion that each
6 county's collections bear to the total collections
7 statewide; and

8 (b) 10% to the department for the purpose of
9 administering and enforcing aircraft registration.

10 (3) The allocations required in subsection (2)(a) must
11 be made twice annually by the department. The first
12 allocation must be made between March 15 and March 30, and
13 the second allocation must be made between July 1 and July
14 15.

15 (4) The allocation required in subsection (2)(b) must
16 be made on July 1 of each year.

17 (5) On receipt of the money allocated as provided in
18 subsection (2)(a), the county treasurer shall distribute the
19 money in the relative proportions required by the levies for
20 state, county, school district, and municipal purposes in
21 the same manner as personal property taxes are distributed.

22 NEW SECTION. Section 37. Schedule of fees in lieu of
23 tax for aircraft. (1) The appropriate fee in lieu of tax
24 imposed on aircraft must be determined from the following
25 schedule:

	YEARS				
	0 - 5	6 - 10	11 - 20	21 - 30	31 - 40
Single engine, fixed gear, 200 horsepower and under	\$300	\$175	\$100	\$50	\$25
Single engine, fixed gear, over 200 horsepower	500	250	150	75	50
Single engine, retractable gear, 200 horsepower and under	600	300	175	100	75
Single engine, retractable gear, over 200 horsepower	700	400	200	125	100
Multi-engine, piston engine	800	500	250	175	150
Helicopter, piston engine	700	450	225	150	125
Single-engine jet helicopter, propjet	1,500	700	450	300	175
Multi-engine jet helicopter, propjet	2,000	1,000	600	400	200
Jet engine, no propeller	3,000	1,500	800	500	250

(2) The fee in lieu of tax imposed on any glider, ultralight, gyrocopter, balloon, homebuilt aircraft, or any aircraft over 40 years old is \$20.

Section 38. Section 67-3-201, MCA, is amended to read:

"67-3-201. Aircraft registration and licensing

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

(2) Aircraft customarily kept in this state ~~shall~~ must be registered on or before March 1 of each year with the department, which ~~may~~ must charge a fee therefor ~~of not more than \$10~~ according to the fee schedule in [section 37]. The registration ~~shall~~ must be renewed annually on or before March 1 each year.

(3) Section 67-3-202 and subsections (2) through ~~{7}~~ [6] of this section ~~shall~~ do not apply to:

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

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

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

(d) dismantled or otherwise nonflyable aircraft.

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

10 ~~{5}--Except-as-provided-in-15-6-2107,-all-aircraft-shall~~
 11 ~~be--subject--to--all--state,-county,-and-school-district-tax~~
 12 ~~levies-and-all-other--levies--designated--for--aircraft---or~~
 13 ~~airport-related--uses--Such-aircraft-shall-not-be-liable-for~~
 14 ~~other-city-tax-levies.~~

15 ~~{6}{5}~~ Aircraft not registered in the state but
 16 entering the state to engage in commercial operations shall
 17 be registered prior to commencing operation.

18 ~~{7}{6}~~ Owners of ultralight aircraft for which no
 19 appropriate effective license, certificate, or permit is
 20 issued by the United States government shall pay the fee
 21 required in [section 37] and file with the department an
 22 appropriate registration recognized and approved by the
 23 United States government."

24 Section 39. Section 67-3-202, MCA, is amended to read:

25 "67-3-202. Penalty for registration violations. (1)

1 When an aircraft required to be registered under the
 2 provisions of subsections (2) through ~~{7}~~ (6) of 67-3-201 is
 3 not registered on or before March 1 of the current calendar
 4 year, a penalty ~~fee-of-\$100-shall~~ of five times the annual
 5 fee in lieu of tax provided in [section 37] must be added to
 6 the registration fee and collected. Registration of an
 7 aircraft in the name of the applicant for the year
 8 immediately preceding the year for which application for
 9 registration is made shall be prima facie evidence that the
 10 aircraft has been based in this state during the year for
 11 which application for registration is made.

12 ~~{2}--Except-for-aircraft-exempt-from-property--taxation~~
 13 ~~as--provided--in--15-6-2107--an-application-for-registration~~
 14 ~~shall-be-accompanied--by--a--copy--of--the--receipt--for--or~~
 15 ~~statement--of--personal--property--tax--paid,-signed-by-the~~
 16 ~~treasurer-of-the-county-where-the-aircraft-is-registered,-or~~
 17 ~~a-statement-of-lien-assignment-against-real-property,-signed~~
 18 ~~by-the-county-assessor-where-the-aircraft-is--registered,-A~~
 19 ~~person-who-pays-personal-property-tax-on-his-aircraft-to-any~~
 20 ~~jurisdiction--other--than--the--county-where-the-aircraft-is~~
 21 ~~required-to-be-registered-is-liable--for--the--tax--in--that~~
 22 ~~county-without-credit-for-such-other-taxes-paid,-in-addition~~
 23 ~~to--this-civil-liability,-a-person-who-attempts-to-establish~~
 24 ~~the-situs-of-his-aircraft-in-any-jurisdiction-other-than-the~~
 25 ~~county-where-the-aircraft-is-required-to-be-registered--with~~

~~intent--to-avoid-payment-of-taxes-to-that-county-commits-the
offense-of-false-swearing-as-defined-in-45-7-202.~~

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

Section 40. Section 81-6-101, MCA, is amended to read:

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

(2) Members appointed to serve on such committee shall be residents of the county engaged in the business of raising cattle. If there be in the county any organization of cattle growers, the county commissioners shall give preference to names submitted by any such group for appointment to such committee. The term for which said committee members shall be appointed shall be 2 years with

two members of the first committee named to serve for 2 years, one member to serve for 1 year. Members of such committee shall receive no remuneration or reimbursement for expenses for serving on said committee.

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

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

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

1 cents per head."

2 Section 41. Section 81-6-104, MCA, is amended to read:

3 "81-6-104. Tax levy -- special fund. ~~Said~~ The county
4 livestock protective committee may recommend to the board of
5 county commissioners the levy of a tax in an amount not to
6 exceed 50 cents per head on all assessable cattle in the
7 county on January 1, and the board of county commissioners
8 shall thereupon be empowered to levy such tax, to be
9 collected as other taxes on personal property and when
10 collected to be deposited by the county treasurer in a
11 special fund to be known as the stockmen's special deputy
12 fund, together with any other funds made available from
13 county, state, federal, or private sources for the purposes
14 of this part."

15 Section 42. Section 81-6-204, MCA, is amended to read:

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

1 as the stockmen's special deputy fund, together with any
2 other funds made available from county, state, federal, or
3 private sources for the purposes of this part."

4 Section 43. Section 81-6-209, MCA, is amended to read:

5 "81-6-209. Tax levy -- deposit of proceeds. ~~Said~~ The
6 district cattle protective committee may recommend to the
7 board of county commissioners the levy of a tax in an amount
8 not to exceed 50 cents per head on all assessable cattle in
9 the district on January 1, and the board of county
10 commissioners shall thereupon be empowered to levy such tax,
11 to be collected as other taxes on personal property and when
12 collected to be deposited in the county treasury in a
13 special fund to be known as the stockmen's special deputy
14 fund, together with any other funds made available from
15 county, state, federal, or private sources for the purposes
16 of this part."

17 Section 44. Section 81-7-103, MCA, is amended to read:

18 "81-7-103. Administration of funds by the department.
19 The department shall administer and expend for predatory
20 animal extermination and control all money which is made
21 available to it, including the money ~~from the levy~~ allocated
22 for this purpose under 81-7-104 and all money which is made
23 available to the department by appropriations made by the
24 legislature for predatory animal control by the department.
25 The department shall expend the funds for predatory animal

1 control by all effective means responsive to the necessities
2 of control in various areas of the state, including
3 employment of hunters, trappers, and other personnel,
4 procurement of traps, poisons, equipment, and supplies, and
5 payment of bounties in the discretion of the department at
6 those times of the year it considers advisable."

7 Section 45. Section 81-7-104, MCA, is amended to read:

8 "~~81-7-104. Levy for predator Predator control moneys~~
9 money -- use of proceeds. (1) The department of revenue
10 ~~shall annually levy an ad valorem tax on all livestock in~~
11 ~~the state of Montana livestock shall allocate a portion of~~
12 ~~the money from the levy under 15-24-921 for the purpose of~~
13 ~~protecting them livestock and poultry in the state~~ against
14 destruction, depredation, and injury by wild animals,
15 whether the livestock and poultry is on lands in private
16 ownership, in the ownership of the state, or in the
17 ownership of the United States, including open ranges and
18 all lands in or of the public domain. This protection may be
19 by any means of effective predatory animal destruction,
20 extermination, and control, including systematic hunting and
21 trapping and payment of bounties. ~~The tax levy may not~~
22 ~~exceed in any one year 15 mills on the taxable value of all~~
23 ~~sheep and 10 mills on the taxable value of other livestock.~~
24 (2) ~~The moneys received from the tax levies shall be~~
25 ~~transmitted monthly with other taxes for state purposes by~~

1 ~~the county treasurer of each county to the state treasury.~~
2 ~~The state treasurer shall place the money in the state~~
3 ~~special revenue fund with the other moneys as provided in~~
4 ~~81-7-119. The moneys Money~~ shall thereafter be paid out only
5 on claims duly and regularly presented to the department of
6 livestock and approved by the department in accordance with
7 the law applicable either to claims for bounties or for
8 other expenditures necessary and proper for predatory animal
9 control by means and methods other than payment of bounties,
10 as determined by the department. ~~All the moneys Money~~
11 ~~designated for predator control~~ shall be available for the
12 payment of bounty claims and for expenditures for planned,
13 seasonal, or other campaigns directed or operated by the
14 department in cooperation with other agencies for the
15 systematic destruction, extermination, and control of
16 predatory wild animals, as determined by the department and
17 its advisory committee. No claims may be approved in excess
18 of ~~moneys money~~ available for such purposes, and no warrants
19 may be registered against the ~~moneys money~~."

20 Section 46. Section 81-7-202, MCA, is amended to read:

21 "~~81-7-202. Signers of petition -- time for presenting~~
22 ~~-- limitation on bounties -- bounty inspectors. (1) The~~
23 ~~petition provided for in 81-7-201 shall be signed by the~~
24 ~~owners, agent, or agents of not less than 51% of the~~
25 ~~livestock and poultry of such county as ascertained from the~~

1 ~~assessment--books--of--such--county~~ and shall recommend to the
2 board of county commissioners the bounties to be paid on
3 such predatory animals, which shall not exceed the
4 following:

- 5 (a) on each wolf or mountain lion, \$100;
6 (b) on each wolf pup or mountain lion kitten, \$20;
7 (c) on one coyote, \$5;
8 (d) on each coyote pup, \$2.50.
- 9 (2) Such petition shall be presented not later than
10 August 1 of each year, and the board of county commissioners
11 on determining the sufficiency of such petition shall make
12 an order granting such petition, which order shall fix the
13 levy for that year and the amount of the bounties to be paid
14 for the killing of each such predatory animal, which shall
15 not exceed the amounts recommended in such petition, and
16 appoint not less than 10 or more than 20 stockowners of such
17 county to be bounty inspectors under this part, without
18 compensation, who shall hold their offices for 1 year."

19 Section 47. Section 81-7-303, MCA, is amended to read:

20 "81-7-303. County commissioners permitted to require
21 per capita license fee on sheep. (1) To defray the expense
22 of such protection the board of county commissioners of any
23 county shall have the power to require all owners or persons
24 in possession of any sheep coming 1 year old or over in the
25 county on the regular assessment date of each year to pay a

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

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

21 (3) When collected, said fees shall be placed by the
22 treasurer in the predatory animal control fund and the
23 moneys in said fund shall be expended on order of the board
24 of county commissioners of the county for predatory animal
25 control only."

1 Section 48. Section 81-7-305, MCA, is amended to read:

2 "81-7-305. Duty of county commissioners -- petition of
3 sheep owners -- license fees. (1) In conducting a predatory
4 animal control program, the board of county commissioners
5 shall give preference to recommendations for such program
6 and its incidents as made by organized associations of sheep
7 growers in the county. Upon petition of the resident owners
8 of at least 51% of the sheep in the county, ~~as shown by the~~
9 ~~assessment rolls of the last preceding assessment,~~ which
10 petition shall be filed with the board of county
11 commissioners on or before the first Monday in December in
12 any year, such board shall establish the predatory animal
13 control program and cause said licenses to be secured and
14 issued and the fees collected for the following year in such
15 amount as will defray the cost of administering the program
16 so established. The license fee determined and set by the
17 board shall remain in full force and effect from year to
18 year without change, unless there is filed with the board a
19 petition subscribed by the resident owners of at least 51%
20 of the sheep in the county, ~~as shown by the assessment rolls~~
21 ~~of the last assessment preceding the filing of the petition,~~
22 for termination of the program and repeal of the license
23 fee, in which event the program shall by order of the board
24 of county commissioners be disestablished and the license
25 fee shall not be further levied.

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

9 Section 49. Section 81-8-804, MCA, is amended to read:

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

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

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

24 (4) A person who has paid the tax required by this
25 section may obtain a refund of the tax upon submission of a

1 written request to the department. The application must be
 2 made within 30 days after the payment of the tax and on
 3 forms furnished by the department. The department shall,
 4 upon receipt of a timely and otherwise properly submitted
 5 refund request, refund the tax."

6 Section 50. Section 15-6-207, MCA, is amended to read:

7 "15-6-207. Agricultural exemptions. (1) The following
 8 agricultural products are exempt from taxation:

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

11 (b) all nonperishable unprocessed agricultural
 12 products, ~~except livestock~~, held in possession of the
 13 original producer for less than 7 months following harvest;

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

19 (d) ~~swine which have not attained the age of 3 months~~
 20 ~~as of January 1.~~

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

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

4 NEW SECTION. Section 51. Calculation of county
 5 taxable valuation. It is the intention of the legislature
 6 that [sections 1 through 50] not affect the determination of
 7 county classifications, bonding levels, salaries of county
 8 officers, and other computations based on county taxable
 9 valuation. Accordingly, such determinations must be
 10 calculated based on taxable valuations used for the 1986 tax
 11 year, plus additional taxable valuation attributable to
 12 property added to the tax rolls after the 1986 tax year.

13 NEW SECTION. Section 52. Repealer. Sections 15-6-136,
 14 15-6-138, 15-6-146, 15-6-210, 15-24-901 through 15-24-906,
 15 15-24-908 through 15-24-911, 15-24-923 through 15-24-926,
 16 15-24-931, 15-24-941 through 15-24-943, 61-3-707, and
 17 81-7-118, MCA, are repealed.

18 NEW SECTION. Section 53. Codification instructions.
 19 (1) Sections 25 through 28 are intended to be codified as an
 20 integral part of Title 23, chapter 2, part 5, and the
 21 provisions of Title 23, chapter 2, part 5, apply to sections
 22 25 through 28.

23 (2) Sections 31 through 33 are intended to be codified
 24 as an integral part of Title 61, chapter 3, part 5, and the
 25 provisions of Title 61, chapter 3, part 5, apply to sections

1 31 through 33.

2 (3) Sections 34 through 37 are intended to be codified
3 as an integral part of Title 67, chapter 3, part 2, and the
4 provisions of Title 67, chapter 3, part 2, apply to sections
5 34 through 37.

6 (4) Sections 21 and 22 are intended to be codified as
7 an integral part of Title 81, and the provisions of Title 81
8 apply to sections 21 and 22.

9 NEW SECTION. Section 54. Extension of authority. Any
10 existing authority of the department of revenue, board of
11 livestock, and department of livestock to make rules on the
12 subject of the provisions of this act is extended to the
13 provisions of this act.

14 NEW SECTION. Section 55. Effective date --
15 applicability. (1) This act is effective on passage and
16 approval.

17 (2) This act applies to taxable years beginning after
18 December 31, 1987.

19 (3) This act applies to motorboats, sailboats,
20 aircraft, heavy trucks, and trailers registered after
21 December 31, 1987.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB394, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to generally revise and restructure taxation of real and personal property to eliminate the taxes on certain personal property with corresponding increases in real property valuations; providing fees in lieu of tax on watercraft, aircraft, heavy vehicles, road tractors, and trailers; and providing an effective date.

FISCAL IMPACT:Revenue Impact:

The proposal is designed to generate the same taxable value for property tax purposes as exists under current law. The higher tax rate on agricultural land replaces the value lost from the repeal of taxes on livestock, agricultural implements, grain in storage, and tack. Likewise, the higher tax rate on class 4 property replaces the value lost from the repeal of all other personal property. The homeowner exclusion was designed to leave the taxable value of class 4 residential property unaffected by the proposal.

Hence, the proposal will have no effect on the amount of property taxes levied.

Expenditure Impact: (General Fund)

The proposal will result in a significant savings in the cost of administering the property tax, as shown below.

	FY 88	FY 89	Total
Change in Agricultural Property	(\$518,510)	(\$1,060,420)	(\$1,578,930)
<u>Change in All Other Property</u>	<u>(376,035)</u>	<u>(807,550)</u>	<u>(1,183,585)</u>
Total	(\$894,545)	(\$1,867,970)	(\$2,762,515)

Fund Information:

The proposal will have no effect on the amounts levied by the university and the school equalization levies, and will reduce general fund expenditures as shown below.

David L. Hunter DATE 3/13/87
 DAVID L. HUNTER, BUDGET DIRECTOR
 Office of Budget and Program Planning

Delwyn Gage DATE 3/17/87
 DELWYN GAGE, PRIMARY SPONSOR

Fiscal Note for SB394, as introduced.

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Changes in Fund Allocations
or Expenditures

	<u>FY 88</u>	<u>FY 89</u>
University Levy	\$ 0	\$ 0
School Equalization	0	0
General Fund	<u>894,545</u>	<u>1,867,970</u>
Total	<u>\$894,545</u>	<u>\$1,867,970</u>

EFFECT ON LOCAL REVENUES:

The proposal, on average, will have no effect on the property tax revenues of local government units. However, some taxing jurisdictions may experience an increase or decrease in their taxable value depending on their mix of real and personal property. Jurisdictions with a tax base that is more reliant on real property than average will experience an increase in valuations. Conversely, jurisdictions that are more dependent on personal property than average may face reduced valuations.