

HOUSE BILL NO. 35
INTRODUCED BY HARRINGTON

IN THE HOUSE

DECEMBER 30, 1988	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
JANUARY 2, 1989	FIRST READING.
FEBRUARY 3, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 6, 1989	PRINTING REPORT.
	SECOND READING, DO PASS.
FEBRUARY 7, 1989	ENGROSSING REPORT.
FEBRUARY 8, 1989	THIRD READING, PASSED. AYES, 99; NOES, 0.
	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 9, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
MARCH 22, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 29, 1989	SECOND READING, CONCURRED IN AS AMENDED.
MARCH 31, 1989	ON MOTION, BILL TAKEN FROM THIRD READING AND PLACED ON SECOND READING THE 73RD LEGISLATIVE DAY.
APRIL 1, 1989	SECOND READING, CONCURRED IN AS AMENDED.
APRIL 4, 1989	THIRD READING, CONCURRED IN.

AYES, 47; NOES, 0.

RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 6, 1989

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 7, 1989

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 HOUSE BILL NO. 35
 2 INTRODUCED BY HARRINGTON
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING AND
 5 CLARIFYING PERSONAL PROPERTY ASSESSMENT AND TAXATION
 6 PROVISIONS; CLARIFYING TAXABLE SITUS OF PERSONAL PROPERTY;
 7 REVISING PROCEDURES FOR ASSESSING LIVESTOCK; EXEMPTING FROM
 8 TAXATION ALL UNPROCESSED AGRICULTURAL PRODUCTS ON FARMS OR
 9 IN STORAGE; CLARIFYING PROVISIONS RELATING TO PER CAPITA TAX
 10 ON LIVESTOCK; CLARIFYING SWINE VALUATION PROCEDURES;
 11 DEFINING "COAL AND ORE HAULERS"; TAXING AT 11% ALL BUSES AND
 12 TRUCKS HEAVIER THAN THREE-QUARTERS OF A TON; REVISING TAX
 13 PAYMENT REQUIREMENTS FOR SPECIAL MOBILE EQUIPMENT; REQUIRING
 14 IDENTIFICATION DECALS ON CERTAIN MACHINERY AND EQUIPMENT;
 15 AMENDING SECTIONS 15-6-136, 15-6-138 THROUGH 15-6-140,
 16 15-6-207, 15-8-408, 15-8-706, 15-24-902 THROUGH 15-24-905,
 17 15-24-921, 15-24-922, 15-24-925, 15-24-931, AND 61-3-431,
 18 MCA; REPEALING SECTIONS 15-8-401 THROUGH 15-8-407, 15-24-908
 19 THROUGH 15-24-911, 15-24-926, AND 15-24-941 THROUGH
 20 15-24-943, MCA; AND PROVIDING AN APPLICABILITY DATE."
 21
 22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 23 **Section 1.** Section 15-6-136, MCA, is amended to read:
 24 "15-6-136. Class six property -- description --
 25 taxable percentage. (1) Class six property includes:

1 (a) livestock and other species of domestic animals
 2 and wildlife raised in domestication or a captive
 3 environment, except for cats, dogs, and other household pets
 4 not raised for profit; ~~and the unprocessed products of such~~
 5 ~~animals and wildlife; and~~
 6 ~~(b) all unprocessed agricultural products on the farm~~
 7 ~~or in storage except:~~
 8 ~~(i) all perishable fruits and vegetables in farm~~
 9 ~~storage and owned by the producer; and~~
 10 ~~(ii) all producer-held grain in storage;~~
 11 ~~(c) (b) items of personal property intended for lease~~
 12 in the ordinary course of business, provided each item of
 13 personal property satisfies all of the following:
 14 (i) the full and true value of the personal property
 15 is less than \$5,000;
 16 (ii) the personal property is owned by a business whose
 17 primary business income is from rental or lease of personal
 18 property to individuals wherein no one customer of the
 19 business accounts for more than 10% of the total rentals or
 20 leases during a calendar year; and
 21 (iii) the lease of the personal property is generally
 22 on an hourly, daily, or weekly basis.
 23 (2) Class six property is taxed at 4% of its market
 24 value."
 25 **Section 2.** Section 15-6-138, MCA, is amended to read:

1 "15-6-138. Class eight property -- description --
 2 taxable percentage. (1) Class eight property includes:
 3 (a) all agricultural implements and equipment;
 4 (b) all mining machinery, fixtures, equipment, tools,
 5 and supplies except:
 6 (i) those included in class five; and
 7 (ii) coal and ore haulers;
 8 (c) all manufacturing machinery, fixtures, equipment,
 9 tools, and supplies except those included in class five;
 10 (d) all trailers, including those prorated under
 11 15-24-102, except those subject to taxation under
 12 61-3-504(2);
 13 (e) all goods and equipment intended for rent or
 14 lease, except goods and equipment specifically included and
 15 taxed in another class;
 16 (f) buses and trucks having a rated capacity of more
 17 than ~~1-1/2 tons~~ three-quarters of a ton, including those
 18 prorated under 15-24-102; and
 19 (g) all other machinery except that specifically
 20 included in another class.
 21 (2) Class eight property is taxed at 11% of its market
 22 value."
 23 **Section 3.** Section 15-6-139, MCA, is amended to read:
 24 "15-6-139. Class nine property -- description --
 25 taxable percentage. (1) Class nine property includes:

1 ~~(a) buses and trucks having a rated capacity of more~~
 2 ~~than three-quarters of a ton but less than or equal to 1-1/2~~
 3 ~~tons;~~
 4 ~~(b)~~ (a) truck toppers weighing more than 300 pounds;
 5 ~~(c)~~ (b) furniture, fixtures, and equipment, except that
 6 specifically included in another class, used in commercial
 7 establishments as defined in this section;
 8 ~~(d)~~ (c) x-ray and medical and dental equipment; and
 9 ~~(e)~~ (d) citizens' band radios and mobile telephones.
 10 (2) "Commercial establishment" includes any hotel;
 11 motel; office; petroleum marketing station; or service,
 12 wholesale, retail, or food-handling business.
 13 (3) Class nine property is taxed at 13% of its market
 14 value."
 15 **Section 4.** Section 15-6-140, MCA, is amended to read:
 16 "15-6-140. Class ten property -- description --
 17 taxable percentage. (1) Class ten property includes:
 18 (a) radio and television broadcasting and transmitting
 19 equipment;
 20 (b) cable television systems;
 21 (c) coal and ore haulers;
 22 (d) theater projectors and sound equipment; and
 23 (e) all other property not included in any other class
 24 in this part except that property subject to a fee in lieu
 25 of a property tax.

(2) As used in this section, "coal and ore haulers" means nonhighway vehicles that exceed 16,000 pounds per axle and that are used to transport coal, ore, or other earthen material in a mining, quarrying, or earthmoving environment.

~~†2†~~(3) Class ten property is taxed at 16% of its market value."

Section 5. Section 15-6-207, MCA, is amended to read:

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

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

(b) all producer-held grain in storage;

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

(d) ~~except as provided in subsection (1)(e), livestock which have not attained the age of 24 months as of the last day of any month if assessed on the average inventory basis or on March~~ January 1 if assessed as provided in
~~†5-24-9††1††(a);~~

(e) swine which have not attained the age of 6 months as of January 1;

(f) poultry and the unprocessed products of poultry; and

(g) bees and the unprocessed product of bees.

(2) Any beet digger, beet topper, beet defoliator, beet thinner, beet cultivator, beet planter, or beet top saver designed exclusively to plant, cultivate, and harvest sugar beets is exempt from taxation if such implement has not been used to plant, cultivate, or harvest sugar beets for the 2 years immediately preceding the current assessment date and there are no available sugar beet contracts in the sugar beet grower's marketing area."

Section 6. Section 15-8-408, MCA, is amended to read:

"15-8-408. **Personal property.** Personal property ~~which was in the state and~~ subject to taxation ~~on January 1 of any year~~ or a fee in lieu of tax in the state shall be taxable wherever and whenever found in any county in the state in the taxing jurisdiction where it is located on January 1, whether or not the same be is owned, claimed, or possessed by the person, as defined in 15-1-102, owning, claiming, or possessing it on January 1 or not; provided that in case the same property is assessed in more than one county, the county first making the assessment shall be entitled to collect the taxes."

Section 7. Section 15-8-706, MCA, is amended to read:

"15-8-706. **Statement by agent to the department.** (1) On the second Monday in July in each year, the agent of the department of revenue in each county must transmit to the

1 department a statement showing:

- 2 (a) the several kinds of personal property;
- 3 (b) the average and total value of each kind;
- 4 (c) the number of livestock, ~~number of bushels of~~
5 ~~grain,~~ and number of pounds or tons of any article sold by
6 the pound or ton;
- 7 (d) when practicable, the separate value of each class
8 of land, specifying the classes and the number of acres in
9 each.

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

15 **Section 8.** Section 15-24-902, MCA, is amended to read:

16 "15-24-902. Livestock--where-assessed Assessment of
17 livestock. ~~Livestock--belonging--to--a--permanent--resident--of~~
18 ~~the--state--must--not--be--listed--or--assessed--while--such--stock--is~~
19 ~~in--transit--or--until--it--arrives--in--the--county--where--the~~
20 ~~person--owning--the--same--resides--and--must--be--listed--and~~
21 ~~assessed--in--such--county--if--such--livestock--runs--at--large--in~~
22 ~~a--county--other--than--the--one--in--which--such--owner--resides--it~~
23 ~~must--be--listed--and--assessed--in--such--county.~~ The department
24 of revenue or its agent shall assess all nonexempt livestock
25 in each county where they are located on January 1 of each

1 year. The livestock must be assessed to the person by whom
2 they were owned or claimed or in whose possession or control
3 they were at midnight of January 1 in that year."

4 **Section 9.** Section 15-24-903, MCA, is amended to read:

5 "15-24-903. Duty of owner to assist in assessment. (1)
6 The owner of livestock, as defined in 15-24-901, or his
7 agent, at the time of assessment shall make and deliver to
8 the department of revenue or its agent in the county or
9 counties where his livestock were located ~~since--the--last~~
10 ~~assessment--date~~ on January 1, a written statement, under
11 oath, showing the different kinds of his livestock within
12 the county or counties belonging to him or under his charge,
13 with their marks and brands, ~~and--showing--the--times--during~~
14 ~~that--period--that--his--livestock--were--within--the--county--or~~
15 ~~counties.~~

16 (2) As used in this section, "agent" means any person,
17 persons, company, or corporation, including a feedlot
18 operator or owner of grazing land, who has charge of
19 livestock on the assessment date."

20 **Section 10.** Section 15-24-904, MCA, is amended to
21 read:

22 "15-24-904. Penalty for violation of law. If any
23 person, persons, company, or corporation who is the owner or
24 has in charge any livestock within this state fails to make
25 the statement or statements as provided in 15-24-903, the

county assessor may, after 10 days' notice to the person who failed to file the report, increase the following year's assessment by 10% as a penalty."

Section 11. Section 15-24-905, MCA, is amended to read:

"15-24-905. Livestock brought into state -- notice to department of revenue or its agent ---time-for-payment. {1} The owner or the agent, manager, or foreman of any person, corporation, or association bringing livestock into this state after January 1 shall immediately after said livestock ~~crosses~~ cross the state line forward to the department of revenue or its agent in the county into which the livestock ~~is are~~ moved a registered or certified letter, which letter shall contain the name of the owner of such livestock, the number thereof, the brand thereon, and the ages of the same, together with the time and place at which said livestock ~~was~~ were brought across the state line, provided that the department of livestock at least once each month furnish from its own records to the department of revenue or its agent in the county into which such livestock ~~is are~~ moved a list of the number and kind of livestock so moved, together with the name of the owner thereof.

{2}--The-tax-due-on-livestock-brought-into--this--state must--be-paid-within-30-days-after-receiving-the-tax-notice-

{3}--Livestock-on-which-tax-is-owed-under-this--section

~~may-not-be-removed-from-the-county-until-the-taxes-have-been paid."~~

Section 12. Section 15-24-921, MCA, is amended to read:

"15-24-921. Per capita tax levy to pay expenses of enforcing livestock laws. (1) In addition to appropriations made for such purposes, a per capita tax is hereby authorized and directed to be ~~levied~~ calculated by the county assessor on ~~all-poultry--and--bees~~, all swine 3 6 months of age or older, and all other livestock 9 24 months of age or older in each county of this state for the purpose of aiding in the payment of the salaries and all expenses connected with the enforcement of the livestock laws of the state and for the payment of bounties on wild animals as hereinafter specified.

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

Section 13. Section 15-24-922, MCA, is amended to read:

"15-24-922. Board of livestock to prescribe per capita ~~levy~~ tax. (1) The board of livestock shall annually prescribe the amount of the per capita ~~levy~~ tax to be made against livestock of all classes for the purpose indicated in 15-24-921.

(2) The per capita tax levy must be calculated each year to provide not more than 110% of the average annual revenue that was generated in the 3 previous years, beginning with revenue generated by 81-7-104 and this section in the taxable years 1985, 1986, and 1987. The calculation shall apply a reasonable factor for nonpayment and late payment of taxes and for reimbursement to the counties pursuant to 15-24-925 for collection of the levy tax."

Section 14. Section 15-24-925, MCA, is amended to read:

"15-24-925. Reimbursement to county -- transmission of taxes from county to state treasurer. (1) The county treasurer may withhold 2% of the money received under 15-24-921 as reimbursement to the county for the collection of the levy per capita tax on livestock.

(2) Except for the amount withheld under subsection (1), ~~the--taxes--levied--and~~ the money collected pursuant to the provisions of 15-24-922 shall be transmitted to the state treasury by the county treasurer of each county, as provided in 15-1-504, but not later than ~~July-1~~ December 31 following assessment. The county treasurer shall designate the amount received from the per capita tax levied on--sheep ~~and--the--amount--received--from--the--tax--levied~~ on all other livestock and shall specify the separate amounts in his

report to the state treasurer. The money, when received by the state treasurer, shall be deposited to the credit of the department of livestock."

Section 15. Section 15-24-931, MCA, is amended to read:

"15-24-931. Assessment of swine. (1) Each swine producer shall submit a statement in the manner prescribed by the department of revenue showing the number of pigs owned in each of the following classes as of January 1:

(a) market hogs, which are hogs ~~between-3-months-and~~ 6 months of age or older and which have a conclusively presumed weight factor of 150 pounds or more;

(b) breeding sows, which have a conclusively presumed weight factor of 300 pounds;

(c) breeding boars, which have a conclusively presumed weight factor of 300 pounds.

(2) The department shall determine market value of swine by multiplying the following average USDA Omaha quotation price over the preceding 5 years, less \$2 per hundred in the case of market hogs and breeding sows, times the conclusively presumed weight of each pig in the class:

(a) market hogs--USDA Omaha quotation for barrows and gilts, grades 1 to 3, at ~~230~~ 210 to 240 pounds;

(b) breeding sows--USDA Omaha quotation for sows, grades 1 to 2 3, at 300 to ~~350~~ 400 pounds;

(c) breeding boars--valued the same as market hogs.

(3) The department shall apply the same equalization factor to swine as to other classes of livestock.

~~(4) The department shall publish the most recent 5-year average USDA-Omaha quotation price for each class in the Administrative Rules of Montana.~~

Section 16. Section 61-3-431, MCA, is amended to read:

"61-3-431. Special mobile equipment -- exemption from registration and payment of fees and charges -- identification plate and decal -- publicly owned special mobile equipment -- penalty. (1) A person, firm, partnership, or corporation who owns, leases, or rents special mobile equipment as defined in 61-1-104 and occasionally moves that equipment on, over, or across the highways of the state is not subject to registration of that equipment or required to pay the fees and charges provided for in 61-3-502, 61-4-301 through 61-4-308, or part 2 of chapter 10. Prior to movement on the highways, however, each piece of equipment shall display a decal and an equipment identification plate or a dealer's license plate attached to the equipment.

(2) (a) Annual application for a decal and the identification plate shall be made to the county treasurer before any piece of equipment is moved on the highways. Application shall be made on a form furnished by the

department of justice, together with the payment of a fee of \$5. The equipment for which a special mobile equipment plate is sought is subject to the assessment of personal property taxes on the date application is made for the plate.

(b) The Before the special mobile equipment plate may be issued, the applicant shall furnish:

(i) evidence in the form of a receipt or statement of tax, signed by the county treasurer, that the personal property taxes assessed against the special mobile equipment must be have been paid before the issuance of a special mobile equipment plate; or

(ii) a statement, signed by the county assessor, of lien assignment against real property in an amount equal to the personal property taxes assessed against the special mobile equipment.

(c) The fees collected under this section belong to the county road fund.

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

(4) Publicly owned special mobile equipment and

implements of husbandry used exclusively by an owner in the conduct of his own farming operations are exempt from this section.

(5) The department of revenue shall issue identification decals to each county assessor. The assessor shall issue the decals to the owners or operators of all special mobile equipment immediately upon receipt of a signed statement specifically listing all special mobile equipment in possession and control of the owners or operators. The identifying decal must be displayed in a conspicuous place on each item of equipment listed. Decals are not transferable from one item of equipment to another or upon sale or change of ownership.

(6) An owner or operator of special mobile equipment who violates any provision of this section is guilty of a misdemeanor punishable by a fine of not more than \$300 or by a sentence of not more than 60 days in the county jail, or both."

Section 17. Machinery and equipment identification decal -- penalty. (1) (a) The department of revenue shall provide identification decals to each county assessor for issuance to owners or operators of certain machinery and equipment subject to taxation under 15-6-138.

(b) The department of revenue shall adopt a rule enumerating the types of machinery and equipment for which a

decal must be issued.

(2) The assessor shall issue a machinery and equipment decal to an owner or operator of machinery or equipment subject to the requirements of this section upon receipt from the owner or operator of an affidavit listing all machinery and equipment in the state that is owned or controlled by the owner or operator.

(3) The identification decal must be displayed in a conspicuous place on each item of machinery and equipment for which a decal is issued.

(4) A machinery and equipment decal is not transferable from one item of property to another, nor is it transferable upon sale or other change of ownership.

(5) An owner or operator of machinery or equipment who violates this section is guilty of a misdemeanor punishable by a fine of not more than \$300 or by a sentence of not more than 60 days in the county jail, or both.

Section 18. Repealer. Sections 15-8-401 through 15-8-407, 15-24-908 through 15-24-911, 15-24-926, and 15-24-941 through 15-24-943, MCA, are repealed.

Section 19. Codification instruction. [Section 17] is intended to be codified as an integral part of Title 15, chapter 24, and the provisions of Title 15, apply to [section 17].

Section 20. Extension of authority. Any existing

LC 0185/01

1 authority to make rules on the subject of the provisions of
2 [this act] is extended to the provisions of [this act].

3 **Section 21. Applicability.** [This act] applies to tax
4 years beginning after December 31, 1989.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB035, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act generally revising and clarifying personal property assessment and taxation provisions; clarifying taxable situs of personal property; revising procedures for assessing livestock; exempting from taxation all unprocessed agricultural products on farms or in storage; clarifying provisions relating to per capita tax on livestock; clarifying swine valuation procedures; defining "coal and ore haulers"; taxing at 11% all buses and trucks heavier than three-quarters of a ton; revising tax payment requirements for special mobile equipment; requiring identification decals on certain machinery and equipment; and providing an applicability date.

ASSUMPTIONS:

1. The taxable value of the state will be \$1,899,969,000 in FY 90 and \$1,869,831,000 in FY 91 (REAC).
2. Clarifying taxable situs of personal property will have negligible revenue impact and administrative costs will be absorbed without additional funding.
3. Revising procedures for assessing livestock will have negligible revenue impact and administrative costs will be absorbed without additional funding.
4. The taxable value of all unprocessed agricultural products on farms or in storage is \$0.
5. Estimated collections from the per capita tax on livestock for FY91 is \$2,000,000.
6. County treasurers withhold 2% of the money received from the per capita tax on livestock (15-24-925, MCA).
7. Collections from the per capita tax on livestock will be reduced 23%.
8. The board of livestock will not increase the per capita tax on livestock. (Department of Livestock).
9. The bill will not affect taxable valuation of swine.
10. The bill will not affect taxable valuation of coal and ore haulers.
11. The taxable value of buses and trucks heavier than three-quarters of a ton is \$3,948,921 in tax year 1988 and is assumed constant in future years under current law. The fiscal impact will begin in FY90.
12. Mill levies are 6 mills for universities, and 45 mills for the school foundation program. The average county levy for buses and trucks heavier than three-quarters of a ton is 202 mills.
13. Revising tax payment requirements for special mobile equipment has no revenue impact and administrative costs will be absorbed without additional funding.
14. There are 10,000 owners or operators of special mobile equipment with an average number of 10 items of equipment each.
15. A decal for an item of special mobile equipment would cost 9 cents. Mailing cost is 40 cents per owner or operator.



RAY SHACKLEFORD, BUDGET DIRECTOR
Office of Budget and Program Planning

11/7/89

DATE



DAN W. HARRINGTON, PRIMARY SPONSOR

DATE

Fiscal Note for HB035, as introduced

HB 35

FISCAL IMPACT:

	FY90			FY91		
<u>Revenue Impact:</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
University Levy	\$11,399,812	\$11,396,166	(\$3,646)	\$11,218,987	\$11,215,341	(\$ 3,646)
School Equalization	85,498,593	85,471,254	(27,339)	84,142,405	84,115,066	(27,339)
TOTAL	\$96,898,405	\$96,867,420	(\$30,985)	\$95,361,392	\$95,330,407	(\$30,985)
Livestock Per Capita Tax	No Impact			\$ 2,000,000	\$ 1,549,000	(451,000)

Expenditure Impact:

Cost of producing and mailing special mobile equipment decals will be \$13,000 in general fund money in each fiscal year.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

The proposal is estimated to reduce county and local school district revenues by \$132,000 in each fiscal year. Cities and towns are expected to have a reduction of \$14,292 in each fiscal year.

APPROVED BY COMMITTEE
ON TAXATION

HOUSE BILL NO. 35

INTRODUCED BY HARRINGTON

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING AND CLARIFYING CERTAIN PERSONAL PROPERTY ASSESSMENT AND TAXATION PROVISIONS; CLARIFYING TAXABLE SITUS OF PERSONAL PROPERTY; REVISING PROCEDURES FOR ASSESSING LIVESTOCK; EXEMPTING FROM TAXATION ALL UNPROCESSED AGRICULTURAL PRODUCTS ON FARMS OR IN STORAGE; ~~CLARIFYING PROVISIONS RELATING TO PER CAPITA TAX ON LIVESTOCK; CLARIFYING SWINE VALUATION PROCEDURES;~~ DEFINING "COAL AND ORE HAULERS"; TAXING AT 11% ALL BUSES AND TRUCKS HEAVIER THAN THREE-QUARTERS OF A TON; ~~REVISING TAX PAYMENT REQUIREMENTS FOR SPECIAL MOBILE EQUIPMENT; REQUIRING IDENTIFICATION DECALS ON CERTAIN MACHINERY AND EQUIPMENT;~~ AMENDING SECTIONS 15-6-136, 15-6-138 THROUGH 15-6-140, 15-6-207, 15-8-408, 15-8-706, 15-24-902 THROUGH, 15-24-903, AND 15-24-905, ~~15-24-921, 15-24-922, 15-24-925, 15-24-931,~~ ~~AND 61-3-431,~~ MCA; REPEALING SECTIONS ~~15-8-401 THROUGH~~ ~~15-8-407,~~ 15-24-908 THROUGH 15-24-911, ~~15-24-926,~~ AND 15-24-941 THROUGH 15-24-943, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

Section 1. Section 15-6-136, MCA, is amended to read:**"15-6-136.** Class six property -- description --

taxable percentage. (1) Class six property includes:

(a) livestock and other species of domestic animals and wildlife raised in domestication or a captive environment, except for cats, dogs, and other household pets not raised for profit, ~~and the unprocessed products of such animals and wildlife; and~~

~~(b) all unprocessed agricultural products on the farm or in storage except:~~

~~(i) all perishable fruits and vegetables in farm storage and owned by the producer; and~~

~~(ii) all producer-held grain in storage;~~

~~(c)~~ (b) items of personal property intended for lease in the ordinary course of business, provided each item of personal property satisfies all of the following:

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

(ii) the personal property is owned by a business whose primary business income is from rental or lease of personal property to individuals wherein no one customer of the business accounts for more than 10% of the total rentals or leases during a calendar year; and

(iii) the lease of the personal property is generally on an hourly, daily, or weekly basis.

(2) Class six property is taxed at 4% of its market value."

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

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

(a) all agricultural implements and equipment;

(b) all mining machinery, fixtures, equipment, tools, and supplies except:

(i) those included in class five; and

(ii) coal and ore haulers;

(c) all manufacturing machinery, fixtures, equipment, tools, and supplies except those included in class five;

(d) all trailers, including those prorated under 15-24-102, except those subject to taxation under 61-3-504(2);

(e) all goods and equipment intended for rent or lease, except goods and equipment specifically included and taxed in another class;

(f) buses and trucks having a rated capacity of more than 1-1/2--tons three-quarters of a ton, including those prorated under 15-24-102; and

(g) all other machinery except that specifically included in another class.

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

Section 3. Section 15-6-139, MCA, is amended to read:

"15-6-139. Class nine property -- description --

taxable percentage. (1) Class nine property includes:

~~(a) --buses--and--trucks--having--a--rated--capacity--of--more--than--three--quarters--of--a--ton--but--less--than--or--equal--to--1-1/2--tons;~~

~~(b)~~ (a) truck toppers weighing more than 300 pounds;

~~(c)~~ (b) furniture, fixtures, and equipment, except that specifically included in another class, used in commercial establishments as defined in this section;

~~(d)~~ (c) x-ray and medical and dental equipment; and

~~(e)~~ (d) citizens' band radios and mobile telephones.

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

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

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

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

(a) radio and television broadcasting and transmitting equipment;

(b) cable television systems;

(c) coal and ore haulers;

(d) theater projectors and sound equipment; and

(e) 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) As used in this section, "coal and ore haulers" means nonhighway vehicles that exceed ~~16,000~~ 18,000 pounds per axle and that are used to transport coal, ore, or other earthen material in a mining, OR quarrying, ~~or earthmoving~~ environment.

~~(2)~~(3) Class ten property is taxed at 16% of its market value."

Section 5. Section 15-6-207, MCA, is amended to read:

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

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

(b) all producer-held grain in storage;

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

(d) except as provided in subsection (1)(e), livestock which have not attained the age of 24 months as of the ~~last day of any month if assessed on the average inventory basis or on March~~ January MARCH 1 if ~~assessed as provided in~~ 15-24-911(1)(a);

(e) swine which have not attained the age of 6 months as of January 1;

(f) poultry and the unprocessed products of poultry; and

(g) bees and the unprocessed product of bees.

(2) Any beet digger, beet topper, beet defoliate, beet thinner, beet cultivator, beet planter, or beet cop saver designed exclusively to plant, cultivate, and harvest sugar beets is exempt from taxation if such implement has not been used to plant, cultivate, or harvest sugar beets for the 2 years immediately preceding the current assessment date and there are no available sugar beet contracts in the sugar beet grower's marketing area."

Section 6. Section 15-8-408, MCA, is amended to read:

"15-8-408. Personal property. Personal property which ~~was in the state and,~~ OTHER THAN LIVESTOCK, subject to taxation ~~on January 1 of any year or a fee in lieu of tax in the state~~ shall be taxable wherever and whenever found in any county in the state in the taxing jurisdiction where it is located on January 1, whether or not the same be is owned, claimed, or possessed by the person, as defined in 15-1-102, owning, claiming, or possessing it on January 1 or not; ~~provided that in case the same property is assessed in more than one county, the county first making the assessment shall be entitled to collect the taxes.~~"

Section 7. Section 15-8-706, MCA, is amended to read:

"15-8-706. Statement by agent to the department. (1)

On the second Monday in July in each year, the agent of the department of revenue in each county must transmit to the department a statement showing:

(a) the several kinds of personal property;

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

(c) the number of livestock, ~~number of bushels of grain, and number of pounds or tons of any article sold by the pound or ton;~~

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

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

Section 8. Section 15-24-902, MCA, is amended to read:

"15-24-902. Livestock ~~where assessed~~ Assessment of livestock. ~~Livestock belonging to a permanent resident of the state must not be listed or assessed while such stock is in transit or until it arrives in the county where the person owning the same resides and must be listed and assessed in such county. If such livestock runs at large in a county other than the one in which such owner resides, it must be listed and assessed in such county.~~ The department

of revenue or its agent shall assess all nonexempt livestock in each county where they are located on January MARCH 1 of each year. The livestock must be assessed to the person by whom they were owned or claimed or in whose possession or control they were at midnight of January MARCH 1 in that year."

Section 9. Section 15-24-903, MCA, is amended to read:

"15-24-903. **Duty of owner to assist in assessment.** (1) The owner of livestock, as defined in 15-24-901, or his agent, at the time of assessment shall make and deliver to the department of revenue or its agent in the county or counties where his livestock were located ~~since the last assessment date on January MARCH 1,~~ a written statement, under oath, showing the different kinds of his livestock within the county or counties belonging to him or under his charge, with their marks and brands, ~~and showing the times during that period that his livestock were within the county or counties.~~

(2) As used in this section, "agent" means any person, persons, company, or corporation, including a feedlot operator or owner of grazing land, who has charge of livestock on the assessment date."

Section 10. ~~Section 15-24-904, MCA, is amended to read:~~

~~"15-24-904. Penalty for violation of law. If any~~

person, persons, company, or corporation who is the owner or has in charge any livestock within this state fails to make the statement or statements as provided in 15-24-903, the county assessor may, after 10 days' notice to the person who failed to file the report, increase the following year's assessment by 10% as a penalty."

Section 10. Section 15-24-905, MCA, is amended to read:

"15-24-905. Livestock brought into state -- notice to department of revenue or its agent ---time-for-payment. (1) The owner or the agent, manager, or foreman of any person, corporation, or association bringing livestock into this state after January MARCH 1 shall immediately after said livestock crosses cross the state line forward to the department of revenue or its agent in the county into which the livestock is are moved a registered or certified letter, which letter shall contain the name of the owner of such livestock, the number thereof, the brand thereon, and the ages of the same, together with the time and place at which said livestock was were brought across the state line, provided that the department of livestock at least once each month furnish from its own records to the department of revenue or its agent in the county into which such livestock is are moved a list of the number and kind of livestock so moved, together with the name of the owner thereof.

(2) The tax due on livestock brought into this state must be paid within 30 days after receiving the tax notice.

(3) Livestock on which tax is owed under this section may not be removed from the county until the taxes have been paid."

Section 12. Section 15-24-921, MCA, is amended to read:

"15-24-921. Per capita tax levy to pay expenses of enforcing livestock laws--(1) In addition to appropriations made for such purposes, a per capita tax is hereby authorized and directed to be levied calculated by the county assessor on all poultry and bees, all swine 3 6 months of age or older, and all other livestock 9 24 months of age or older in each county of this state for the purpose of aiding in the payment of the salaries and all expenses connected with the enforcement of the livestock laws of the state and for the payment of bounties on wild animals as hereinafter specified:

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

Section 13. Section 15-24-922, MCA, is amended to read:

"15-24-922. Board of livestock to prescribe per capita levy tax--(1) The board of livestock shall annually

prescribe the amount of the per capita levy tax to be made against livestock of all classes for the purpose indicated in 15-24-921;

{2}--The per capita tax levy must be calculated each year to provide not more than 110% of the average annual revenue that was generated in the 3 previous years, beginning with revenue generated by 81-7-104 and this section in the taxable years 1985, 1986, and 1987. The calculation shall apply a reasonable factor for nonpayment and late payment of taxes and for reimbursement to the counties pursuant to 15-24-925 for collection of the levy tax."

Section 14.--Section 15-24-925, MCA, is amended to read:

"15-24-925. Reimbursement to county--transmission of taxes from county to state treasurer:--(1)--The county treasurer may withhold 2% of the money received under 15-24-921 as reimbursement to the county for the collection of the levy per capita tax on livestock;

{2}--Except for the amount withheld under subsection (1), the taxes levied and the money collected pursuant to the provisions of 15-24-922 shall be transmitted to the state treasury by the county treasurer of each county, as provided in 15-1-504, but not later than July 1 December 31 following assessment. The county treasurer shall designate

the amount received from the per capita tax levied on sheep and the amount received from the tax levied on all other livestock and shall specify the separate amounts in his report to the state treasurer. The money, when received by the state treasurer, shall be deposited to the credit of the department of livestock."

Section 15.--Section 15-24-931, MCA, is amended to read:

"15-24-931. Assessment of swine:--(1)--Each swine producer shall submit a statement in the manner prescribed by the department of revenue showing the number of pigs owned in each of the following classes as of January 1:

(a)--market hogs, which are hogs between 3 months and 6 months of age or older and which have a conclusively presumed weight factor of 150 pounds or more;

(b)--breeding sows, which have a conclusively presumed weight factor of 300 pounds;

(c)--breeding boars, which have a conclusively presumed weight factor of 300 pounds;

{2}--The department shall determine market value of swine by multiplying the following average USDA Omaha quotation price over the preceding 5 years, less \$2 per hundred in the case of market hogs and breeding sows, times the conclusively presumed weight of each pig in the class:

(a)--market hogs--USDA Omaha quotation for barrows and

gilts, grades 1 to 3, at 230 210 to 240 pounds;

(b)--breeding sows--USDA--Omaha--quotation--for--sows,
grades 1 to 2 3, at 300 to 350 400 pounds;

(c)--breeding boars--valued the same as market hogs.

(3)--The department shall apply the same equalization factor to swine as to other classes of livestock;

(4)--The department shall publish the most recent 5-year average USDA--Omaha quotation price for each class in the Administrative Rules of Montana."

Section 16.--Section 61-3-431, MCA, is amended to read:

"61-3-431. Special mobile equipment--exemption from registration and payment of fees and charges-- identification plate and decal --publicly owned special mobile equipment penalty.(1) A person, firm, partnership, or corporation who owns, leases, or rents special mobile equipment as defined in 61-1-104 and occasionally moves that equipment on, over, or across the highways of the state is not subject to registration of that equipment or required to pay the fees and charges provided for in 61-3-502, 61-4-301 through 61-4-308, or part 2 of chapter 10. Prior to movement on the highways, however, each piece of equipment shall display a decal and an equipment identification plate or a dealer's license plate attached to the equipment.

(2)--(a) Annual application for a decal and the

identification plate shall be made to the county treasurer before any piece of equipment is moved on the highways. Application shall be made on a form furnished by the department of justice, together with the payment of a fee of \$5. The equipment for which a special mobile equipment plate is sought is subject to the assessment of personal property taxes on the date application is made for the plate.

(b) The Before the special mobile equipment plate may be issued, the applicant shall furnish:

(i) evidence in the form of a receipt or statement of tax, signed by the county treasurer, that the personal property taxes assessed against the special mobile equipment must be have been paid before the issuance of a special mobile equipment plate, or

(ii) a statement, signed by the county assessor, of lien assignment against real property in an amount equal to the personal property taxes assessed against the special mobile equipment.

(c) The fees collected under this section belong to the county road fund.

(3) The identification plate expires on December 31 of each year. If the expired identification plate is displayed, an owner of special mobile equipment registered under the provisions of this section is entitled to operate the equipment between January 1 and February 15 following

expiration without displaying the identification plate or receipt of the current year.

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

(5) The department of revenue shall issue identification decals to each county assessor. The assessor shall issue the decals to the owners or operators of all special mobile equipment immediately upon receipt of a signed statement specifically listing all special mobile equipment in possession and control of the owners or operators. The identifying decal must be displayed in a conspicuous place on each item of equipment listed. Decals are not transferable from one item of equipment to another or upon sale or change of ownership.

(6) An owner or operator of special mobile equipment who violates any provision of this section is guilty of a misdemeanor punishable by a fine of not more than \$300 or by a sentence of not more than 60 days in the county jail, or both.

NEW SECTION. Section 17. Machinery and equipment identification decal penalty. (1) (a) The department of revenue shall provide identification decals to each county assessor for issuance to owners or operators of certain

machinery and equipment subject to taxation under 15-6-130.

(b) The department of revenue shall adopt a rule enumerating the types of machinery and equipment for which a decal must be issued.

(2) The assessor shall issue a machinery and equipment decal to an owner or operator of machinery or equipment subject to the requirements of this section upon receipt from the owner or operator of an affidavit listing all machinery and equipment in the state that is owned or controlled by the owner or operator.

(3) The identification decal must be displayed in a conspicuous place on each item of machinery and equipment for which a decal is issued.

(4) A machinery and equipment decal is not transferable from one item of property to another, nor is it transferable upon sale or other change of ownership.

(5) An owner or operator of machinery or equipment who violates this section is guilty of a misdemeanor punishable by a fine of not more than \$300 or by a sentence of not more than 60 days in the county jail, or both.

NEW SECTION. Section 11. Repealer. Sections 15-8-401 through 15-8-407, 15-24-908 through 15-24-911, 15-24-926, and 15-24-941 through 15-24-943, MCA, are repealed.

NEW SECTION. Section 19. Codification instruction. Section 17 is intended to be codified as an integral part

1 ~~of Title 15, chapter 24, and the provisions of Title 15,~~
2 ~~apply to {section 17}.~~

3 NEW SECTION. **Section 12.** Extension of authority. Any
4 existing authority to make rules on the subject of the
5 provisions of [this act] is extended to the provisions of
6 [this act].

7 NEW SECTION. **Section 13.** Applicability. [This act]
8 applies to tax years beginning after December 31, 1989.

-End-

HOUSE BILL NO. 35

INTRODUCED BY HARRINGTON

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING AND CLARIFYING CERTAIN PERSONAL PROPERTY ASSESSMENT AND TAXATION PROVISIONS; CLARIFYING TAXABLE SITUS OF PERSONAL PROPERTY; REVISING PROCEDURES FOR ASSESSING LIVESTOCK; EXEMPTING FROM TAXATION ALL UNPROCESSED AGRICULTURAL PRODUCTS ON FARMS OR IN STORAGE; CLARIFYING PROVISIONS RELATING TO PER-CAPITA TAX ON LIVESTOCK; CLARIFYING SWINE VALUATION PROCEDURES; DEFINING "COAL AND ORE HAULERS"; TAXING AT 1% ALL BUSES AND TRUCKS HEAVIER THAN THREE-QUARTERS OF A TON; REVISING TAX PAYMENT REQUIREMENTS FOR SPECIAL-MOBILE-EQUIPMENT; REQUIRING IDENTIFICATION DECALS ON CERTAIN MACHINERY AND EQUIPMENT; AMENDING SECTIONS 15-6-136, 15-6-138 THROUGH 15-6-140, 15-6-207, 15-8-408, 15-8-706, 15-24-902 THROUGH, 15-24-903, AND 15-24-905, 15-24-921, 15-24-922, 15-24-925, 15-24-931, AND 15-24-932, MCA; REPEALING SECTIONS 15-8-401 THROUGH 15-8-407, 15-24-908 THROUGH 15-24-911, 15-24-926, AND 15-24-941 THROUGH 15-24-943, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

Section 1. Section 15-6-136, MCA, is amended to read:

"15-6-136. Class six property -- description --

taxable percentage. (1) Class six property includes:

(a) livestock and other species of domestic animals and wildlife raised in domestication or a captive environment, except for cats, dogs, and other household pets not raised for profit; and the unprocessed products of such animals and wildlife; and

(b) all unprocessed agricultural products on the farm or in storage except:

(i) all perishable fruits and vegetables in farm storage and owned by the producer; and

(ii) all producer-held grain in storage;

(c) (b) items of personal property intended for lease in the ordinary course of business, provided each item of personal property satisfies all of the following:

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

(ii) the personal property is owned by a business whose primary business income is from rental or lease of personal property to individuals wherein no one customer of the business accounts for more than 10% of the total rentals or leases during a calendar year; and

(iii) the lease of the personal property is generally on an hourly, daily, or weekly basis.

(2) Class six property is taxed at 4% of its market value."

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

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

(a) all agricultural implements and equipment;

(b) all mining machinery, fixtures, equipment, tools, and supplies except:

(i) those included in class five; and

(ii) coal and ore haulers;

(c) all manufacturing machinery, fixtures, equipment, tools, and supplies except those included in class five;

(d) all trailers, including those prorated under 15-24-102, except those subject to taxation under 61-3-504(2);

(e) all goods and equipment intended for rent or lease, except goods and equipment specifically included and taxed in another class;

(f) buses and trucks having a rated capacity of more than 1-1/2--tons three-quarters of a ton, including those prorated under 15-24-102; and

(g) all other machinery except that specifically included in another class.

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

Section 3. Section 15-6-139, MCA, is amended to read:

"15-6-139. Class nine property -- description --

taxable percentage. (1) Class nine property includes:

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

~~{b}~~(a) truck toppers weighing more than 300 pounds;

~~{c}~~(b) furniture, fixtures, and equipment, except that specifically included in another class, used in commercial establishments as defined in this section;

~~{d}~~(c) x-ray and medical and dental equipment; and

~~{e}~~(d) citizens' band radios and mobile telephones.

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

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

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

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

(a) radio and television broadcasting and transmitting equipment;

(b) cable television systems;

(c) coal and ore haulers;

(d) theater projectors and sound equipment; and

(e) 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) As used in this section, "coal and ore haulers" means nonhighway vehicles that exceed ~~16,000~~ 18,000 pounds per axle and that are used to transport coal, ore, or other earthen material in a mining, OR quarrying, ~~or earthmoving~~ environment.

~~(2)~~(3) Class ten property is taxed at 16% of its market value."

Section 5. Section 15-6-207, MCA, is amended to read:

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

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

(b) all producer-held grain in storage;

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

(d) except as provided in subsection (1)(e), livestock which have not attained the age of 24 months as of the ~~last day of any month if assessed on the average inventory basis or on March~~ January MARCH 1 if ~~assessed as provided in~~ 15-24-911(1)(a);

(e) swine which have not attained the age of 6 months as of January 1;

(f) poultry and the unprocessed products of poultry; and

(g) bees and the unprocessed product of bees.

(2) Any beet digger, beet topper, beet defoliator, beet thinner, beet cultivator, beet planter, or beet top saver designed exclusively to plant, cultivate, and harvest sugar beets is exempt from taxation if such implement has not been used to plant, cultivate, or harvest sugar beets for the 2 years immediately preceding the current assessment date and there are no available sugar beet contracts in the sugar beet grower's marketing area."

Section 6. Section 15-8-408, MCA, is amended to read:

"15-8-408. Personal property. Personal property which ~~was in the state and,~~ OTHER THAN LIVESTOCK, subject to taxation ~~on January 1 of any year or a fee in lieu of tax in the state~~ shall be taxable ~~wherever and whenever found in any county in the state in the taxing jurisdiction where it is located on January 1, whether or not the same be is owned, claimed, or possessed by the person, as defined in 15-1-102, owning, claiming, or possessing it on January 1 or not; provided that in case the same property is assessed in more than one county, the county first making the assessment shall be entitled to collect the taxes.~~"

Section 7. Section 15-8-706, MCA, is amended to read:

"15-8-706. Statement by agent to the department. (1)

On the second Monday in July in each year, the agent of the department of revenue in each county must transmit to the department a statement showing:

(a) the several kinds of personal property;

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

(c) the number of livestock, ~~number of bushels of grain, and number of pounds or tons of any article sold by the pound or ton;~~

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

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

Section 8. Section 15-24-902, MCA, is amended to read:

"15-24-902. Livestock--where-assessed Assessment of livestock. ~~Livestock--belonging--to-a-permanent-resident-of the-state-must-not-be-listed-or-assessed-while-such-stock-is in-transit-or-until-it-arrives-in-the-county-where-the person-owning-the-same-resides-and-must-be-listed-and assessed-in-such-county--if-such-livestock-runs-at-large--in a-county-other-than-the-one-in-which-such-owner-resides--it must-be-listed-and-assessed-in-such-county.~~ The department

of revenue or its agent shall assess all nonexempt livestock in each county where they are located on January MARCH 1 of each year. The livestock must be assessed to the person by whom they were owned or claimed or in whose possession or control they were at midnight of January MARCH 1 in that year."

Section 9. Section 15-24-903, MCA, is amended to read:

"15-24-903. Duty of owner to assist in assessment. (1)

The owner of livestock, as defined in 15-24-901, or his agent, at the time of assessment shall make and deliver to the department of revenue or its agent in the county or counties where his livestock were located ~~since-the-last assessment--date on January MARCH 1,~~ a written statement, under oath, showing the different kinds of his livestock within the county or counties belonging to him or under his charge, with their marks and brands, ~~and-showing-the-times during-that-period-that-his-livestock-were-within-the-county or-counties.~~

(2) As used in this section, "agent" means any person, persons, company, or corporation, including a feedlot operator or owner of grazing land, who has charge of livestock on the assessment date."

Section 10. ~~Section 15-24-904, MCA, is amended to read:~~

"15-24-904. ~~Penalty for violation of law--If any~~

1 person, persons, company, or corporation who is the owner or
 2 has in charge any livestock within this state fails to make
 3 the statement or statements as provided in 15-24-903, the
 4 county assessor may, after 10 days' notice to the person who
 5 failed to file the report, increase the following year's
 6 assessment by 10% as a penalty."

7 **Section 10.** Section 15-24-905, MCA, is amended to
 8 read:

9 "15-24-905. Livestock brought into state -- notice to
 10 department of revenue or its agent -- time for payment. {1}
 11 The owner or the agent, manager, or foreman of any person,
 12 corporation, or association bringing livestock into this
 13 state after January MARCH 1 shall immediately after said
 14 livestock crosses cross the state line forward to the
 15 department of revenue or its agent in the county into which
 16 the livestock is are moved a registered or certified letter,
 17 which letter shall contain the name of the owner of such
 18 livestock, the number thereof, the brand thereon, and the
 19 ages of the same, together with the time and place at which
 20 said livestock was were brought across the state line,
 21 provided that the department of livestock at least once each
 22 month furnish from its own records to the department of
 23 revenue or its agent in the county into which such livestock
 24 is are moved a list of the number and kind of livestock so
 25 moved, together with the name of the owner thereof.

1 {2}--The tax due on livestock brought into this state
 2 must be paid within 30 days after receiving the tax notice.

3 {3}--Livestock on which tax is owed under this section
 4 may not be removed from the county until the taxes have been
 5 paid."

6 **Section 12.** Section 15-24-921, MCA, is amended to
 7 read:

8 "15-24-921. Per capita tax levy to pay expenses of
 9 enforcing livestock laws. {1} In addition to appropriations
 10 made for such purposes, a per capita tax is hereby
 11 authorized and directed to be levied calculated by the
 12 county assessor on all poultry and bees, all swine 3 6
 13 months of age or older, and all other livestock 9 24 months
 14 of age or older in each county of this state for the purpose
 15 of aiding in the payment of the salaries and all expenses
 16 connected with the enforcement of the livestock laws of the
 17 state and for the payment of bounties on wild animals as
 18 hereinafter specified:

19 {2}--As used in this section, "livestock" means cattle,
 20 sheep, swine, poultry, bees, goats, horses, mules, and
 21 asses."

22 **Section 13.** Section 15-24-922, MCA, is amended to
 23 read:

24 "15-24-922. Board of livestock to prescribe per capita
 25 levy tax. {1} The board of livestock shall annually

1 prescribe the amount of the per capita levy tax to be made
2 against livestock of all classes for the purpose indicated
3 in 15-24-921.

4 {2} The per capita tax levy must be calculated each
5 year to provide not more than 110% of the average annual
6 revenue that was generated in the 3 previous years,
7 beginning with revenue generated by 81-7-104 and this
8 section in the taxable years 1985, 1986, and 1987. The
9 calculation shall apply a reasonable factor for nonpayment
10 and late payment of taxes and for reimbursement to the
11 counties pursuant to 15-24-925 for collection of the levy
12 tax."

13 **Section 14.** Section 15-24-925, MCA, is amended to
14 read:

15 "15-24-925. Reimbursement to county --- transmission of
16 taxes from county to state treasurer. --- {1} The county
17 treasurer may withhold 2% of the money received under
18 15-24-921 as reimbursement to the county for the collection
19 of the levy per capita tax on livestock;

20 {2} Except for the amount withheld under subsection
21 {1}, the taxes levied and the money collected pursuant to
22 the provisions of 15-24-922 shall be transmitted to the
23 state treasury by the county treasurer of each county, as
24 provided in 15-1-504, but not later than July 1 December 31
25 following assessment. The county treasurer shall designate

1 the amount received from the per capita tax levied on sheep
2 and the amount received from the tax levied on all other
3 livestock and shall specify the separate amounts in his
4 report to the state treasurer. The money, when received by
5 the state treasurer, shall be deposited to the credit of the
6 department of livestock."

7 **Section 15.** Section 15-24-931, MCA, is amended to
8 read:

9 "15-24-931. Assessment of swine. --- {1} Each swine
10 producer shall submit a statement in the manner prescribed
11 by the department of revenue showing the number of pigs
12 owned in each of the following classes as of January 1:

13 {a} market hogs, which are hogs between 3 months and 6
14 months of age or older and which have a conclusively
15 presumed weight factor of 150 pounds or more;

16 {b} breeding sows, which have a conclusively presumed
17 weight factor of 300 pounds;

18 {c} breeding boars, which have a conclusively presumed
19 weight factor of 300 pounds;

20 {2} The department shall determine market value of
21 swine by multiplying the following average USDA Omaha
22 quotation price over the preceding 5 years, less \$2 per
23 hundred in the case of market hogs and breeding sows, times
24 the conclusively presumed weight of each pig in the class:

25 {a} market hogs -- USDA Omaha quotation for barrows and

gilt, grades 1 to 3, at 230 210 to 240 pounds;

(b) --breeding sows--USDA--Omaha--quotation--for--sows,
grades 1 to 2 3, at 300 to 350 400 pounds;

(c) --breeding boars--valued the same as market hogs.

(3) --The department shall apply the same equalization
factor to swine as to other classes of livestock;

(4) --The department shall publish the most recent
5-year average USDA--Omaha--quotation price for each class in
the Administrative Rules of Montana."

Section 16. Section 61-3-431, MCA, is amended to read:

"61-3-431. Special mobile equipment --- exemption from
registration --- and --- payment --- of --- fees --- and --- charges ---
identification plate and decal --- publicly owned special
mobile --- equipment --- penalty --- (1) --A person, firm,
partnership, or corporation who owns, leases, or rents
special --- mobile --- equipment as defined in 61-1-104 and
occasionally moves that equipment on, over, or across the
highways of the state is not subject to registration of that
equipment or required to pay the fees and charges provided
for in 61-3-502, 61-4-301 through 61-4-308, or part 2 of
chapter 10. Prior to movement on the highways, however, each
piece of equipment shall display a decal and an equipment
identification plate or a dealer's license plate attached to
the equipment.

(2) --(a) Annual application for a decal --- and the

identification plate shall be made to the county treasurer
before any piece of equipment is moved on the highways.
Application shall be made on a form furnished by the
department of justice, together with the payment of a fee of
\$5. The equipment for which a special mobile equipment plate
is sought is subject to the assessment of personal property
taxes on the date application is made for the plate.

(b) The Before the special mobile equipment plate may
be issued, the applicant shall furnish:

(i) evidence in the form of a receipt or statement of
tax, signed by the county treasurer, that the personal
property taxes assessed against the special mobile equipment
must be have been paid before the issuance of a special
mobile equipment plate; or

(ii) a statement signed by the county assessor, of
lien assignment against real property in an amount equal to
the personal property taxes assessed against the special
mobile equipment.

(c) --The fees collected under this section belong to
the county road fund.

(3) --The identification plate expires on December 31 of
each year. If the expired identification plate is displayed,
an owner of special mobile equipment registered under the
provisions of this section is entitled to operate the
equipment between January 1 and February 15 following

1 expiration-without-displaying-the--identification--plate--or
2 receipt-of-the-current-year.

3 {4}--Publicly--owned--special--mobile--equipment--and
4 implements-of-husbandry-used-exclusively-by-an-owner-in--the
5 conduct--of--his-own-farming-operations-are-exempt-from-this
6 section.

7 {5}--The--department--of--revenue--shall--issue
8 identification--decals-to-each-county-assessor. The-assessor
9 shall-issue-the-decals-to-the-owners--or--operators--of--all
10 special--mobile--equipment--immediately--upon--receipt--of--a
11 signed-statement-specifically--listing--all--special--mobile
12 equipment--in--possession--and--control--of--the--owners--or
13 operators. The-identifying-decal-must-be-displayed--in--a
14 conspicuous--place-on-each-item-of-equipment-listed. Decals
15 are-not-transferable-from-one-item-of-equipment--to--another
16 or-upon-sale-or-change-of-ownership.

17 {6}--An-owner--or-operator-of-special-mobile-equipment
18 who-violates-any-provision-of-this-section-is-guilty-of-a
19 misdemeanor-punishable-by-a-fine-of-not-more-than-\$300-or-by
20 a-sentence-of-not-more-than-60-days-in-the-county-jail,or
21 both."

22 NEW SECTION. Section 17. Machinery--and--equipment
23 identification--decal--penalty. {1}--(a) The-department-of
24 revenue-shall-provide-identification-decals-to--each--county
25 assessor--for--issuance--to--owners--or--operators-of-certain

1 machinery-and-equipment-subject-to-taxation-under--15-6-138.

2 {b}--The--department--of--revenue--shall--adopt--a-rule
3 enumerating-the-types-of-machinery-and-equipment-for-which-a
4 decal-must-be-issued.

5 {2}--The-assessor-shall-issue-a-machinery-and-equipment
6 decal-to-an-owner-or-operator--of--machinery--or--equipment
7 subject--to--the--requirements--of--this-section-upon-receipt
8 from-the-owner-or-operator--of--an-affidavit--listing--all
9 machinery--and--equipment--in--the--state--that--is-owned-or
10 controlled-by-the-owner-or-operator.

11 {3}--The-identification-decal-must-be--displayed--in--a
12 conspicuous--place--on--each-item-of-machinery-and-equipment
13 for-which-a-decal-is-issued.

14 {4}--A--machinery--and--equipment--decal--is--not
15 transferable-from-one-item-of-property-to-another, nor-is-it
16 transferable-upon-sale-or-other-change-of-ownership.

17 {5}--An-owner-or-operator-of-machinery-or-equipment-who
18 violates--this-section-is-guilty-of-a-misdemeanor-punishable
19 by-a-fine-of-not-more-than-\$300-or-by-a-sentence-of-not-more
20 than-60-days-in-the-county-jail, or-both.

21 NEW SECTION. Section 11. Repealer. Sections 15-8-401
22 through--15-8-407, 15-24-908 through 15-24-911, 15-24-926,
23 and 15-24-941 through 15-24-943, MCA, are repealed.

24 NEW SECTION. Section 10. Codification--instruction:
25 {Section--17} is-intended-to-be-codified-as-an-integral-part

1 ~~of Title 15, chapter 247 and the provisions of Title 15,~~
2 ~~apply to {section 17}.~~

3 NEW SECTION. Section 12. Extension of authority. Any
4 existing authority to make rules on the subject of the
5 provisions of [this act] is extended to the provisions of
6 [this act].

7 NEW SECTION. Section 13. Applicability. [This act]
8 applies to tax years beginning after December 31, 1989.

-End-

SENATE COMMITTEE OF THE WHOLE AMENDMENT

March 29, 1989 10:33 am

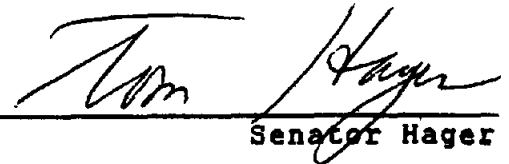
Mr. Chairman: I move to amend HB 35 (third reading copy -- blue)
as follows:

1. Page 5, line 4.
Following: "are"
Insert: "primarily designed and"

ADOPT

REJECT

Signed: _____


Senator Hager

SENATE
HB 35

SENATE COMMITTEE OF THE WHOLE AMENDMENT

April 1, 1989 7:56 am

Mr. Chairman: I move to amend HB 35 (third reading copy -- blue)
as follows:

1. Title, line 12.

Strike: "THREE-QUARTERS OF A"

Insert: "1"

2. Page 3, line 18.

Strike: "three-quarters of a"

Insert: "1"

ADOPT

REJECT

Signed: _____



Senator Hager

SENATE
HB 35

HOUSE BILL NO. 35

INTRODUCED BY HARRINGTON

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING AND CLARIFYING CERTAIN PERSONAL PROPERTY ASSESSMENT AND TAXATION PROVISIONS; CLARIFYING TAXABLE SITUS OF PERSONAL PROPERTY; REVISING PROCEDURES FOR ASSESSING LIVESTOCK; EXEMPTING FROM TAXATION ALL UNPROCESSED AGRICULTURAL PRODUCTS ON FARMS OR IN STORAGE; CLARIFYING PROVISIONS RELATING TO PER-CAPIA TAX ON LIVESTOCK; CLARIFYING SWINE VALUATION PROCEDURES; DEFINING "COAL AND ORE HAULERS"; TAXING AT 11% ALL BUSES AND TRUCKS HEAVIER THAN THREE-QUARTERS OF A TON; REVISING TAX PAYMENT REQUIREMENTS FOR SPECIAL MOBILE EQUIPMENT; REQUIRING IDENTIFICATION DECALS ON CERTAIN MACHINERY AND EQUIPMENT; AMENDING SECTIONS 15-6-136, 15-6-138 THROUGH 15-6-140, 15-6-207, 15-8-408, 15-8-706, 15-24-902 THROUGH, 15-24-903, AND 15-24-905, 15-24-921, 15-24-922, 15-24-925, 15-24-931, AND 15-6-3-431, MCA; REPEALING SECTIONS 15-8-401 THROUGH 15-8-407, 15-24-908 THROUGH 15-24-911, 15-24-926, AND 15-24-941 THROUGH 15-24-943, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

Section 1. Section 15-6-136, MCA, is amended to read:**"15-6-136.** Class six property -- description --

taxable percentage. (1) Class six property includes:

(a) livestock and other species of domestic animals and wildlife raised in domestication or a captive environment, except for cats, dogs, and other household pets not raised for profit; ~~and the unprocessed products of such animals and wildlife; and~~

~~(b) all unprocessed agricultural products on the farm or in storage except:~~

~~(i) all perishable fruits and vegetables in farm storage and owned by the producer; and~~

~~(ii) all producer-held grain in storage;~~

~~(c) (b)~~ items of personal property intended for lease in the ordinary course of business, provided each item of personal property satisfies all of the following:

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

(ii) the personal property is owned by a business whose primary business income is from rental or lease of personal property to individuals wherein no one customer of the business accounts for more than 10% of the total rentals or leases during a calendar year; and

(iii) the lease of the personal property is generally on an hourly, daily, or weekly basis.

(2) Class six property is taxed at 4% of its market value."

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

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

(a) all agricultural implements and equipment;

(b) all mining machinery, fixtures, equipment, tools, and supplies except:

(i) those included in class five; and

(ii) coal and ore haulers;

(c) all manufacturing machinery, fixtures, equipment, tools, and supplies except those included in class five;

(d) all trailers, including those prorated under 15-24-102, except those subject to taxation under 61-3-504(2);

(e) all goods and equipment intended for rent or lease, except goods and equipment specifically included and taxed in another class;

(f) buses and trucks having a rated capacity of more than 1-1/2--tons three-quarters of a ton, including those prorated under 15-24-102; and

(g) all other machinery except that specifically included in another class.

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

Section 3. Section 15-6-139, MCA, is amended to read:

"15-6-139. Class nine property -- description --

taxable percentage. (1) Class nine property includes:

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

~~{b}~~(a) truck toppers weighing more than 300 pounds;

~~{c}~~(b) furniture, fixtures, and equipment, except that specifically included in another class, used in commercial establishments as defined in this section;

~~{d}~~(c) x-ray and medical and dental equipment; and

~~{e}~~(d) citizens' band radios and mobile telephones.

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

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

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

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

(a) radio and television broadcasting and transmitting equipment;

(b) cable television systems;

(c) coal and ore haulers;

(d) theater projectors and sound equipment; and

(e) 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) As used in this section, "coal and ore haulers" means nonhighway vehicles that exceed ~~16,000~~ 18,000 pounds per axle and that are PRIMARILY DESIGNED AND used to transport coal, ore, or other earthen material in a mining OR quarrying or earthmoving environment.

~~(2)~~(3) Class ten property is taxed at 16% of its market value."

Section 5. Section 15-6-207, MCA, is amended to read:

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

(a) all unprocessed ~~perishable fruits and~~ vegetables in agricultural products on the farm or in storage and owned by the producer;

(b) all producer-held grain in storage;

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

(d) except as provided in subsection (1)(e), livestock which have not attained the age of 24 months as of the ~~last day of any month if assessed on the average inventory basis or on March~~ January MARCH 1 if assessed as provided in 15-24-911(1)(a);

(e) swine which have not attained the age of 6 months as of January 1;

(f) poultry and the unprocessed products of poultry;

and

(g) bees and the unprocessed product of bees.

(2) Any beet digger, beet topper, beet defoliator, beet thinner, beet cultivator, beet planter, or beet top saver designed exclusively to plant, cultivate, and harvest sugar beets is exempt from taxation if such implement has not been used to plant, cultivate, or harvest sugar beets for the 2 years immediately preceding the current assessment date and there are no available sugar beet contracts in the sugar beet grower's marketing area."

Section 6. Section 15-8-408, MCA, is amended to read:

"15-8-408. Personal property. Personal property which ~~was in the state and,~~ OTHER THAN LIVESTOCK, subject to taxation on January 1 of any year or a fee in lieu of tax in the state shall be taxable wherever and whenever found in any county in the state in the taxing jurisdiction where it is located on January 1, whether or not the same be is owned, claimed, or possessed by the person, as defined in 15-1-102, owning, claiming, or possessing it on January 1 or not; provided that in case the same property is assessed in more than one county, the county first making the assessment shall be entitled to collect the taxes."

Section 7. Section 15-8-706, MCA, is amended to read:

"15-8-706. Statement by agent to the department. (1)

On the second Monday in July in each year, the agent of the department of revenue in each county must transmit to the department a statement showing:

(a) the several kinds of personal property;

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

(c) the number of livestock, ~~number of bushels of grain, and number of pounds or tons of any article sold by the pound or ton;~~

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

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

Section 8. Section 15-24-902, MCA, is amended to read:

"15-24-902. ~~Livestock---where-assessed~~ Assessment of livestock. ~~Livestock--belonging--to-a-permanent-resident-of the-state-must-not-be-listed-or-assessed-while-such-stock-is in-transit-or-until-it--arrives--in--the--county--where--the person--owning--the--same--resides--and--must--be-listed-and assessed-in-such-county--If-such-livestock-runs-at-large--in a--county-other-than-the-one-in-which-such-owner-resides--it must-be-listed-and-assessed-in-such-county.~~ The department

of revenue or its agent shall assess all nonexempt livestock in each county where they are located on January MARCH 1 of each year. The livestock must be assessed to the person by whom they were owned or claimed or in whose possession or control they were at midnight of January MARCH 1 in that year."

Section 9. Section 15-24-903, MCA, is amended to read:

"15-24-903. **Duty of owner to assist in assessment.** (1) The owner of livestock, as defined in 15-24-901, or his agent, at the time of assessment shall make and deliver to the department of revenue or its agent in the county or counties where his livestock were located ~~since--the--last assessment--date on January MARCH 1,~~ a written statement, under oath, showing the different kinds of his livestock within the county or counties belonging to him or under his charge, with their marks and brands, ~~and--showing--the--times during-that-period-that-his-livestock-were-within-the-county or-counties.~~

(2) As used in this section, "agent" means any person, persons, company, or corporation, including a feedlot operator or owner of grazing land, who has charge of livestock on the assessment date."

Section 10. ~~Section--15-24-904--MCA--is--amended--to read:~~

~~"15-24-904--Penalty-for--violation--of--law---If--any~~

1 person, persons, company, or corporation who is the owner or
 2 has in charge any livestock within this state fails to make
 3 the statement or statements as provided in 15-24-903, the
 4 county assessor may, after 10 days' notice to the person who
 5 failed to file the report, increase the following year's
 6 assessment by 10% as a penalty."

7 **Section 10.** Section 15-24-905, MCA, is amended to
 8 read:

9 "15-24-905. Livestock brought into state -- notice to
 10 department of revenue or its agent ---time-for-payment. {1}
 11 The owner or the agent, manager, or foreman of any person,
 12 corporation, or association bringing livestock into this
 13 state after January MARCH 1 shall immediately after said
 14 livestock crosses cross the state line forward to the
 15 department of revenue or its agent in the county into which
 16 the livestock is are moved a registered or certified letter,
 17 which letter shall contain the name of the owner of such
 18 livestock, the number thereof, the brand thereon, and the
 19 ages of the same, together with the time and place at which
 20 said livestock was were brought across the state line,
 21 provided that the department of livestock at least once each
 22 month furnish from its own records to the department of
 23 revenue or its agent in the county into which such livestock
 24 is are moved a list of the number and kind of livestock so
 25 moved, together with the name of the owner thereof.

1 {2}--The--tax--due-on-livestock-brought-into-this-state
 2 must-be-paid-within-30-days-after-receiving-the-tax--notice.
 3 {3}--Livestock--on-which-tax-is-owed-under-this-section
 4 may-not-be-removed-from-the-county-until-the-taxes-have-been
 5 paid."

6 **Section 12.** Section 15-24-921, MCA, is amended to
 7 read:

8 "15-24-921. Per capita tax levy to pay expenses of
 9 enforcing livestock laws-- {1}--in addition to appropriations
 10 made for such purposes, a per capita tax is hereby
 11 authorized and directed to be levied calculated by the
 12 county assessor on all poultry and bees, all swine 3 6
 13 months of age or older, and all other livestock 9 24 months
 14 of age or older in each county of this state for the purpose
 15 of aiding in the payment of the salaries and all expenses
 16 connected with the enforcement of the livestock laws of the
 17 state and for the payment of bounties on wild animals as
 18 hereinafter specified:

19 {2}--As used in this section, "livestock" means cattle,
 20 sheep, swine, poultry, bees, goats, horses, mules, and
 21 asses."

22 **Section 13.** Section 15-24-922, MCA, is amended to
 23 read:

24 "15-24-922. Board of livestock to prescribe per capita
 25 levy tax. {1}--The board of livestock shall annually

1 prescribe the amount of the per capita levy tax to be made
2 against livestock of all classes for the purpose indicated
3 in 15-24-921.

4 {2}--The per capita tax levy must be calculated each
5 year to provide not more than 110% of the average annual
6 revenue that was generated in the 3 previous years,
7 beginning with revenue generated by 81-7-104 and this
8 section in the taxable years 1985, 1986, and 1987. The
9 calculation shall apply a reasonable factor for nonpayment
10 and late payment of taxes and for reimbursement to the
11 counties pursuant to 15-24-925 for collection of the levy
12 tax."

13 **Section 14.**--Section 15-24-925, MCA, is amended to
14 read:

15 "15-24-925. Reimbursement to county--transmission of
16 taxes from county to state treasurer. (1) The county
17 treasurer may withhold 2% of the money received under
18 15-24-921 as reimbursement to the county for the collection
19 of the levy per capita tax on livestock.

20 {2}--Except for the amount withheld under subsection
21 {1}, the taxes levied and the money collected pursuant to
22 the provisions of 15-24-922 shall be transmitted to the
23 state treasury by the county treasurer of each county, as
24 provided in 15-1-504, but not later than July 1 December 31
25 following assessment. The county treasurer shall designate

1 the amount received from the per capita tax levied on sheep
2 and the amount received from the tax levied on all other
3 livestock and shall specify the separate amounts in his
4 report to the state treasurer. The money, when received by
5 the state treasurer, shall be deposited to the credit of the
6 department of livestock."

7 **Section 15.**--Section 15-24-931, MCA, is amended to
8 read:

9 "15-24-931. Assessment of swine. (1) Each swine
10 producer shall submit a statement in the manner prescribed
11 by the department of revenue showing the number of pigs
12 owned in each of the following classes as of January 1:

13 {a}--market hogs, which are hogs between 3 months and 6
14 months of age or older and which have a conclusively
15 presumed weight factor of 150 pounds or more;

16 {b}--breeding sows, which have a conclusively presumed
17 weight factor of 300 pounds;

18 {c}--breeding boars, which have a conclusively presumed
19 weight factor of 300 pounds.

20 {2}--The department shall determine market value of
21 swine by multiplying the following average USDA-Omaha
22 quotation price over the preceding 5 years, less \$2 per
23 hundred in the case of market hogs and breeding sows, times
24 the conclusively presumed weight of each pig in the class:

25 {a}--market hogs--USDA-Omaha quotation for barrows and

1 gilts, grades 1 to 3, at 230 210 to 240 pounds;
 2 (b) -- breeding sows -- USDA -- Omaha -- quotation -- for -- sows,
 3 grades 1 to 2 3, at 300 to 350 400 pounds;
 4 (c) -- breeding boars -- valued the same as market hogs;
 5 (3) -- The department shall apply the same equalization
 6 factor to swine as to other classes of livestock;
 7 (4) -- The department shall publish the most recent
 8 5-year average USDA -- Omaha -- quotation price for each class in
 9 the Administrative Rules of Montana;"

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

1 identification plate shall be made to the county treasurer
 2 before any piece of equipment is moved on the highways.
 3 Application shall be made on a form furnished by the
 4 department of justice, together with the payment of a fee of
 5 \$5. The equipment for which a special mobile equipment plate
 6 is sought is subject to the assessment of personal property
 7 taxes on the date application is made for the plate.
 8 (b) -- The Before the special mobile equipment plate may
 9 be issued, the applicant shall furnish:
 10 (i) evidence in the form of a receipt or statement of
 11 tax signed by the county treasurer, that the personal
 12 property taxes assessed against the special mobile equipment
 13 must be have been paid before the issuance of a special
 14 mobile equipment plate; or
 15 (ii) a statement signed by the county assessor of
 16 lien assignment against real property in an amount equal to
 17 the personal property taxes assessed against the special
 18 mobile equipment;
 19 (c) -- The fees collected under this section belong to
 20 the county road fund.
 21 (3) -- The identification plate expires on December 31 of
 22 each year. If the expired identification plate is displayed,
 23 an owner of special mobile equipment registered under the
 24 provisions of this section is entitled to operate the
 25 equipment between January 1 and February 15 following

1 expiration-without-displaying-the--identification--plate--or
2 receipt-of-the-current-year;

3 {4}--Publicly--owned--special--mobile--equipment--and
4 implements-of-husbandry-used-exclusively-by-an-owner-in--the
5 conduct--of--his-own-farming-operations-are-exempt-from-this
6 section;

7 {5}--The--department--of--revenue--shall--issue
8 identification--decals-to-each-county-assessor. The assessor
9 shall-issue-the-decals-to-the-owners--or--operators--of--all
10 special--mobile--equipment--immediately-upon--receipt--of--a
11 signed-statement-specifically--listing--all--special--mobile
12 equipment--in--possession--and--control--of--the--owners--or
13 operators. The-identifying-decal-must-be-displayed--in--a
14 conspicuous--place-on-each-item-of-equipment-listed. Decals
15 are-not-transferable-from-one-item-of-equipment--to--another
16 or-upon-sale-or-change-of-ownership;

17 {6}--An-owner--or-operator-of-special-mobile-equipment
18 who-violates-any-provision-of-this-section-is-guilty--of--a
19 misdemeanor-punishable-by-a-fine-of-not-more-than-\$300-or-by
20 a--sentence--of-not-more-than-60-days-in-the-county-jail, or
21 both;"

22 NEW SECTION. --Section 17. --Machinery--and--equipment
23 identification--decal--penalty. --(1)-(a)-The-department-of
24 revenue-shall-provide-identification-decals-to--each--county
25 assessor--for--issuance--to--owners--or-operators-of-certain

1 machinery-and-equipment-subject-to-taxation-under--15-6-138;

2 {b}--The--department--of--revenue--shall--adopt--a-rule
3 enumerating-the-types-of-machinery-and-equipment-for-which-a
4 decal-must-be-issued;

5 {2}--The-assessor-shall-issue-a-machinery-and-equipment
6 decal-to-an-owner-or-operator--of--machinery--or--equipment
7 subject--to--the--requirements--of--this-section-upon-receipt
8 from-the-owner-or-operator--of--an--affidavit--listing--all
9 machinery--and--equipment--in--the--state--that--is-owned-or
10 controlled-by-the-owner-or-operator;

11 {3}--The-identification-decal-must-be--displayed--in--a
12 conspicuous--place--on--each-item-of-machinery-and-equipment
13 for-which-a-decal-is-issued;

14 {4}--A--machinery--and--equipment--decal--is--not
15 transferable-from-one-item-of-property-to-another, nor-is-it
16 transferable-upon-sale-or-other-change-of-ownership;

17 {5}--An-owner-or-operator-of-machinery-or-equipment-who
18 violates--this-section-is-guilty-of-a-misdemeanor-punishable
19 by-a-fine-of-not-more-than-\$300-or-by-a-sentence-of-not-more
20 than-60-days-in-the-county-jail, or-both;

21 NEW SECTION. Section 11. Repealer. Sections 15-8-401
22 through--15-8-407, 15-24-908 through 15-24-911, 15-24-926,
23 and 15-24-941 through 15-24-943, MCA, are repealed.

24 NEW SECTION. --Section 19. --Codification--instruction:
25 {Section--17}--is-intended-to-be-codified-as-an-integral-part

1 ~~of Title 15, chapter 24, and the provisions of Title 15,~~
2 ~~apply to {section 17}.~~

3 NEW SECTION. **Section 12.** Extension of authority. Any
4 existing authority to make rules on the subject of the
5 provisions of [this act] is extended to the provisions of
6 [this act].

7 NEW SECTION. **Section 13.** Applicability. [This act]
8 applies to tax years beginning after December 31, 1989.

-End-

HOUSE BILL NO. 35

INTRODUCED BY HARRINGTON

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING AND CLARIFYING CERTAIN PERSONAL PROPERTY ASSESSMENT AND TAXATION PROVISIONS; CLARIFYING TAXABLE SITUS OF PERSONAL PROPERTY; REVISING PROCEDURES FOR ASSESSING LIVESTOCK; EXEMPTING FROM TAXATION ALL UNPROCESSED AGRICULTURAL PRODUCTS ON FARMS OR IN STORAGE; CLARIFYING PROVISIONS RELATING TO PER-CAPITA TAX ON LIVESTOCK; CLARIFYING SWINE VALUATION PROCEDURES; DEFINING "COAL AND ORE HAULERS"; TAXING AT 11% ALL BUSES AND TRUCKS HEAVIER THAN THREE-QUARTERS-OF-A 1 TON; REVISING TAX PAYMENT REQUIREMENTS FOR SPECIAL-MOBILE-EQUIPMENT; REQUIRING IDENTIFICATION DECALS ON CERTAIN MACHINERY AND EQUIPMENT; AMENDING SECTIONS 15-6-136, 15-6-138 THROUGH 15-6-140, 15-6-207, 15-8-408, 15-8-706, 15-24-902 THROUGH, 15-24-903, AND 15-24-905, 15-24-921, 15-24-922, 15-24-925, 15-24-931, AND 15-24-931, MCA; REPEALING SECTIONS 15-8-401 THROUGH 15-8-407, 15-24-908 THROUGH 15-24-911, 15-24-926, AND 15-24-941 THROUGH 15-24-943, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

Section 1. Section 15-6-136, MCA, is amended to read:

"15-6-136. Class six property -- description --

taxable percentage. (1) Class six property includes:

(a) livestock and other species of domestic animals and wildlife raised in domestication or a captive environment, except for cats, dogs, and other household pets not raised for profit; ~~and the unprocessed products of such animals and wildlife; and~~

~~(b) all unprocessed agricultural products on the farm or in storage except:~~

~~(i) all perishable fruits and vegetables in farm storage and owned by the producer; and~~

~~(ii) all producer-held grain in storage;~~

~~(c)(b)~~ items of personal property intended for lease in the ordinary course of business, provided each item of personal property satisfies all of the following:

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

(ii) the personal property is owned by a business whose primary business income is from rental or lease of personal property to individuals wherein no one customer of the business accounts for more than 10% of the total rentals or leases during a calendar year; and

(iii) the lease of the personal property is generally on an hourly, daily, or weekly basis.

(2) Class six property is taxed at 4% of its market value."

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

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

(a) all agricultural implements and equipment;

(b) all mining machinery, fixtures, equipment, tools, and supplies except:

(i) those included in class five; and

(ii) coal and ore haulers;

(c) all manufacturing machinery, fixtures, equipment, tools, and supplies except those included in class five;

(d) all trailers, including those prorated under 15-24-102, except those subject to taxation under 61-3-504(2);

(e) all goods and equipment intended for rent or lease, except goods and equipment specifically included and taxed in another class;

(f) buses and trucks having a rated capacity of more than ~~1-1/2--tons~~ three-quarters-of-a 1 ton, including those prorated under 15-24-102; and

(g) all other machinery except that specifically included in another class.

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

Section 3. Section 15-6-139, MCA, is amended to read:

"15-6-139. Class nine property -- description --

taxable percentage. (1) Class nine property includes:

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

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

~~{c}~~{b} furniture, fixtures, and equipment, except that specifically included in another class, used in commercial establishments as defined in this section;

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

~~{e}~~{d} citizens' band radios and mobile telephones.

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

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

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

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

(a) radio and television broadcasting and transmitting equipment;

(b) cable television systems;

(c) coal and ore haulers;

(d) theater projectors and sound equipment; and

(e) 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) As used in this section, "coal and ore haulers" means nonhighway vehicles that exceed 16,000 18,000 pounds per axle and that are PRIMARILY DESIGNED AND used to transport coal, ore, or other earthen material in a mining OR quarrying or earthmoving environment.

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

Section 5. Section 15-6-207, MCA, is amended to read:

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

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

(b) all producer-held grain in storage;

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

(d) ~~except as provided in subsection (1)(e), livestock which have not attained the age of 24 months as of the last day of any month if assessed on the average inventory basis or on March January MARCH 1 if assessed as provided in 15-24-911(a);~~

(e) swine which have not attained the age of 6 months as of January 1;

(f) poultry and the unprocessed products of poultry; and

(g) bees and the unprocessed product of bees.

(2) Any beet digger, beet topper, beet defoliator, beet thinner, beet cultivator, beet planter, or beet top saver designed exclusively to plant, cultivate, and harvest sugar beets is exempt from taxation if such implement has not been used to plant, cultivate, or harvest sugar beets for the 2 years immediately preceding the current assessment date and there are no available sugar beet contracts in the sugar beet grower's marketing area."

Section 6. Section 15-8-408, MCA, is amended to read:

"15-8-408. Personal property. Personal property ~~which was in the state and,~~ OTHER THAN LIVESTOCK, subject to taxation ~~on January 1 of any year or a fee in lieu of tax in the state shall be taxable wherever and whenever found in any county in the state in the taxing jurisdiction where it is located on January 1, whether or not the same be is owned, claimed, or possessed by the person, as defined in 15-1-102, owning, claiming, or possessing it on January 1 or not; provided that in case the same property is assessed in more than one county, the county first making the assessment shall be entitled to collect the taxes."~~

Section 7. Section 15-8-706, MCA, is amended to read:

"15-8-706. Statement by agent to the department. (1)

On the second Monday in July in each year, the agent of the department of revenue in each county must transmit to the department a statement showing:

(a) the several kinds of personal property;

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

(c) the number of livestock, ~~number of bushels of grain, and number of pounds or tons of any article sold by the pound or ton;~~

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

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

Section 8. Section 15-24-902, MCA, is amended to read:

"15-24-902. Livestock ~~where assessed~~ Assessment of livestock. ~~Livestock belonging to a permanent resident of the state must not be listed or assessed while such stock is in transit or until it arrives in the county where the person owning the same resides and must be listed and assessed in such county if such livestock runs at large in a county other than the one in which such owner resides; it must be listed and assessed in such county.~~ The department

of revenue or its agent shall assess all nonexempt livestock in each county where they are located on January MARCH 1 of each year. The livestock must be assessed to the person by whom they were owned or claimed or in whose possession or control they were at midnight of January MARCH 1 in that year."

Section 9. Section 15-24-903, MCA, is amended to read:

"15-24-903. Duty of owner to assist in assessment. (1) The owner of livestock, as defined in 15-24-901, or his agent, at the time of assessment shall make and deliver to the department of revenue or its agent in the county or counties where his livestock were located ~~since the last assessment~~ date on January MARCH 1, a written statement, under oath, showing the different kinds of his livestock within the county or counties belonging to him or under his charge, with their marks and brands, ~~and showing the times during that period that his livestock were within the county or counties.~~

(2) As used in this section, "agent" means any person, persons, company, or corporation, including a feedlot operator or owner of grazing land, who has charge of livestock on the assessment date."

Section 10. ~~Section 15-24-904, MCA, is amended to read:~~

"15-24-904: ~~Penalty for violation of law. If any~~

person, persons, company, or corporation who is the owner or has in charge any livestock within this state fails to make the statement or statements as provided in 15-24-903, the county assessor may, after 10 days' notice to the person who failed to file the report, increase the following year's assessment by 10% as a penalty."

Section 10. Section 15-24-905, MCA, is amended to read:

"15-24-905. Livestock brought into state -- notice to department of revenue or its agent ---time-for-payment. (1) The owner or the agent, manager, or foreman of any person, corporation, or association bringing livestock into this state after January MARCH 1 shall immediately after said livestock crosses cross the state line forward to the department of revenue or its agent in the county into which the livestock is are moved a registered or certified letter, which letter shall contain the name of the owner of such livestock, the number thereof, the brand thereon, and the ages of the same, together with the time and place at which said livestock was were brought across the state line, provided that the department of livestock at least once each month furnish from its own records to the department of revenue or its agent in the county into which such livestock is are moved a list of the number and kind of livestock so moved, together with the name of the owner thereof.

(2) The tax due on livestock brought into this state must be paid within 30 days after receiving the tax notice.
(3) Livestock on which tax is owed under this section may not be removed from the county until the taxes have been paid."

Section 12. Section 15-24-921, MCA, is amended to read:

"15-24-921. Per capita tax levy to pay expenses of enforcing livestock laws. (1) In addition to appropriations made for such purposes, a per capita tax is hereby authorized and directed to be levied calculated by the county assessor on all poultry and bees, all swine 3 6 months of age or older, and all other livestock 9 24 months of age or older in each county of this state for the purpose of aiding in the payment of the salaries and all expenses connected with the enforcement of the livestock laws of the state and for the payment of bounties on wild animals as hereinafter specified:

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

Section 13. Section 15-24-922, MCA, is amended to read:

"15-24-922. Board of livestock to prescribe per capita levy tax. (1) The board of livestock shall annually

1 prescribe the amount of the per capita levy tax to be made
2 against livestock of all classes for the purpose indicated
3 in 15-24-921.

4 {2} The per capita tax levy must be calculated each
5 year to provide not more than 110% of the average annual
6 revenue that was generated in the 3 previous years,
7 beginning with revenue generated by 81-7-104 and this
8 section in the taxable years 1985, 1986, and 1987. The
9 calculation shall apply a reasonable factor for nonpayment
10 and late payment of taxes and for reimbursement to the
11 counties pursuant to 15-24-925 for collection of the levy
12 tax."

13 **Section 14.** Section 15-24-925, MCA, is amended to
14 read:

15 "15-24-925. Reimbursement to county --- transmission of
16 taxes from county to state treasurer. --- {1} The county
17 treasurer may withhold 2% of the money received under
18 15-24-921 as reimbursement to the county for the collection
19 of the levy per capita tax on livestock.

20 {2} Except for the amount withheld under subsection
21 {1}, the taxes levied and the money collected pursuant to
22 the provisions of 15-24-922 shall be transmitted to the
23 state treasury by the county treasurer of each county, as
24 provided in 15-1-504, but not later than July 1 December 31
25 following assessment. The county treasurer shall designate

1 the amount received from the per capita tax levied on sheep
2 and the amount received from the tax levied on all other
3 livestock and shall specify the separate amounts in his
4 report to the state treasurer. The money, when received by
5 the state treasurer, shall be deposited to the credit of the
6 department of livestock."

7 **Section 15.** Section 15-24-931, MCA, is amended to
8 read:

9 "15-24-931. Assessment of swine. --- {1} Each swine
10 producer shall submit a statement in the manner prescribed
11 by the department of revenue showing the number of pigs
12 owned in each of the following classes as of January 1:

13 {a} market hogs, which are hogs between 3 months and 6
14 months of age or older and which have a conclusively
15 presumed weight factor of 150 pounds or more;

16 {b} breeding sows, which have a conclusively presumed
17 weight factor of 300 pounds;

18 {c} breeding boars, which have a conclusively presumed
19 weight factor of 300 pounds.

20 {2} The department shall determine market value of
21 swine by multiplying the following average USDA Omaha
22 quotation price over the preceding 5 years, less \$2 per
23 hundred in the case of market hogs and breeding sows, times
24 the conclusively presumed weight of each pig in the class:

25 {a} market hogs -- USDA Omaha quotation for barrows and

1 gilts, grades 1 to 3, at 230 210 to 240 pounds;
 2 {b}--breeding sows--USBA--Omaha--quotation--for--sows,
 3 grades 1 to 2 3, at 300 to 350 400 pounds;
 4 {c}--breeding boars--valued the same as market hogs;
 5 {3}--The department shall apply the same equalization
 6 factor to swine as to other classes of livestock;
 7 {4}--The department shall publish the most recent
 8 5-year average USBA--Omaha quotation price for each class in
 9 the Administrative Rules of Montana;"

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

1 identification plate shall be made to the county treasurer
 2 before any piece of equipment is moved on the highways.
 3 Application shall be made on a form furnished by the
 4 department of justice, together with the payment of a fee of
 5 \$5. The equipment for which a special mobile equipment plate
 6 is sought is subject to the assessment of personal property
 7 taxes on the date application is made for the plate.
 8 {b}--The Before the special mobile equipment plate may
 9 be issued, the applicant shall furnish:
 10 {i}--evidence in the form of a receipt or statement of
 11 tax, signed by the county treasurer, that the personal
 12 property taxes assessed against the special mobile equipment
 13 must be have been paid before the issuance of a special
 14 mobile equipment plate; or
 15 {ii} a statement, signed by the county assessor, of
 16 lien assignment against real property in an amount equal to
 17 the personal property taxes assessed against the special
 18 mobile equipment;
 19 {c}--The fees collected under this section belong to
 20 the county road fund.
 21 {3}--The identification plate expires on December 31 of
 22 each year. If the expired identification plate is displayed,
 23 an owner of special mobile equipment registered under the
 24 provisions of this section is entitled to operate the
 25 equipment between January 1 and February 15 following

1 expiration-without-displaying-the--identification--plate--or
2 receipt-of-the-current-year.

3 {4}--Publicly---owned---special--mobile--equipment--and
4 implements-of-husbandry-used-exclusively-by-an-owner-in--the
5 conduct--of--his-own-farming-operations-are-exempt-from-this
6 section.

7 {5}--The--department--of--revenue--shall--issue
8 identification--decals-to-each-county-assessor--The-assessor
9 shall-issue-the-decals-to-the-owners--or--operators--of--all
10 special--mobile--equipment--immediately--upon--receipt--of--a
11 signed-statement-specifically--listing--all--special--mobile
12 equipment--in--possession--and--control--of--the--owners--or
13 operators--The-identifying-decal--must--be--displayed--in--a
14 conspicuous--place-on-each-item-of-equipment-listed--Decals
15 are-not-transferable-from-one-item-of-equipment--to--another
16 or-upon-sale-or-change-of-ownership.

17 {6}--An-owner--or-operator-of-special-mobile-equipment
18 who-violates-any-provision-of-this-section-is-guilty--of--a
19 misdemeanor-punishable-by-a-fine-of-not-more-than-\$300-or-by
20 a--sentence--of-not-more-than-60-days-in-the-county-jail--or
21 both."

22 NEW SECTION. Section 17. Machinery--and--equipment
23 identification--decal---penalty--{1}-{a}--The-department-of
24 revenue-shall-provide-identification-decals-to--each--county
25 assessor--for--issuance--to--owners--or-operators-of-certain

1 machinery-and-equipment-subject-to-taxation-under--15-6-138.

2 {b}--The--department--of--revenue--shall--adopt--a-rule
3 enumerating-the-types-of-machinery-and-equipment-for-which-a
4 decal-must-be-issued.

5 {2}--The-assessor-shall-issue-a-machinery-and-equipment
6 decal-to-an-owner-or--operator--of--machinery--or--equipment
7 subject--to--the--requirements--of-this-section-upon-receipt
8 from-the-owner-or--operator--of--an--affidavit--listing--all
9 machinery--and--equipment--in--the--state--that--is-owned-or
10 controlled-by-the-owner-or-operator.

11 {3}--The-identification-decal-must-be--displayed--in--a
12 conspicuous--place--on--each-item-of-machinery-and-equipment
13 for-which-a-decal-is-issued.

14 {4}--A--machinery--and--equipment--decal---is---not
15 transferable-from-one-item-of-property-to-another--nor-is-it
16 transferable-upon-sale-or-other-change-of-ownership.

17 {5}--An-owner-or-operator-of-machinery-or-equipment-who
18 violates--this-section-is-guilty-of-a-misdemeanor-punishable
19 by-a-fine-of-not-more-than-\$300-or-by-a-sentence-of-not-more
20 than-60-days-in-the-county-jail--or-both.

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