

SENATE BILL NO. 461

INTRODUCED BY MAZUREK, GAGE, WALKER, ECK  
BY REQUEST OF THE SENATE TAXATION COMMITTEE

IN THE SENATE

MARCH 2, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
MARCH 13, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
MARCH 14, 1989	PRINTING REPORT.
	SECOND READING, DO PASS.
MARCH 15, 1989	ENGROSSING REPORT.
MARCH 16, 1989	THIRD READING, PASSED. AYES, 46; NOES, 0.
	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, 93; NOES, 0.
	RETURNED TO SENATE.

IN THE SENATE

APRIL 3, 1989	RECEIVED FROM HOUSE.
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SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *Senate* BILL NO. *461*  
2 INTRODUCED BY *Thayer*  
3 BY REQUEST OF THE SENATE TAXATION COMMITTEE

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE  
6 PRORATION OF TAXES ON PERSONAL PROPERTY BROUGHT INTO THE  
7 STATE; AMENDING SECTIONS 15-24-101 AND 15-24-303, MCA; AND  
8 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE  
9 APPLICABILITY DATE."

10  
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 **Section 1.** Section 15-24-101, MCA, is amended to read:

13 "15-24-101. Assessment of proportionally registered  
14 interstate motor vehicle fleets -- tax payment required for  
15 registration. (1) The department of revenue shall assess,  
16 for the purpose of personal property taxes, the taxable  
17 vehicles in interstate motor vehicle fleets proportionally  
18 registered under the provisions of 61-3-711 through  
19 61-3-733, and the assessment ~~shall~~ must be apportioned on  
20 the ratio of total miles traveled to in-state miles traveled  
21 formula as prescribed by 61-3-721. Interstate motor vehicle  
22 fleets are assessable for taxation purposes upon application  
23 for proportional registration and are assessed to the  
24 persons who own or claim or in whose possession or control  
25 the fleet is at the time of the application.

1 (2) With respect to any fleet contained in an original  
2 application which has a situs for purpose of property  
3 taxation in Montana by the terms of this part or any other  
4 provision of the laws of Montana ~~between January 1 and April~~  
5 ~~1, the taxable vehicles are taxed for a full year. With~~  
6 ~~respect to any fleet contained in an original application~~  
7 ~~which acquires a situs for the purpose of property taxation~~  
8 ~~in Montana under the provisions of this part or any other~~  
9 ~~law of the state of Montana after April 1,~~ the taxes on  
10 taxable vehicles are apportioned as provided in 15-24-303.

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

14 (4) Automobiles and trucks having a rated capacity of  
15 three-quarters of a ton or less that are part of an  
16 interstate motor vehicle fleet are subject to property tax.  
17 If the fleet is proportionally registered, the tax is  
18 apportioned in the same fashion as the registration fee  
19 under 61-3-721.

20 (5) Vehicles contained in a fleet for which current  
21 taxes, fees, or both have been assessed and paid ~~shall~~ may  
22 not be assessed or charged fees under this section upon  
23 presentation to the department of proof of payment of taxes,  
24 or fees, or both for the current registration year. The  
25 payment of personal property taxes, fees, or both, is a

1 condition precedent to proportional registration or  
2 reregistration of an interstate motor vehicle fleet."

3 **Section 2.** Section 15-24-303, MCA, is amended to read:

4 "15-24-303. Proration of tax on personal property. If  
5 ~~such~~ The tax on personal property is brought, or driven, or  
6 ~~comes coming~~ into any county before the assessment date, the  
7 ~~tax shall be the full amount of the tax computed as provided~~  
8 ~~above, but if brought, driven, or coming into the county~~  
9 after the assessment date, the tax shall must be prorated  
10 according to the ratio which the remaining number of months  
11 ~~the property has its taxable situs~~ in the county year bears  
12 to the total number of months in said the year."

13 NEW SECTION. **Section 3.** Extension of authority. Any  
14 existing authority to make rules on the subject of the  
15 provisions of [this act] is extended to the provisions of  
16 [this act].

17 NEW SECTION. **Section 4.** Effective date -- retroactive  
18 applicability. [This act] is effective on passage and  
19 approval and applies retroactively, within the meaning of  
20 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 SB461, as introduced


DESCRIPTION OF PROPOSED LEGISLATION:

An act providing for the proration of taxes on personal property brought into the state; and providing an immediate effective date and a retroactive applicability date.

FISCAL IMPACT:

The bill will amend property tax statutes to conform with a recent district court ruling. The Department of Revenue does not have adequate information with which to estimate the impact of the proposal.

 DATE 3/7/89  
RAY SHACKLEFORD, BUDGET DIRECTOR  
Office of Budget and Program Planning

 DATE 3/8/89  
JOSEPH P. MAZUREK, PRIMARY SPONSOR  
Fiscal Note for SB461, as introduced **SB461**

APPROVED BY COMMITTEE  
ON TAXATION

SENATE BILL NO. 461

INTRODUCED BY MAZUREK, GAGE, WALKER, ECK  
BY REQUEST OF THE SENATE TAXATION COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE  
PRORATION OF TAXES ON PERSONAL PROPERTY BROUGHT INTO THE  
STATE; AMENDING SECTIONS 15-24-101 AND 15-24-303, MCA; AND  
PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE  
APPLICABILITY DATE."

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

**Section 1.** Section 15-24-101, MCA, is amended to read:

"15-24-101. Assessment of proportionally registered  
interstate motor vehicle fleets -- tax payment required for  
registration. (1) The department of revenue shall assess,  
for the purpose of personal property taxes, the taxable  
vehicles in interstate motor vehicle fleets proportionally  
registered under the provisions of 61-3-711 through  
61-3-733, and the assessment ~~shall~~ must be apportioned on  
the ratio of total miles traveled to in-state miles traveled  
formula as prescribed by 61-3-721. Interstate motor vehicle  
fleets are assessable for taxation purposes upon application  
for proportional registration and are assessed to the  
persons who own or claim or in whose possession or control  
the fleet is at the time of the application.

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

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

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

(5) Vehicles contained in a fleet for which current  
taxes, fees, or both have been assessed and paid ~~shall~~ may  
not be assessed or charged fees under this section upon  
presentation to the department of proof of payment of taxes,  
or fees, or both for the current registration year. The  
payment of personal property taxes, fees, or both, is a

1 condition precedent to proportional registration or  
2 reregistration of an interstate motor vehicle fleet."

3 **Section 2.** Section 15-24-303, MCA, is amended to read:

4 "15-24-303. Proration of tax on personal property. if  
5 such The tax on personal property is brought, or driven, or  
6 comes coming into any county before the assessment date, the  
7 tax shall be the full amount of the tax computed as provided  
8 above, but if brought, driven, or coming into the county  
9 after the assessment date, the tax shall must be prorated  
10 according to the ratio which the remaining number of months  
11 the property has its taxable situs in the county year bears  
12 to the total number of months in said the year."

13 **NEW SECTION. Section 3.** Extension of authority. Any  
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16 [this act].

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18 applicability. [This act] is effective on passage and  
19 approval and applies retroactively, within the meaning of  
20 1-2-109, to taxable years beginning after December 31, 1988.

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BY REQUEST OF THE SENATE TAXATION COMMITTEE

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

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

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

(5) Vehicles contained in a fleet for which current taxes, fees, or both have been assessed and paid ~~shall~~ may not be assessed or charged fees under this section upon presentation to the department of proof of payment of taxes, or fees, or both for the current registration year. The payment of personal property taxes, fees, or both, is a



1 condition precedent to proportional registration or  
2 reregistration of an interstate motor vehicle fleet."

3 **Section 2.** Section 15-24-303, MCA, is amended to read:

4 "15-24-303. Proration of tax on personal property. If  
5 such The tax on personal property is brought, or driven, or  
6 comes coming into any county before the-assessment-date-the  
7 ~~tax-shall-be-the-full-amount-of-the-tax-computed-as-provided~~  
8 ~~above-but-if-brought-driven; or coming--into--the--county~~  
9 after the assessment date-the-tax-shall must be prorated  
10 according to the ratio which the remaining number of months  
11 ~~the--property-has-its-taxable-situs~~ in the county year bears  
12 to the total number of months in said the year."

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