

SENATE BILL NO. 392

INTRODUCED BY B. BROWN, STORY, NORMAN, DRISCOLL, GOULD,  
PHILLIPS, HARRINGTON, PATTERSON, STANG, GIACOMETTO,  
REHBERG, GAGE, HARP, CRIPPEN, HAGER

IN THE SENATE

FEBRUARY 11, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
FEBRUARY 14, 1989	ON MOTION, REREFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
MARCH 13, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
	STATEMENT OF INTENT ADOPTED.
MARCH 14, 1989	PRINTING REPORT.
	SECOND READING, DO PASS.
MARCH 15, 1989	ENGROSSING REPORT.
MARCH 16, 1989	THIRD READING, PASSED. AYES, 38; NOES, 6.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

MARCH 17, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
MARCH 30, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 31, 1989	SECOND READING, CONCURRED IN.
APRIL 1, 1989	THIRD READING, CONCURRED IN. AYES, 88; NOES, 4.

RETURNED TO SENATE.

IN THE SENATE

APRIL 3, 1989

RECEIVED FROM HOUSE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 BILL NO. 392  
 2 INTRODUCED BY *Bob Brown* *Norman*  
 3 *Israel G. Phillips* *Harvey* *Parsons* *Ally*  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT FROM PROPERTY  
 5 TAXATION CERTAIN PROPERTY USED EXCLUSIVELY IN THE PRODUCTION  
 6 OF MOTION PICTURES OR TELEVISION COMMERCIALS; AMENDING  
 7 SECTIONS 61-3-301, 61-3-503, 61-3-506, AND 61-3-507, MCA;  
 8 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE  
 9 APPLICABILITY DATE."

10  
 11 STATEMENT OF INTENT

12 A statement of intent is not technically required for  
 13 this bill because the rulemaking authority currently  
 14 authorized in 61-3-506 is merely expanded. However, in  
 15 adopting this bill, the legislature intends that any rules  
 16 adopted by the department of revenue be limited to  
 17 developing forms or procedures for prorating the taxes  
 18 imposed on property, including vehicles, that is used  
 19 exclusively in the filming of motion pictures or television  
 20 commercials. The provisions of the bill are intended to  
 21 exempt from property taxation all property that is used  
 22 exclusively in the production of motion pictures or  
 23 television commercials unless the property is sited in the  
 24 state for a period exceeding 180 consecutive days in a  
 25 calendar year. If the property is sited in the state for a

1 period exceeding 180 consecutive days in a calendar year,  
 2 the taxes are to be prorated only for the number of days  
 3 that the property is sited in the state in excess of 180  
 4 consecutive days in a calendar year.

6 WHEREAS, Montana has abundant scenery, resources, and  
 7 accommodations that are uniquely suited to the filming of  
 8 motion pictures and television commercials; and

9 WHEREAS, the motion picture industry and the television  
 10 commercial filming industry are increasingly recognizing  
 11 Montana's intrinsic beauty and character that enhance the  
 12 products produced by both industries; and

13 WHEREAS, the State of Montana and her citizens welcome  
 14 the filming industry to this beautiful state.

15 THEREFORE, the Legislature of the State of Montana finds  
 16 it appropriate to extend the state's inherent hospitality to  
 17 these industries by exempting from taxation certain property  
 18 used in the production of motion pictures and television  
 19 commercials.

20  
 21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

22 NEW SECTION. Section 1. Exemption for motion picture  
 23 and television commercial property. Except as provided in  
 24 [sections 2 and 3], all property, including vehicles,  
 25 brought into the state or otherwise used for the exclusive

1 purpose of filming motion pictures or television commercials  
2 is exempt from property taxation, provided that the property  
3 does not remain in the state for a period in excess of 180  
4 consecutive days in a calendar year.

5 NEW SECTION. **Section 2.** Taxation of motion picture and  
6 television commercial property. (1) Except as provided in  
7 [section 3], property used exclusively for filming motion  
8 pictures or television commercials and that remains in the  
9 state for a period exceeding 180 consecutive days in a  
10 calendar year is subject to assessment and taxation as all  
11 other property subject to property taxation.

12 (2) The taxes on property described in subsection (1)  
13 must be determined by prorating the taxes (that would be due  
14 on similar property not used exclusively for filming motion  
15 pictures or television commercials and sited in Montana on  
16 January 1 of the taxable year) in the proportion that the  
17 number of days that the property used exclusively for  
18 filming motion pictures or television commercials remains in  
19 the state in excess of 180 consecutive days in a calendar  
20 year bears to 365.

21 NEW SECTION. **Section 3.** Taxation of vehicles used  
22 exclusively in filming motion pictures or television  
23 commercials. (1) A vehicle used exclusively in the filming  
24 of motion pictures or television commercials that has been  
25 in the state for a period exceeding 180 consecutive days in

1 a calendar year must be assessed as if the vehicle were not  
2 used exclusively for filming motion pictures or television  
3 commercials, but the assessment must be prorated as provided  
4 in subsection (2).

5 (2) The taxes assessed under subsection (1) must be  
6 prorated by dividing the number of days in excess of 180  
7 consecutive days in the calendar year by 365.

8 (3) Taxes on a vehicle imposed pursuant to this section  
9 must be collected as provided in Title 15, chapter 16, part  
10 1, for the collection of personal property taxes generally.

11 **Section 4.** Section 61-3-301, MCA, is amended to read:

12 "61-3-301. Registration -- license plate required --  
13 display. (1) Except as otherwise provided herein in this  
14 section, no a person shall may not operate a motor vehicle  
15 upon the public highways of this state unless such the  
16 vehicle is properly registered and has the proper number  
17 plates conspicuously displayed, one on the front and one on  
18 the rear of the vehicle, each securely fastened to prevent  
19 it from swinging and unobstructed from plain view, except  
20 that trailers, semitrailers, quadricycles, and motorcycles  
21 shall have but one number plate conspicuously displayed on  
22 the rear. No A person shall may not display on such the  
23 vehicle at the same time any number assigned to it under any  
24 motor vehicle law except as provided in this chapter. A junk  
25 vehicle, as defined in part-57-chapter-10, Title 75, chapter

1 10, part 5, being driven or towed to an auto wrecking  
2 graveyard for disposal is exempt from the provisions of this  
3 section.

4 (2) ~~No~~ A person shall may not purchase or display on a  
5 vehicle any license plate bearing the number assigned to any  
6 county as provided in 61-3-332 other than the county of his  
7 permanent residence at the time of application for  
8 registration. However, the owner of any motor vehicle  
9 requiring a license plate on any motor vehicle used in the  
10 public transportation of persons or property may make  
11 application therefor for registration in any county through  
12 which the motor vehicle passes in its regularly scheduled  
13 route, and the license plate so issued bearing the number  
14 assigned to ~~said~~ the county may be displayed on the motor  
15 vehicle in any other county of the state.

16 (3) It is unlawful to use license plates issued to one  
17 vehicle on any other vehicle, trailer, or semitrailer unless  
18 legally transferred as provided by statute, or to repaint  
19 old license plates to resemble current license plates.

20 (4) This section does not apply to a vehicle exempt  
21 from taxation under (section 1) or subject to taxation under  
22 (section 3).

23 ~~(4)(5)~~ Any person violating these provisions is guilty  
24 of a misdemeanor and subject to the penalty set out in  
25 61-3-601."

1 **Section 5.** Section 61-3-503, MCA, is amended to read:

2 "61-3-503. Assessment. (1) Except as provided in  
3 (section 3) and subsection (2) of this section, the  
4 following apply to the taxation of motor vehicles:

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

14 (b) Except as provided in subsection (1)(c), motor  
15 vehicles are assessed for taxes on January 1 in each year  
16 irrespective of the time fixed by law for the assessment of  
17 other classes of personal property and irrespective of  
18 whether the levy and tax may be a lien upon real property  
19 within the state. ~~in-no-event-may-any~~ A motor vehicle ~~be is~~  
20 not subject to assessment, levy, and taxation more than once  
21 in each year.

22 (c) Vehicles subject to the provisions of 61-3-313  
23 through 61-3-316 shall be assessed as of the first day of  
24 the registration period, using the average trade-in or  
25 wholesale value as of January 1 of the year of assessment of

1 the vehicle as contained in the most recent volume of the  
 2 Mountain States Edition of the National Automobile Dealers  
 3 Association (N.A.D.A.) Official Used Car Guide, the National  
 4 Edition of N.A.D.A. Appraisal Guides Official Older Used Car  
 5 Guide, or, for vehicles not listed in the preceding guides,  
 6 the low value listed in The Value Guide to Cars of  
 7 Particular Interest, not including additions or deductions  
 8 for options and mileage; and a lien for taxes and fees due  
 9 thereon on the vehicle shall occur on the anniversary date  
 10 of the registration and shall continue until such the fees  
 11 and taxes have been paid. If the value shown in any of the  
 12 appraisal guides listed in this section is less than \$1,000,  
 13 the department shall value the vehicle at \$1,000.

14 (d) Motorcycles and quadricycles shall be assessed,  
 15 using the greater of the following:

16 (i) \$250; or

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

24 (e) If a vehicle assessed under subsection (1)(c) or  
 25 (1)(d) is not originally listed in the applicable N.A.D.A.

1 guide, the department of revenue or its agent shall  
 2 depreciate the original f.o.b. factory list price, f.o.b.  
 3 port-of-entry list price, or the manufacturer's suggested  
 4 list price, using the following methods:

5 (i) if the new car sales tax has been previously paid  
 6 and the vehicle is less than 1 year in age, the depreciation  
 7 percentage shall be 20%; or

8 (ii) if the vehicle is 1 year or older in age and it is  
 9 not listed in any of the appraisal guides listed in this  
 10 section, the department of revenue shall determine the  
 11 depreciation percentage to approximate the average wholesale  
 12 or trade-in values in the current N.A.D.A. guides referred  
 13 to in this subsection. For purposes of this subsection (1),  
 14 the age of the vehicle is determined by subtracting the  
 15 manufacturer's model year of the vehicle from the calendar  
 16 year of assessment.

17 (f) When a minimum value of \$500 is reached, the value  
 18 shall remain at that minimum so long as the vehicle is  
 19 registered.

20 (g) If a previously registered vehicle is no longer  
 21 listed in the applicable N.A.D.A. guide, the department or  
 22 its agent shall depreciate the value of the vehicle at the  
 23 rate of 10% a year until a minimum amount of \$500 is  
 24 attained, and the value shall remain at that amount so long  
 25 as the vehicle is registered.

(2) The provisions of subsections (1)(a) through (1)(g) do not apply to motor homes, travel trailers, campers, or mobile homes as defined in 15-1-101(1)."

**Section 6.** Section 61-3-506, MCA, is amended to read:

"61-3-506. Rules. The department of revenue shall adopt rules for the payment of property taxes and the department of highways shall adopt rules for the payment of new car taxes under the provisions of 61-3-313 through 61-3-316, and 61-3-501, and [section 3]. The department of revenue may adopt rules for the proration of taxes for the implementation and administration of 61-3-313 through 61-3-316, and 61-3-501, and [section 3], but shall specifically provide that new car taxes shall be for a 12-month period."

**Section 7.** Section 61-3-507, MCA, is amended to read:

"61-3-507. Exemption. Motor--vehicles (1) A motor vehicle subject to anniversary date registration as provided in 61-3-313 through 61-3-316 are is exempt from the provisions of 61-3-503(1)(b) and 61-3-505.

(2) A vehicle exempt from taxation under [section 1] or subject to the provisions of [section 3] is exempt from all other taxes and fees generally imposed on a vehicle by this part."

**NEW SECTION. Section 8.** Extension of authority. Any existing authority to make rules on the subject of the

provisions of [this act] is extended to the provisions of [this act].

**NEW SECTION. Section 9.** Codification instruction. (1) [Section 1] is intended to be codified as an integral part of Title 15, chapter 6, part 2, and the provisions of Title 15, chapter 6, apply to [section 1].

(2) [Section 2] is intended to be codified as an integral part of Title 15, chapter 24, part 3, and the provisions of Title 15, chapter 24, apply to [section 2].

(3) [Section 3] is intended to be codified as an integral part of Title 61, chapter 3, part 5, and the provisions of Title 61, chapter 3, apply to [section 3].

**NEW SECTION. Section 10.** Effective date -- retroactive applicability. [This act] is effective on passage and approval and applies retroactively, within the meaning of 1-2-109, to taxable years beginning after December 31, 1988.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB392, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act to exempt from property taxation certain property used exclusively in the production of motion pictures or television commercials; and providing an immediate effective date and a retroactive 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. The property tax revenue generated from property used exclusively in the production of motion pictures or television commercials is approximately \$5,000 to \$10,000 per year (Department of Commerce, Montana Promotion Division).
3. Levies are 6 mills for universities, 45 mills for the school foundation program, and 197 for local governments.


FISCAL IMPACT:

Revenue Impact:

It is estimated that the proposal will reduce revenues for universities by \$121 to \$242 each fiscal year. Revenues for the school foundation program will be reduced by \$907 to \$1,814 each fiscal year.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

Revenues for local governments where the motion pictures and television commercials are produced are expected to be reduced by \$3,972 to \$7,944 each fiscal year.

 DATE 2/16/89  
RAY SHACKLEFORD, BUDGET DIRECTOR  
Office of Budget and Program Planning

 DATE 2/16/89  
BOB BROWN, PRIMARY SPONSOR

Fiscal Note for SB392, as introduced

SB 392

APPROVED BY COMMITTEE  
ON TAXATION

## SENATE BILL NO. 392

INTRODUCED BY B. BROWN, STORY, NORMAN, DRISCOLL, GOULD,  
PHILLIPS, HARRINGTON, PATTERSON, STANG, GIACOMETTO,  
REHBERG, GAGE, HARP, CRIPPEN, HAGER

A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT FROM PROPERTY  
TAXATION CERTAIN PROPERTY USED EXCLUSIVELY IN THE PRODUCTION  
OF MOTION PICTURES OR TELEVISION COMMERCIALS; AMENDING  
SECTIONS 61-3-301, 61-3-503, 61-3-506, AND 61-3-507, MCA;  
AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, AND A RETROACTIVE  
APPLICABILITY DATE, AND A TERMINATION DATE."

## STATEMENT OF INTENT

A statement of intent is not technically required for  
this bill because the rulemaking authority currently  
authorized in 61-3-506 is merely expanded. However, in  
adopting this bill, the legislature intends that any rules  
adopted by the department of revenue be limited to  
developing forms or procedures for prorating the taxes  
imposed on property, including vehicles, that is used  
exclusively in the filming of motion pictures or television  
commercials. The provisions of the bill are intended to  
exempt from property taxation all property that is used  
exclusively in the production of motion pictures or  
television commercials unless the property is sited in the

state for a period exceeding 180 consecutive days in a  
calendar year. If the property is sited in the state for a  
period exceeding 180 consecutive days in a calendar year,  
~~the--taxes--are--to--be--prorated--only--for--the--number--of--days~~  
~~that the property is sited in the state in excess of 180~~  
~~consecutive days in a calendar year~~ SUBJECT TO PROPERTY  
TAXATION IN THE SAME MANNER AS OTHER PROPERTY.

WHEREAS, Montana has abundant scenery, resources, and  
accommodations that are uniquely suited to the filming of  
motion pictures and television commercials; and

WHEREAS, the motion picture industry and the television  
commercial filming industry are increasingly recognizing  
Montana's intrinsic beauty and character that enhance the  
products produced by both industries; and

WHEREAS, the State of Montana and her citizens welcome  
the filming industry to this beautiful state.

THEREFORE, the Legislature of the State of Montana  
finds it appropriate to extend the state's inherent  
hospitality to these industries by exempting from taxation  
certain property used in the production of motion pictures  
and television commercials.

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

NEW SECTION. Section 1. Exemption for motion picture

and television commercial property. Except as provided in [sections 2 and 3], all property, including vehicles, brought into the state or otherwise used for the exclusive purpose of filming motion pictures or television commercials is exempt from property taxation, provided that the property does not remain in the state for a period in excess of 180 consecutive days in a calendar year.

**NEW SECTION. Section 2. Taxation of motion picture and television commercial property.** (1) Except as provided in [section 3], property used exclusively for filming motion pictures or television commercials and that remains in the state for a period exceeding 180 consecutive days in a calendar year is subject to assessment and taxation as all other property subject to property taxation.

~~{2}--The--taxes--on--property--described--in--subsection--(1)--must--be--determined--by--prorating--the--taxes--(that--would--be--due--on--similar--property--not--used--exclusively--for--filming--motion--pictures--or--television--commercials--and--sited--in--Montana--on--January--1--of--the--taxable--year)--in--the--proportion--that--the--number--of--days--that--the--property--used--exclusively--for--filming--motion--pictures--or--television--commercials--remains--in--the--state--in--excess--of--180--consecutive--days--in--a--calendar--year--bears--to--365--~~

**NEW SECTION. Section 3. Taxation of vehicles used exclusively in filming motion pictures or television**

**commercials.** (1) A vehicle used exclusively in the filming of motion pictures or television commercials that has been in the state for a period exceeding 180 consecutive days in a calendar year must be assessed as if the vehicle were not used exclusively for filming motion pictures or television commercials, but the assessment must be prorated as provided in subsection (2).

(2) The taxes assessed under subsection (1) must be prorated by dividing the number of days in excess of 180 consecutive days in the calendar year by 365.

(3) Taxes on a vehicle imposed pursuant to this section must be collected as provided in Title 15, chapter 16, part 1, for the collection of personal property taxes generally.

**Section 4.** Section 61-3-301, MCA, is amended to read:

**"61-3-301. Registration -- license plate required -- display.** (1) Except as otherwise provided herein in this section, no a person shall may not operate a motor vehicle upon the public highways of this state unless such the vehicle is properly registered and has the proper number plates conspicuously displayed, one on the front and one on the rear of the vehicle, each securely fastened to prevent it from swinging and unobstructed from plain view, except that trailers, semitrailers, quadricycles, and motorcycles shall have but one number plate conspicuously displayed on

the rear. ~~No A person shall~~ may not display on such the vehicle at the same time any number assigned to it under any motor vehicle law except as provided in this chapter. A junk vehicle, as defined in ~~part-57-chapter-107~~ Title 75, chapter 10, part 5, being driven or towed to an auto wrecking graveyard for disposal is exempt from the provisions of this section.

(2) ~~No A person shall~~ may not purchase or display on a vehicle any license plate bearing the number assigned to any county as provided in 61-3-332 other than the county of his permanent residence at the time of application for registration. However, the owner of any motor vehicle requiring a license plate on any motor vehicle used in the public transportation of persons or property may make application therefor for registration in any county through which the motor vehicle passes in its regularly scheduled route, and the license plate ~~so~~ issued bearing the number assigned to ~~said the~~ county may be displayed on the motor vehicle in any other county of the state.

(3) It is unlawful to use license plates issued to one vehicle on any other vehicle, trailer, or semitrailer unless legally transferred as provided by statute, or to repaint old license plates to resemble current license plates.

(4) This section does not apply to a vehicle exempt from taxation under [section 1] or subject to taxation under

[section 3].

~~44~~(5) Any person violating these provisions is guilty of a misdemeanor and subject to the penalty set out in 61-3-601."

**Section 5.** Section 61-3-503, MCA, is amended to read:

**"61-3-503. Assessment.** (1) Except as provided in [section 3] and subsection (2) of this section, the following apply to the taxation of motor vehicles:

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

(b) Except as provided in subsection (1)(c), motor vehicles are assessed for taxes on January 1 in each year irrespective of the time fixed by law for the assessment of other classes of personal property and irrespective of whether the levy and tax may be a lien upon real property within the state. ~~in-no-event-may-any A~~ motor vehicle be is not subject to assessment, levy, and taxation more than once in each year.

1 (c) Vehicles subject to the provisions of 61-3-313  
 2 through 61-3-316 shall be assessed as of the first day of  
 3 the registration period, using the average trade-in or  
 4 wholesale value as of January 1 of the year of assessment of  
 5 the vehicle as contained in the most recent volume of the  
 6 Mountain States Edition of the National Automobile Dealers  
 7 Association (N.A.D.A.) Official Used Car Guide, the National  
 8 Edition of N.A.D.A. Appraisal Guides Official Older Used Car  
 9 Guide, or, for vehicles not listed in the preceding guides,  
 10 the low value listed in The Value Guide to Cars of  
 11 Particular Interest, not including additions or deductions  
 12 for options and mileage; and a lien for taxes and fees due  
 13 thereon on the vehicle shall occur on the anniversary date  
 14 of the registration and shall continue until such the fees  
 15 and taxes have been paid. If the value shown in any of the  
 16 appraisal guides listed in this section is less than \$1,000,  
 17 the department shall value the vehicle at \$1,000.

18 (d) Motorcycles and quadricycles shall be assessed,  
 19 using the greater of the following:

- 20 (i) \$250; or
- 21 (ii) the average trade-in or wholesale value as of  
 22 January 1 of the year of assessment of the vehicle as  
 23 contained in the most recent volume of the applicable  
 24 National Edition of the N.A.D.A. Motorcycle/Moped/ATV  
 25 Appraisal Guide or N.A.D.A. Recreational Vehicle Appraisal

1 Guide, not including additions or deductions for options and  
 2 mileage.

3 (e) If a vehicle assessed under subsection (1)(c) or  
 4 (1)(d) is not originally listed in the applicable N.A.D.A.  
 5 guide, the department of revenue or its agent shall  
 6 depreciate the original f.o.b. factory list price, f.o.b.  
 7 port-of-entry list price, or the manufacturer's suggested  
 8 list price, using the following methods:

9 (i) if the new car sales tax has been previously paid  
 10 and the vehicle is less than 1 year in age, the depreciation  
 11 percentage shall be 20%; or

12 (ii) if the vehicle is 1 year or older in age and it is  
 13 not listed in any of the appraisal guides listed in this  
 14 section, the department of revenue shall determine the  
 15 depreciation percentage to approximate the average wholesale  
 16 or trade-in values in the current N.A.D.A. guides referred  
 17 to in this subsection. For purposes of this subsection (1),  
 18 the age of the vehicle is determined by subtracting the  
 19 manufacturer's model year of the vehicle from the calendar  
 20 year of assessment.

21 (f) When a minimum value of \$500 is reached, the value  
 22 shall remain at that minimum so long as the vehicle is  
 23 registered.

24 (g) If a previously registered vehicle is no longer  
 25 listed in the applicable N.A.D.A. guide, the department or

its agent shall depreciate the value of the vehicle at the rate of 10% a year until a minimum amount of \$500 is attained, and the value shall remain at that amount so long as the vehicle is registered.

(2) The provisions of subsections (1)(a) through (1)(g) do not apply to motor homes, travel trailers, campers, or mobile homes as defined in 15-1-101(1)."

**Section 6.** Section 61-3-506, MCA, is amended to read:

"61-3-506. Rules. The department of revenue shall adopt rules for the payment of property taxes and the department of highways shall adopt rules for the payment of new car taxes under the provisions of 61-3-313 through 61-3-316, and 61-3-501, and [section 3]. The department of revenue may adopt rules for the proration of taxes for the implementation and administration of 61-3-313 through 61-3-316, and 61-3-501, and [section 3], but shall specifically provide that new car taxes shall be for a 12-month period."

**Section 7.** Section 61-3-507, MCA, is amended to read:

"61-3-507. Exemption. Motor--vehicles (1) A motor vehicle subject to anniversary date registration as provided in 61-3-313 through 61-3-316 are is exempt from the provisions of 61-3-503(1)(b) and 61-3-505.

(2) A vehicle exempt from taxation under [section 1] or subject to the provisions of [section 3] is exempt from

all other taxes and fees generally imposed on a vehicle by this part."

**NEW SECTION. Section 8.** Extension of authority. Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

**NEW SECTION. Section 9.** Codification instruction. (1) [Section 1] is intended to be codified as an integral part of Title 15, chapter 6, part 2, and the provisions of Title 15, chapter 6, apply to [section 1].

(2) [Section 2] is intended to be codified as an integral part of Title 15, chapter 24, part 3, and the provisions of Title 15, chapter 24, apply to [section 2].

(3) [Section 3] is intended to be codified as an integral part of Title 61, chapter 3, part 5, and the provisions of Title 61, chapter 3, apply to [section 3].

**NEW SECTION. Section 10.** Effective date -- retroactive applicability. [This act] is effective on passage and approval and applies retroactively, within the meaning of 1-2-109, to taxable years beginning after December 31, 1988.

**NEW SECTION. SECTION 11. TERMINATION.** [THIS ACT] TERMINATES DECEMBER 31, 1993.

-End-

## SENATE BILL NO. 392

INTRODUCED BY B. BROWN, STORY, NORMAN, DRISCOLL, GOULD,  
PHILLIPS, HARRINGTON, PATTERSON, STANG, GIACOMETTO,  
REHBERG, GAGE, HARP, CRIPPEN, HAGER

A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT FROM PROPERTY  
TAXATION CERTAIN PROPERTY USED EXCLUSIVELY IN THE PRODUCTION  
OF MOTION PICTURES OR TELEVISION COMMERCIALS; AMENDING  
SECTIONS 61-3-301, 61-3-503, 61-3-506, AND 61-3-507, MCA;  
AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, AND A RETROACTIVE  
APPLICABILITY DATE, AND A TERMINATION DATE."

## STATEMENT OF INTENT

A statement of intent is not technically required for  
this bill because the rulemaking authority currently  
authorized in 61-3-506 is merely expanded. However, in  
adopting this bill, the legislature intends that any rules  
adopted by the department of revenue be limited to  
developing forms or procedures for prorating the taxes  
imposed on property, including vehicles, that is used  
exclusively in the filming of motion pictures or television  
commercials. The provisions of the bill are intended to  
exempt from property taxation all property that is used  
exclusively in the production of motion pictures or  
television commercials unless the property is sited in the

state for a period exceeding 180 consecutive days in a  
calendar year. If the property is sited in the state for a  
period exceeding 180 consecutive days in a calendar year,  
~~the--taxes--are--to--be--prorated--only--for--the--number--of--days~~  
~~that the property is sited in the state in excess of 180~~  
~~consecutive days in a calendar year~~ SUBJECT TO PROPERTY  
TAXATION IN THE SAME MANNER AS OTHER PROPERTY.

WHEREAS, Montana has abundant scenery, resources, and  
accommodations that are uniquely suited to the filming of  
motion pictures and television commercials; and

WHEREAS, the motion picture industry and the television  
commercial filming industry are increasingly recognizing  
Montana's intrinsic beauty and character that enhance the  
products produced by both industries; and

WHEREAS, the State of Montana and her citizens welcome  
the filming industry to this beautiful state.

THEREFORE, the Legislature of the State of Montana  
finds it appropriate to extend the state's inherent  
hospitality to these industries by exempting from taxation  
certain property used in the production of motion pictures  
and television commercials.

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

NEW SECTION. Section 1. Exemption for motion picture

1 and television commercial property. Except as provided in  
 2 [sections 2 and 3], all property, including vehicles,  
 3 brought into the state or otherwise used for the exclusive  
 4 purpose of filming motion pictures or television commercials  
 5 is exempt from property taxation, provided that the property  
 6 does not remain in the state for a period in excess of 180  
 7 consecutive days in a calendar year.

8 NEW SECTION. Section 2. Taxation of motion picture  
 9 and television commercial property. {1} Except as provided  
 10 in [section 3], property used exclusively for filming motion  
 11 pictures or television commercials and that remains in the  
 12 state for a period exceeding 180 consecutive days in a  
 13 calendar year is subject to assessment and taxation as all  
 14 other property subject to property taxation.

15 ~~{2}--The--taxes-on-property-described-in-subsection-{1}~~  
 16 ~~must-be-determined-by-prorating-the-taxes-{that-would-be-due~~  
 17 ~~on-similar-property-not-used-exclusively-for-filming--motion~~  
 18 ~~pictures--or--television-commercials-and-sited-in-Montana-on~~  
 19 ~~January-1-of-the-taxable-year}-in-the--proportion--that--the~~  
 20 ~~number--of--days--that--the--property--used--exclusively-for~~  
 21 ~~filming-motion-pictures-or-television-commercials-remains-in~~  
 22 ~~the-state-in-excess-of-180-consecutive-days--in--a--calendar~~  
 23 ~~year-bears-to-365-~~

24 NEW SECTION. Section 3. Taxation of vehicles used  
 25 exclusively in filming motion pictures or television

1 commercials. {1} A vehicle used exclusively in the filming  
 2 of motion pictures or television commercials that has been  
 3 in the state for a period exceeding 180 consecutive days in  
 4 a calendar year must be assessed as if the vehicle were not  
 5 used exclusively for filming motion pictures or television  
 6 commercials, but the assessment must be prorated as provided  
 7 in subsection (2).

8 (2) The taxes assessed under subsection (1) must be  
 9 prorated by dividing the number of days in excess of 180  
 10 consecutive days in the calendar year by 365.

11 (3) Taxes on a vehicle imposed pursuant to this  
 12 section must be collected as provided in Title 15, chapter  
 13 16, part 1, for the collection of personal property taxes  
 14 generally.

15 Section 4. Section 61-3-301, MCA, is amended to read:

16 "61-3-301. Registration -- license plate required --  
 17 display. (1) Except as otherwise provided herein in this  
 18 section, no a person shall may not operate a motor vehicle  
 19 upon the public highways of this state unless such the  
 20 vehicle is properly registered and has the proper number  
 21 plates conspicuously displayed, one on the front and one on  
 22 the rear of the vehicle, each securely fastened to prevent  
 23 it from swinging and unobstructed from plain view, except  
 24 that trailers, semitrailers, quadricycles, and motorcycles  
 25 shall have but one number plate conspicuously displayed on

the rear. No ~~A~~ person ~~shall~~ may not display on such the vehicle at the same time any number assigned to it under any motor vehicle law except as provided in this chapter. A junk vehicle, as defined in ~~part-57-chapter-107~~ Title 75, chapter 10, part 5, being driven or towed to an auto wrecking graveyard for disposal is exempt from the provisions of this section.

(2) No ~~A~~ person ~~shall~~ may not purchase or display on a vehicle any license plate bearing the number assigned to any county as provided in 61-3-332 other than the county of his permanent residence at the time of application for registration. However, the owner of any motor vehicle requiring a license plate on any motor vehicle used in the public transportation of persons or property may make application therefor for registration in any county through which the motor vehicle passes in its regularly scheduled route, and the license plate so issued bearing the number assigned to ~~said the~~ county may be displayed on the motor vehicle in any other county of the state.

(3) It is unlawful to use license plates issued to one vehicle on any other vehicle, trailer, or semitrailer unless legally transferred as provided by statute, or to repaint old license plates to resemble current license plates.

(4) This section does not apply to a vehicle exempt from taxation under [section 1] or subject to taxation under

[section 3].

~~(4)}~~(5) Any person violating these provisions is guilty of a misdemeanor and subject to the penalty set out in 61-3-601."

**Section 5.** Section 61-3-503, MCA, is amended to read:

"61-3-503. **Assessment.** (1) Except as provided in [section 3] and subsection (2) of this section, the following apply to the taxation of motor vehicles:

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

(b) Except as provided in subsection (1)(c), motor vehicles are assessed for taxes on January 1 in each year irrespective of the time fixed by law for the assessment of other classes of personal property and irrespective of whether the levy and tax may be a lien upon real property within the state. ~~In no event may any~~ A motor vehicle be is not subject to assessment, levy, and taxation more than once in each year.

1 (c) Vehicles subject to the provisions of 61-3-313  
 2 through 61-3-316 shall be assessed as of the first day of  
 3 the registration period, using the average trade-in or  
 4 wholesale value as of January 1 of the year of assessment of  
 5 the vehicle as contained in the most recent volume of the  
 6 Mountain States Edition of the National Automobile Dealers  
 7 Association (N.A.D.A.) Official Used Car Guide, the National  
 8 Edition of N.A.D.A. Appraisal Guides Official Older Used Car  
 9 Guide, or, for vehicles not listed in the preceding guides,  
 10 the low value listed in The Value Guide to Cars of  
 11 Particular Interest, not including additions or deductions  
 12 for options and mileage; and a lien for taxes and fees due  
 13 thereon on the vehicle shall occur on the anniversary date  
 14 of the registration and shall continue until such the fees  
 15 and taxes have been paid. If the value shown in any of the  
 16 appraisal guides listed in this section is less than \$1,000,  
 17 the department shall value the vehicle at \$1,000.

18 (d) Motorcycles and quadricycles shall be assessed,  
 19 using the greater of the following:

- 20 (i) \$250; or
- 21 (ii) the average trade-in or wholesale value as of
- 22 January 1 of the year of assessment of the vehicle as
- 23 contained in the most recent volume of the applicable
- 24 National Edition of the N.A.D.A. Motorcycle/Moped/ATV
- 25 Appraisal Guide or N.A.D.A. Recreational Vehicle Appraisal

1 Guide, not including additions or deductions for options and  
 2 mileage.

3 (e) If a vehicle assessed under subsection (1)(c) or  
 4 (1)(d) is not originally listed in the applicable N.A.D.A.  
 5 guide, the department of revenue or its agent shall  
 6 depreciate the original f.o.b. factory list price, f.o.b.  
 7 port-of-entry list price, or the manufacturer's suggested  
 8 list price, using the following methods:

9 (i) if the new car sales tax has been previously paid  
 10 and the vehicle is less than 1 year in age, the depreciation  
 11 percentage shall be 20%; or

12 (ii) if the vehicle is 1 year or older in age and it is  
 13 not listed in any of the appraisal guides listed in this  
 14 section, the department of revenue shall determine the  
 15 depreciation percentage to approximate the average wholesale  
 16 or trade-in values in the current N.A.D.A. guides referred  
 17 to in this subsection. For purposes of this subsection (1),  
 18 the age of the vehicle is determined by subtracting the  
 19 manufacturer's model year of the vehicle from the calendar  
 20 year of assessment.

21 (f) When a minimum value of \$500 is reached, the value  
 22 shall remain at that minimum so long as the vehicle is  
 23 registered.

24 (g) If a previously registered vehicle is no longer  
 25 listed in the applicable N.A.D.A. guide, the department or

1 its agent shall depreciate the value of the vehicle at the  
2 rate of 10% a year until a minimum amount of \$500 is  
3 attained, and the value shall remain at that amount so long  
4 as the vehicle is registered.

5 (2) The provisions of subsections (1)(a) through  
6 (1)(g) do not apply to motor homes, travel trailers,  
7 campers, or mobile homes as defined in 15-1-101(1)."

8 **Section 6.** Section 61-3-506, MCA, is amended to read:

9 "61-3-506. Rules. The department of revenue shall  
10 adopt rules for the payment of property taxes and the  
11 department of highways shall adopt rules for the payment of  
12 new car taxes under the provisions of 61-3-313 through  
13 61-3-316, and 61-3-501, and [section 3]. The department of  
14 revenue may adopt rules for the proration of taxes for the  
15 implementation and administration of 61-3-313 through  
16 61-3-316, and 61-3-501, and [section 3], but shall  
17 specifically provide that new car taxes shall be for a  
18 12-month period."

19 **Section 7.** Section 61-3-507, MCA, is amended to read:

20 "61-3-507. Exemption. Motor--vehicles (1) A motor  
21 vehicle subject to anniversary date registration as provided  
22 in 61-3-313 through 61-3-316 are is exempt from the  
23 provisions of 61-3-503(1)(b) and 61-3-505.

24 (2) A vehicle exempt from taxation under [section 1]  
25 or subject to the provisions of [section 3] is exempt from

1 all other taxes and fees generally imposed on a vehicle by  
2 this part."

3 **NEW SECTION. Section 8.** 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 9.** Codification instruction. (1)  
8 [Section 1] is intended to be codified as an integral part  
9 of Title 15, chapter 6, part 2, and the provisions of Title  
10 15, chapter 6, apply to [section 1].

11 (2) [Section 2] is intended to be codified as an  
12 integral part of Title 15, chapter 24, part 3, and the  
13 provisions of Title 15, chapter 24, apply to [section 2].

14 (3) [Section 3] is intended to be codified as an  
15 integral part of Title 61, chapter 3, part 5, and the  
16 provisions of Title 61, chapter 3, apply to [section 3].

17 **NEW SECTION. Section 10.** Effective date --  
18 retroactive applicability. [This act] is effective on  
19 passage and approval and applies retroactively, within the  
20 meaning of 1-2-109, to taxable years beginning after  
21 December 31, 1988.

22 **NEW SECTION. SECTION 11. TERMINATION.** [THIS ACT]  
23 TERMINATES DECEMBER 31, 1993.

-End-

## SENATE BILL NO. 392

INTRODUCED BY B. BROWN, STORY, NORMAN, DRISCOLL, GOULD,  
PHILLIPS, HARRINGTON, PATTERSON, STANG, GIACOMETTO,  
REHBERG, GAGE, HARP, CRIPPEN, HAGER

A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT FROM PROPERTY  
TAXATION CERTAIN PROPERTY USED EXCLUSIVELY IN THE PRODUCTION  
OF MOTION PICTURES OR TELEVISION COMMERCIALS; AMENDING  
SECTIONS 61-3-301, 61-3-503, 61-3-506, AND 61-3-507, MCA;  
AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, AND A RETROACTIVE  
APPLICABILITY DATE, AND A TERMINATION DATE."

## STATEMENT OF INTENT

A statement of intent is not technically required for  
this bill because the rulemaking authority currently  
authorized in 61-3-506 is merely expanded. However, in  
adopting this bill, the legislature intends that any rules  
adopted by the department of revenue be limited to  
developing forms or procedures for prorating the taxes  
imposed on property, including vehicles, that is used  
exclusively in the filming of motion pictures or television  
commercials. The provisions of the bill are intended to  
exempt from property taxation all property that is used  
exclusively in the production of motion pictures or  
television commercials unless the property is sited in the

state for a period exceeding 180 consecutive days in a  
calendar year. If the property is sited in the state for a  
period exceeding 180 consecutive days in a calendar year,  
~~the taxes are to be prorated only for the number of days~~  
~~that the property is sited in the state in excess of 180~~  
~~consecutive days in a calendar year~~ SUBJECT TO PROPERTY  
TAXATION IN THE SAME MANNER AS OTHER PROPERTY.

WHEREAS, Montana has abundant scenery, resources, and  
accommodations that are uniquely suited to the filming of  
motion pictures and television commercials; and

WHEREAS, the motion picture industry and the television  
commercial filming industry are increasingly recognizing  
Montana's intrinsic beauty and character that enhance the  
products produced by both industries; and

WHEREAS, the State of Montana and her citizens welcome  
the filming industry to this beautiful state.

THEREFORE, the Legislature of the State of Montana  
finds it appropriate to extend the state's inherent  
hospitality to these industries by exempting from taxation  
certain property used in the production of motion pictures  
and television commercials.

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

NEW SECTION. Section 1. Exemption for motion picture

1 and television commercial property. Except as provided in  
 2 [sections 2 and 3], all property, including vehicles,  
 3 brought into the state or otherwise used for the exclusive  
 4 purpose of filming motion pictures or television commercials  
 5 is exempt from property taxation, provided that the property  
 6 does not remain in the state for a period in excess of 180  
 7 consecutive days in a calendar year.

8 NEW SECTION. Section 2. Taxation of motion picture  
 9 and television commercial property. ~~{1}~~ Except as provided  
 10 in [section 3], property used exclusively for filming motion  
 11 pictures or television commercials and that remains in the  
 12 state for a period exceeding 180 consecutive days in a  
 13 calendar year is subject to assessment and taxation as all  
 14 other property subject to property taxation.

15 ~~{2}--The--taxes-on-property-described-in-subsection-{1}~~  
 16 ~~must-be-determined-by-prorating-the-taxes-{that-would-be-due~~  
 17 ~~on-similar-property-not-used-exclusively-for-filming--motion~~  
 18 ~~pictures--or--television-commercials-and-sited-in-Montana-on~~  
 19 ~~January-1-of-the-taxable-year}-in-the--proportion--that--the~~  
 20 ~~number--of--days--that--the--property--used--exclusively-for~~  
 21 ~~filming-motion-pictures-or-television-commercials-remains-in~~  
 22 ~~the-state-in-excess-of-180-consecutive-days--in--a--calendar~~  
 23 ~~year-bears-to-365.~~

24 NEW SECTION. Section 3. Taxation of vehicles used  
 25 exclusively in filming motion pictures or television

1 commercials. (1) A vehicle used exclusively in the filming  
 2 of motion pictures or television commercials that has been  
 3 in the state for a period exceeding 180 consecutive days in  
 4 a calendar year must be assessed as if the vehicle were not  
 5 used exclusively for filming motion pictures or television  
 6 commercials, but the assessment must be prorated as provided  
 7 in subsection (2).

8 (2) The taxes assessed under subsection (1) must be  
 9 prorated by dividing the number of days in excess of 180  
 10 consecutive days in the calendar year by 365.

11 (3) Taxes on a vehicle imposed pursuant to this  
 12 section must be collected as provided in Title 15, chapter  
 13 16, part 1, for the collection of personal property taxes  
 14 generally.

15 **Section 4.** Section 61-3-301, MCA, is amended to read:

16 "61-3-301. Registration -- license plate required --  
 17 display. (1) Except as otherwise provided herein in this  
 18 section, no a person ~~shall~~ may not operate a motor vehicle  
 19 upon the public highways of this state unless such the  
 20 vehicle is properly registered and has the proper number  
 21 plates conspicuously displayed, one on the front and one on  
 22 the rear of the vehicle, each securely fastened to prevent  
 23 it from swinging and unobstructed from plain view, except  
 24 that trailers, semitrailers, quadricycles, and motorcycles  
 25 shall have but one number plate conspicuously displayed on

1 the rear. No A person ~~shall~~ may not display on such the  
 2 vehicle at the same time any number assigned to it under any  
 3 motor vehicle law except as provided in this chapter. A junk  
 4 vehicle, as defined in ~~part-57-chapter-107~~ Title 75, chapter  
 5 10, part 5, being driven or towed to an auto wrecking  
 6 graveyard for disposal is exempt from the provisions of this  
 7 section.

8 (2) No A person ~~shall~~ may not purchase or display on a  
 9 vehicle any license plate bearing the number assigned to any  
 10 county as provided in 61-3-332 other than the county of his  
 11 permanent residence at the time of application for  
 12 registration. However, the owner of any motor vehicle  
 13 requiring a license plate on any motor vehicle used in the  
 14 public transportation of persons or property may make  
 15 application therefor for registration in any county through  
 16 which the motor vehicle passes in its regularly scheduled  
 17 route, and the license plate ~~so~~ issued bearing the number  
 18 assigned to ~~said the~~ county may be displayed on the motor  
 19 vehicle in any other county of the state.

20 (3) It is unlawful to use license plates issued to one  
 21 vehicle on any other vehicle, trailer, or semitrailer unless  
 22 legally transferred as provided by statute, or to repaint  
 23 old license plates to resemble current license plates.

24 (4) This section does not apply to a vehicle exempt  
 25 from taxation under [section 1] or subject to taxation under

1 [section 3].

2 ~~†47(5)~~ Any person violating these provisions is guilty  
 3 of a misdemeanor and subject to the penalty set out in  
 4 61-3-601."

5 **Section 5.** Section 61-3-503, MCA, is amended to read:

6 "61-3-503. Assessment. (1) Except as provided in  
 7 [section 3] and subsection (2) of this section, the  
 8 following apply to the taxation of motor vehicles:

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

18 (b) Except as provided in subsection (1)(c), motor  
 19 vehicles are assessed for taxes on January 1 in each year  
 20 irrespective of the time fixed by law for the assessment of  
 21 other classes of personal property and irrespective of  
 22 whether the levy and tax may be a lien upon real property  
 23 within the state. ~~in-no-event-may-any~~ A motor vehicle be is  
 24 not subject to assessment, levy, and taxation more than once  
 25 in each year.

1 (c) Vehicles subject to the provisions of 61-3-313  
 2 through 61-3-316 shall be assessed as of the first day of  
 3 the registration period, using the average trade-in or  
 4 wholesale value as of January 1 of the year of assessment of  
 5 the vehicle as contained in the most recent volume of the  
 6 Mountain States Edition of the National Automobile Dealers  
 7 Association (N.A.D.A.) Official Used Car Guide, the National  
 8 Edition of N.A.D.A. Appraisal Guides Official Older Used Car  
 9 Guide, or, for vehicles not listed in the preceding guides,  
 10 the low value listed in The Value Guide to Cars of  
 11 Particular Interest, not including additions or deductions  
 12 for options and mileage; and a lien for taxes and fees due  
 13 thereon on the vehicle shall occur on the anniversary date  
 14 of the registration and shall continue until such the fees  
 15 and taxes have been paid. If the value shown in any of the  
 16 appraisal guides listed in this section is less than \$1,000,  
 17 the department shall value the vehicle at \$1,000.

18 (d) Motorcycles and quadricycles shall be assessed,  
 19 using the greater of the following:

20 (i) \$250; or

21 (ii) the average trade-in or wholesale value as of  
 22 January 1 of the year of assessment of the vehicle as  
 23 contained in the most recent volume of the applicable  
 24 National Edition of the N.A.D.A. Motorcycle/Moped/ATV  
 25 Appraisal Guide or N.A.D.A. Recreational Vehicle Appraisal

1 Guide, not including additions or deductions for options and  
 2 mileage.

3 (e) If a vehicle assessed under subsection (1)(c) or  
 4 (1)(d) is not originally listed in the applicable N.A.D.A.  
 5 guide, the department of revenue or its agent shall  
 6 depreciate the original f.o.b. factory list price, f.o.b.  
 7 port-of-entry list price, or the manufacturer's suggested  
 8 list price, using the following methods:

9 (i) if the new car sales tax has been previously paid  
 10 and the vehicle is less than 1 year in age, the depreciation  
 11 percentage shall be 20%; or

12 (ii) if the vehicle is 1 year or older in age and it is  
 13 not listed in any of the appraisal guides listed in this  
 14 section, the department of revenue shall determine the  
 15 depreciation percentage to approximate the average wholesale  
 16 or trade-in values in the current N.A.D.A. guides referred  
 17 to in this subsection. For purposes of this subsection (1),  
 18 the age of the vehicle is determined by subtracting the  
 19 manufacturer's model year of the vehicle from the calendar  
 20 year of assessment.

21 (f) When a minimum value of \$500 is reached, the value  
 22 shall remain at that minimum so long as the vehicle is  
 23 registered.

24 (g) If a previously registered vehicle is no longer  
 25 listed in the applicable N.A.D.A. guide, the department or

1 its agent shall depreciate the value of the vehicle at the  
2 rate of 10% a year until a minimum amount of \$500 is  
3 attained, and the value shall remain at that amount so long  
4 as the vehicle is registered.

5 (2) The provisions of subsections (1)(a) through  
6 (1)(g) do not apply to motor homes, travel trailers,  
7 campers, or mobile homes as defined in 15-1-101(1)."

8 **Section 6.** Section 61-3-506, MCA, is amended to read:

9 "61-3-506. Rules. The department of revenue shall  
10 adopt rules for the payment of property taxes and the  
11 department of highways shall adopt rules for the payment of  
12 new car taxes under the provisions of 61-3-313 through  
13 61-3-316, and 61-3-501, and [section 3]. The department of  
14 revenue may adopt rules for the proration of taxes for the  
15 implementation and administration of 61-3-313 through  
16 61-3-316, and 61-3-501, and [section 3], but shall  
17 specifically provide that new car taxes shall be for a  
18 12-month period."

19 **Section 7.** Section 61-3-507, MCA, is amended to read:

20 "61-3-507. Exemption. Motor--vehicles (1) A motor  
21 vehicle subject to anniversary date registration as provided  
22 in 61-3-313 through 61-3-316 are is exempt from the  
23 provisions of 61-3-503(1)(b) and 61-3-505.

24 (2) A vehicle exempt from taxation under [section 1]  
25 or subject to the provisions of [section 3] is exempt from

1 all other taxes and fees generally imposed on a vehicle by  
2 this part."

3 **NEW SECTION. Section 8.** 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 9.** Codification instruction. (1)  
8 [Section 1] is intended to be codified as an integral part  
9 of Title 15, chapter 6, part 2, and the provisions of Title  
10 15, chapter 6, apply to [section 1].

11 (2) [Section 2] is intended to be codified as an  
12 integral part of Title 15, chapter 24, part 3, and the  
13 provisions of Title 15, chapter 24, apply to [section 2].

14 (3) [Section 3] is intended to be codified as an  
15 integral part of Title 61, chapter 3, part 5, and the  
16 provisions of Title 61, chapter 3, apply to [section 3].

17 **NEW SECTION. Section 10.** Effective date --  
18 retroactive applicability. [This act] is effective on  
19 passage and approval and applies retroactively, within the  
20 meaning of 1-2-109, to taxable years beginning after  
21 December 31, 1988.

22 **NEW SECTION. SECTION 11. TERMINATION. [THIS ACT]**  
23 **TERMINATES DECEMBER 31, 1993.**

-End-