

House BILL NO. 219

INTRODUCED BY

*Gregg Scott Christians Feland Simpkins*  
*Roney Hurdle Fred H. B. Dugala*

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A MONTANA RESIDENT ON ACTIVE MILITARY DUTY AND LIVING OUTSIDE OF MONTANA TO PURCHASE LICENSE PLATES AND REGISTER A MOTOR VEHICLE FOR THE COST OF REGISTRATION ALONE; AMENDING SECTIONS 15-6-201 AND 61-3-303, 61-3-502, AND 61-3-504, MCA."

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

**NEW SECTION. Section 1. Registration of motor vehicle owned and operated by Montana resident on active military duty stationed outside Montana.** (1) An owner of a motor vehicle who is a Montana resident on active military duty and stationed outside Montana may file with the department an application for the registration of the motor vehicle. The application must be sworn to before an officer authorized to administer oaths. The application must state:

- (a) the name and address of the owner;
- (b) the make, the gross weight, the year and number of the model, and the manufacturer's identification number and serial number of the motor vehicle; and
- (c) that the vehicle is owned and operated by a Montana resident who is on active military duty and stationed outside Montana.

(2) The registration fee for a motor vehicle registered under subsection (1) is as provided in 61-3-311 and 61-3-321.

- (3) A vehicle registered under this section is not subject to:
- (a) the taxes described in 61-3-303(2)(b);
  - (b) assessment under 15-8-202 or 61-3-503; or
  - (c) any of the fees provided in part 5 of this chapter.

**Section 2.** Section 15-6-201, MCA, is amended to read:

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

- (a) except as provided in 15-24-1203, the property of:

- 1 (i) the United States, except:
- 2 (A) if congress passes legislation that allows the state to tax property owned by the federal  
3 government or an agency created by congress; or
- 4 (B) as provided in 15-24-1103;
- 5 (ii) the state, counties, cities, towns, and school districts;
- 6 (iii) irrigation districts organized under the laws of Montana and not operating for profit;
- 7 (iv) municipal corporations;
- 8 (v) public libraries; and
- 9 (vi) rural fire districts and other entities providing fire protection under Title 7, chapter 33;
- 10 (b) buildings, with land they occupy and furnishings in the buildings, owned by a church and used  
11 for actual religious worship or for residences of the clergy, together with adjacent land reasonably  
12 necessary for convenient use of the buildings;
- 13 (c) property used exclusively for agricultural and horticultural societies, for educational purposes,  
14 and for nonprofit health care facilities, as defined in 50-5-101, licensed by the department of health and  
15 environmental sciences and organized under Title 35, chapter 2 or 3. A health care facility that is not  
16 licensed by the department of health and environmental sciences and organized under Title 35, chapter 2  
17 or 3, is not exempt.
- 18 (d) property that ~~meets the following conditions:~~
- 19 (i) is owned and held by any association or corporation organized under Title 35, chapter 2, 3, 20,  
20 or 21;
- 21 (ii) is devoted exclusively to use in connection with a cemetery or cemeteries for which a permanent  
22 care and improvement fund has been established as provided for in Title 35, chapter 20, part 3; and
- 23 (iii) is not maintained and operated for private or corporate profit;
- 24 (e) property owned by institutions of purely public charity and directly used for purely public  
25 charitable purposes;
- 26 (f) evidence of debt secured by mortgages of record upon real or personal property in the state of  
27 Montana;
- 28 (g) public museums, art galleries, zoos, and observatories not used or held for private or corporate  
29 profit;
- 30 (h) all household goods and furniture, including but not limited to clocks, musical instruments,

1 sewing machines, and wearing apparel of members of the family, used by the owner for personal and  
2 domestic purposes or for furnishing or equipping the family residence;

3 (i) a truck canopy cover or topper weighing less than 300 pounds and having no accommodations  
4 attached. This property is also exempt from taxation under 61-3-504(2) and 61-3-537.

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

6 (k) motor homes, travel trailers, and campers;

7 (l) all watercraft;

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

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

14 (o) property that is owned and used by a corporation or association organized and operated  
15 exclusively for the care of the developmentally disabled, mentally ill, or vocationally handicapped as defined  
16 in 18-5-101, ~~which and that~~ is not operated for gain or profit, and property owned and used by an  
17 organization owning and operating facilities that are for the care of the retired, aged, or chronically ill, ~~which~~  
18 and that are not operated for gain or profit;

19 (p) all farm buildings with a market value of less than \$500 and all agricultural implements and  
20 machinery with a market value of less than \$100;

21 (q) property owned by a nonprofit corporation organized to provide facilities primarily for training  
22 and practice for or competition in international sports and athletic events and not held or used for private  
23 or corporate gain or profit. For purposes of this subsection (q), "nonprofit corporation" means an  
24 organization exempt from taxation under section 501(c) of the Internal Revenue Code and incorporated and  
25 admitted under the Montana Nonprofit Corporation Act.

26 (r) the first \$15,000 or less of market value of tools owned by the taxpayer that are customarily  
27 hand-held and that are used to:

28 (i) construct, repair, and maintain improvements to real property; or

29 (ii) repair and maintain machinery, equipment, appliances, or other personal property;

30 (s) harness, saddlery, and other tack equipment;

- 1 (t) a title plant owned by a title insurer or a title insurance producer, as those terms are defined in  
2 33-25-105;
- 3 (u) beginning January 1, 1994, timber as defined in 15-44-102; ~~and~~
- 4 (v) all trailers and semitrailers with a licensed gross weight of 26,000 pounds or more. For  
5 purposes of this subsection (v), the terms "trailer" and "semitrailer" mean a vehicle with or without motive  
6 power that is:
- 7 (i) designed and used only for carrying property;
- 8 (ii) designed and used to be drawn by a motor vehicle; and
- 9 (iii) either constructed so that no part of its weight rests upon the towing vehicle or constructed  
10 so that some part of its weight and the weight of its load rests upon or is carried by another vehicle.
- 11 (w) all vehicles registered under [section 1].
- 12 (2) (a) The term "institutions of purely public charity" includes any organization that meets the  
13 following requirements:
- 14 (i) The organization qualifies as a tax-exempt organization under the provisions of section 501(c)(3),  
15 Internal Revenue Code, as amended.
- 16 (ii) The organization accomplishes its activities through absolute gratuity or grants; however, the  
17 organization may solicit or raise funds by the sale of merchandise, memberships, or tickets to public  
18 performances or entertainment or by other similar types of fundraising activities.
- 19 (b) For the purposes of subsection (1)(g), the term "public museums, art galleries, zoos, and  
20 observatories" means governmental entities or nonprofit organizations whose principal purpose is to hold  
21 property for public display or for use as a museum, art gallery, zoo, or observatory. The exempt property  
22 includes all real and personal property reasonably necessary for use in connection with the public display  
23 or observatory use. Unless the property is leased for a profit to a governmental entity or nonprofit  
24 organization by an individual or for-profit organization, real and personal property owned by other persons  
25 is exempt if it is:
- 26 (i) actually used by the governmental entity or nonprofit organization as a part of its public display;
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- 29 (3) The following portions of the appraised value of a capital investment made after January 1,  
30 1979, in a recognized nonfossil form of energy generation or low emission wood or biomass combustion

1 devices, as defined in 15-32-102, are exempt from taxation for a period of 10 years following installation  
2 of the property:

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

4 (b) \$100,000 in the case of a multifamily residential dwelling or a nonresidential structure."  
5

6 **Section 3.** Section 61-3-303, MCA, is amended to read:

7 **"61-3-303. Application for registration.** (1) ~~Every~~ Each owner of a motor vehicle operated or driven  
8 upon the public highways of this state shall for each motor vehicle owned, except as otherwise provided  
9 in this section, file or cause to be filed in the office of the county treasurer where the owner permanently  
10 resides at the time of making the application or, if the vehicle is owned by a corporation or used primarily  
11 for commercial purposes, in the taxing jurisdiction of the county where the vehicle is permanently assigned,  
12 an application for registration or reregistration upon a blank form to be prepared and furnished by the  
13 department. The application must contain:

14 (a) name and address of owner, giving county, school district, and town or city within whose  
15 corporate limits the motor vehicle is taxable, if taxable, or within whose corporate limits the owner's  
16 residence is located if the motor vehicle is not taxable;

17 (b) name and address of the holder of any security interest in the motor vehicle;

18 (c) description of motor vehicle, including make, year model, engine or serial number,  
19 manufacturer's model or letter, gross weight, and type of body and, if a truck, rated capacity; and

20 (d) other information that the department may require.

21 (2) A person who files an application for registration or reregistration of a motor vehicle, except  
22 of a mobile home as defined in 15-1-101(1), shall upon the filing of the application pay to the county  
23 treasurer:

24 (a) the registration fee, as provided in 61-3-311 and 61-3-321 or [section 1]; and

25 (b) except as provided in [section 1] or unless it has been previously paid:

26 (i) the personal property taxes assessed against the vehicle for the current year of registration and  
27 the immediately previous year; or

28 (ii) the new motor vehicle sales tax against the vehicle for the current year of registration.

29 (3) The application may not be accepted by the county treasurer unless the payments required by  
30 subsection (2) accompany the application. The department of revenue may not assess and the county

1 treasurer may not collect taxes or fees for a period other than:

2 (a) the current year; and

3 (b) the immediately previous year if the vehicle was not registered or operated on the highways  
4 of the state, regardless of the period of time since the vehicle was previously registered or operated.

5 (4) The department of revenue may make full and complete investigation of the tax status of the  
6 vehicle. ~~Any~~ An applicant for registration or reregistration shall submit proof from the tax or other  
7 appropriate records of the proper county at the request of the department of revenue."  
8

9 **Section 4.** Section 61-3-502, MCA, is amended to read:

10 **"61-3-502. Sales tax on new motor vehicles -- exemptions.** (1) In consideration of the right to use  
11 the highways of the state, there is imposed a tax upon all sales of new motor vehicles, excluding trailers,  
12 semitrailers, and housetrailers, for which a license is sought and an original application for title is made, The  
13 tax must be paid by the purchaser when the purchaser applies for an original Montana license through the  
14 county treasurer.

15 (2) Except as provided in subsections (4) and (5), the sales tax is:

16 (a) 1 ½ % of the f.o.b. factory list price or f.o.b. port-of-entry list price, during the first quarter of  
17 the year or for a registration period other than a calendar year or calendar quarter;

18 (b) 1 1/8% of the list price during the second quarter of the year;

19 (c) 3/4 of 1% during the third quarter of the year;

20 (d) 3/8 of 1% during the fourth quarter of the year.

21 (3) If the manufacturer or importer fails to furnish the f.o.b. factory list price or f.o.b. port-of-entry  
22 list price, the department may use published price lists.

23 (4) The new car sales tax on vehicles subject to the provisions of 61-3-313 through 61-3-316 is  
24 1 ½ % of the f.o.b. factory list price or f.o.b. port-of-entry list price regardless of the month in which the  
25 new vehicle is purchased.

26 (5) The sales tax on new motor vehicles registered as part of a fleet under 61-3-318 is 3/4 of 1%  
27 of the f.o.b. factory list price or f.o.b. port-of-entry list price.

28 (6) The proceeds from this tax must be remitted to the state treasurer every 30 days for credit to  
29 the state highway account of the state special revenue fund. The county treasurer shall retain 5% of the  
30 taxes collected to pay for the cost of administration.

1 (7) The new vehicle is not subject to any other assessment, fee in lieu of tax, or tax during the  
2 calendar year in which the original application for title is made.

3 (8) (a) The applicant for original registration of any new and unused motor vehicle, or a new motor  
4 vehicle furnished without charge by a dealer to a school district for use as a traffic education motor vehicle  
5 by a school district operating a state-approved traffic education program within the state, whether or not  
6 previously licensed or titled to the school district (except a mobile home as defined in 15-1-101(1)),  
7 acquired by original contract after January 1 of any year, is required, whenever the vehicle has not been  
8 otherwise assessed, to pay the motor vehicle sales tax provided by this section irrespective of whether the  
9 vehicle was in the state of Montana on January 1 of the year.

10 (b) A motor vehicle may not be registered or licensed under the provisions of this subsection unless  
11 the application for registration is accompanied by a statement of origin to be furnished by the dealer selling  
12 the vehicle, showing that the vehicle has not previously been registered or owned, except as otherwise  
13 provided in this section, by any person, firm, corporation, or association that is not a new motor vehicle  
14 dealer holding a franchise or distribution agreement from a new car manufacturer, distributor, or importer.

15 (9) (a) Motor vehicles operating exclusively for transportation of persons for hire within the limits  
16 of incorporated cities or towns and within 15 miles from the limits are exempt from subsection (1).

17 (b) Motor vehicles brought or driven into Montana by a nonresident, migratory, bona fide  
18 agricultural worker temporarily employed in agricultural work in this state where those motor vehicles are  
19 used exclusively for transportation of agricultural workers are also exempt from subsection (1).

20 (c) Vehicles lawfully displaying a licensed dealer's plate as provided in 61-4-103 are exempt from  
21 subsection (1) when moving to or from a dealer's place of business when unloaded or loaded with dealer's  
22 property only, and in the case of vehicles having a gross loaded weight of less than 24,000 pounds, while  
23 being demonstrated in the course of the dealer's business.

24 (d) A vehicle registered under [section 1] is exempt from the provisions of subsection (1).

25  
26 **Section 5.** Section 61-3-504, MCA, is amended to read:

27 **"61-3-504. Computation of tax.** (1) The amount of taxes on a motor vehicle, other than an  
28 automobile, truck having a rated capacity of 1 ton or less, motorcycle, quadricycle, motor home, travel  
29 trailer, camper, or mobile home, is computed and determined by the county treasurer on the basis of the  
30 levy of the year preceding the current year of application for registration or reregistration.

1           (2) The amount of tax on an automobile or truck having a rated capacity of 1 ton or less, except  
2 for vehicles registered under [section 1] or owned by disabled veterans qualifying for special license plates  
3 under 61-3-332(10)(c)(i)(A), and on a motorcycle or quadricycle is 2% of the value determined under  
4 61-3-503.

5           (3) The amount of tax on fleet vehicles subject to the provisions of 61-3-318 is 1% of the value  
6 determined under 61-3-503.

7           (4) For all taxable motor vehicles, the amount of tax is entered on the application form in a space  
8 provided therefor."

9

10           NEW SECTION. Section 6. Codification instruction. [Section 1] is intended to be codified as an  
11 integral part of Title 61, chapter 3, part 4, and the provisions of Title 61, chapter 3, part 4, apply to  
12 [section 1].

13

-END-



STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0219, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act allowing a Montana resident on active military duty and living outside of Montana to purchase license plates and register a motor vehicle for the cost of registration alone.

ASSUMPTIONS:

1. Approximately 6,000 Montana residents were on active military duty under the 1990 Desert Storm and Desert Shield bonus programs.
2. The Montana Department of Military Affairs estimates that approximately 4,000 Montana residents would take advantage of the provisions of this bill.
3. HB219 would have no impact on the operations of the License Plate Factory at Montana State Prison. Any license plates produced would fall under normal production.
4. The registrations processed under the provisions of this bill would not pay:
  - The \$1.00 system fee assessed on each registration, resulting in general fund lost revenues of \$4,000;
  - The \$.50 junk vehicle fee assessed on each registration, resulting in general fund lost revenues of \$2,000 (4,000 x .50);
  - The \$1.50 weed fee assessed on each registration less the 3% retained by the counties, resulting in state special revenue lost revenues of \$5,820; or
  - The 1.5% new use tax assessed on new motor vehicles (Dept. of Transportation lost revenues - estimate unavailable).

FISCAL IMPACT:

Revenues:

Net Impact:

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
General Fund	6,000	6,000
State Special Rev.	<u>5,820</u>	<u>5,820</u>
Total	11,820	11,820

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Counties would not receive the property taxes assessed on motor vehicles registered under the provisions of this bill, or their 5% of the 1.5% new use tax on motor vehicles. The specific amounts are unknown.

*David Lewis* 1-22-95  
 DAVID LEWIS, BUDGET DIRECTOR      DATE  
 Office of Budget and Program Planning

*Deb Kottel* 1-25-95  
 DEB KOTTEL, PRIMARY SPONSOR      DATE

STATE OF MONTANA - FISCAL NOTE

Revised Fiscal Note for HB0219, as introduced

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Total	(11,820)	(11,820)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

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*David Lewis 1-26-95*

DAVID LEWIS, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

*Deb Kottel 1-26-95*

DEB KOTTEL, PRIMARY SPONSOR      DATE

Revised Fiscal Note for HB0219, as introduced

**Rev. HB 219-#2**

1 ~~House~~ BILL NO. 219  
 2 INTRODUCED BY ~~Alger~~ ~~Scott Christians~~ ~~Erlend Simphius~~  
 3 ~~Raven Huddle~~ ~~Ed H. H.~~ ~~Drayton~~  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A MONTANA RESIDENT ON ACTIVE MILITARY  
 5 DUTY AND LIVING OUTSIDE OF MONTANA TO PURCHASE LICENSE PLATES AND REGISTER A MOTOR  
 6 VEHICLE FOR THE COST OF REGISTRATION ALONE; AMENDING SECTIONS 15-6-201 AND 61-3-303,  
 7 61-3-502, AND 61-3-504, MCA."

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

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 12 **on active military duty stationed outside Montana.** (1) An owner of a motor vehicle who is a Montana  
 13 resident on active military duty and stationed outside Montana may file with the department an application  
 14 for the registration of the motor vehicle. The application must be sworn to before an officer authorized to  
 15 administer oaths. The application must state:  
 16 (a) the name and address of the owner;  
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11 for actual religious worship or for residences of the clergy, together with adjacent land reasonably  
12 necessary for convenient use of the buildings;

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28 (g) public museums, art galleries, zoos, and observatories not used or held for private or corporate  
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5

6 **Section 3.** Section 61-3-303, MCA, is amended to read:

7 **"61-3-303. Application for registration.** (1) ~~Every~~ Each owner of a motor vehicle operated or driven  
8 upon the public highways of this state shall for each motor vehicle owned, except as otherwise provided  
9 in this section, file or cause to be filed in the office of the county treasurer where the owner permanently  
10 resides at the time of making the application or, if the vehicle is owned by a corporation or used primarily  
11 for commercial purposes, in the taxing jurisdiction of the county where the vehicle is permanently assigned,  
12 an application for registration or reregistration upon a blank form to be prepared and furnished by the  
13 department. The application must contain:

14 (a) name and address of owner, giving county, school district, and town or city within whose  
15 corporate limits the motor vehicle is taxable, if taxable, or within whose corporate limits the owner's  
16 residence is located if the motor vehicle is not taxable;

17 (b) name and address of the holder of any security interest in the motor vehicle;

18 (c) description of motor vehicle, including make, year model, engine or serial number,  
19 manufacturer's model or letter, gross weight, and type of body and, if a truck, rated capacity; and

20 (d) other information that the department may require.

21 (2) A person who files an application for registration or reregistration of a motor vehicle, except  
22 of a mobile home as defined in 15-1-101(1), shall upon the filing of the application pay to the county  
23 treasurer:

24 (a) the registration fee, as provided in 61-3-311 and 61-3-321 or [section 1]; and

25 (b) except as provided in [section 1] or unless it has been previously paid:

26 (i) the personal property taxes assessed against the vehicle for the current year of registration and  
27 the immediately previous year; or

28 (ii) the new motor vehicle sales tax against the vehicle for the current year of registration.

29 (3) The application may not be accepted by the county treasurer unless the payments required by  
30 subsection (2) accompany the application. The department of revenue may not assess and the county

1 treasurer may not collect taxes or fees for a period other than:

2 (a) the current year; and

3 (b) the immediately previous year if the vehicle was not registered or operated on the highways  
4 of the state, regardless of the period of time since the vehicle was previously registered or operated.

5 (4) The department of revenue may make full and complete investigation of the tax status of the  
6 vehicle. ~~Any~~ An applicant for registration or reregistration shall submit proof from the tax or other  
7 appropriate records of the proper county at the request of the department of revenue."

8

9 **Section 4.** Section 61-3-502, MCA, is amended to read:

10 **"61-3-502. Sales tax on new motor vehicles -- exemptions.** (1) In consideration of the right to use  
11 the highways of the state, there is imposed a tax upon all sales of new motor vehicles, excluding trailers,  
12 semitrailers, and housetrailers, for which a license is sought and an original application for title is made. The  
13 tax must be paid by the purchaser when the purchaser applies for an original Montana license through the  
14 county treasurer.

15 (2) Except as provided in subsections (4) and (5), the sales tax is:

16 (a) 1 ½ % of the f.o.b. factory list price or f.o.b. port-of-entry list price, during the first quarter of  
17 the year or for a registration period other than a calendar year or calendar quarter;

18 (b) 1 1/8% of the list price during the second quarter of the year;

19 (c) 3/4 of 1% during the third quarter of the year;

20 (d) 3/8 of 1% during the fourth quarter of the year.

21 (3) If the manufacturer or importer fails to furnish the f.o.b. factory list price or f.o.b. port-of-entry  
22 list price, the department may use published price lists.

23 (4) The new car sales tax on vehicles subject to the provisions of 61-3-313 through 61-3-316 is  
24 1 ½ % of the f.o.b. factory list price or f.o.b. port-of-entry list price regardless of the month in which the  
25 new vehicle is purchased.

26 (5) The sales tax on new motor vehicles registered as part of a fleet under 61-3-318 is 3/4 of 1%  
27 of the f.o.b. factory list price or f.o.b. port-of-entry list price.

28 (6) The proceeds from this tax must be remitted to the state treasurer every 30 days for credit to  
29 the state highway account of the state special revenue fund. The county treasurer shall retain 5% of the  
30 taxes collected to pay for the cost of administration.



1 (7) The new vehicle is not subject to any other assessment, fee in lieu of tax, or tax during the  
2 calendar year in which the original application for title is made.

3 (8) (a) The applicant for original registration of any new and unused motor vehicle, or a new motor  
4 vehicle furnished without charge by a dealer to a school district for use as a traffic education motor vehicle  
5 by a school district operating a state-approved traffic education program within the state, whether or not  
6 previously licensed or titled to the school district (except a mobile home as defined in 15-1-101(1)),  
7 acquired by original contract after January 1 of any year, is required, whenever the vehicle has not been  
8 otherwise assessed, to pay the motor vehicle sales tax provided by this section irrespective of whether the  
9 vehicle was in the state of Montana on January 1 of the year.

10 (b) A motor vehicle may not be registered or licensed under the provisions of this subsection unless  
11 the application for registration is accompanied by a statement of origin to be furnished by the dealer selling  
12 the vehicle, showing that the vehicle has not previously been registered or owned, except as otherwise  
13 provided in this section, by any person, firm, corporation, or association that is not a new motor vehicle  
14 dealer holding a franchise or distribution agreement from a new car manufacturer, distributor, or importer.

15 (9) (a) Motor vehicles operating exclusively for transportation of persons for hire within the limits  
16 of incorporated cities or towns and within 15 miles from the limits are exempt from subsection (1).

17 (b) Motor vehicles brought or driven into Montana by a nonresident, migratory, bona fide  
18 agricultural worker temporarily employed in agricultural work in this state where those motor vehicles are  
19 used exclusively for transportation of agricultural workers are also exempt from subsection (1).

20 (c) Vehicles lawfully displaying a licensed dealer's plate as provided in 61-4-103 are exempt from  
21 subsection (1) when moving to or from a dealer's place of business when unloaded or loaded with dealer's  
22 property only, and in the case of vehicles having a gross loaded weight of less than 24,000 pounds, while  
23 being demonstrated in the course of the dealer's business.

24 (d) A vehicle registered under [section 1] is exempt from the provisions of subsection (1).

25  
26 **Section 5.** Section 61-3-504, MCA, is amended to read:

27 **"61-3-504. Computation of tax.** (1) The amount of taxes on a motor vehicle, other than an  
28 automobile, truck having a rated capacity of 1 ton or less, motorcycle, quadricycle, motor home, travel  
29 trailer, camper, or mobile home, is computed and determined by the county treasurer on the basis of the  
30 levy of the year preceding the current year of application for registration or reregistration.

1           (2) The amount of tax on an automobile or truck having a rated capacity of 1 ton or less, except  
2 for vehicles registered under [section 1] or owned by disabled veterans qualifying for special license plates  
3 under 61-3-332(10)(c)(i)(A), and on a motorcycle or quadricycle is 2% of the value determined under  
4 61-3-503.

5           (3) The amount of tax on fleet vehicles subject to the provisions of 61-3-318 is 1% of the value  
6 determined under 61-3-503.

7           (4) For all taxable motor vehicles, the amount of tax is entered on the application form in a space  
8 provided therefor."

9

10           NEW SECTION. **Section 6. Codification instruction.** [Section 1] is intended to be codified as an  
11 integral part of Title 61, chapter 3, part 4, and the provisions of Title 61, chapter 3, part 4, apply to  
12 [section 1].

13

-END-

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9

House BILL NO. 219

INTRODUCED BY

*Gene Keith Christians Feland Simpkins  
Raney Hurdle Brad H. B. Prigala*

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A MONTANA RESIDENT ON ACTIVE MILITARY DUTY AND LIVING OUTSIDE OF MONTANA TO PURCHASE LICENSE PLATES AND REGISTER A MOTOR VEHICLE FOR THE COST OF REGISTRATION ALONE; AMENDING SECTIONS 15-6-201 AND 61-3-303, 61-3-502, AND 61-3-504, MCA."

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

THERE ARE NO CHANGES IN THIS BILL AND WILL NOT BE REPRINTED. PLEASE REFER TO YELLOW COPY FOR COMPLETE TEXT.

## 1 HOUSE BILL NO. 219

2 INTRODUCED BY KOTTEL, CHRISTIAENS, FELAND, SIMPKINS, RANEY, HURDLE, WENNEMAR,  
3 TROPILA

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A MONTANA RESIDENT ON ACTIVE MILITARY  
6 DUTY AND LIVING OUTSIDE OF MONTANA TO PURCHASE LICENSE PLATES AND REGISTER A MOTOR  
7 VEHICLE FOR THE COST OF REGISTRATION ALONE; AMENDING SECTIONS 15-6-201 AND 61-3-303,  
8 61-3-502, AND 61-3-504, MCA."

9  
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11  
12 **NEW SECTION. Section 1. Registration of motor vehicle owned and operated by Montana resident**  
13 **on active military duty stationed outside Montana.** (1) An owner of a motor vehicle who is a Montana  
14 resident on active military duty and stationed outside Montana may file with the department an application  
15 for the registration of the motor vehicle. The application must be sworn to before an officer authorized to  
16 administer oaths. The application must state:

17 (a) the name and address of the owner;

18 (b) the make, the gross weight, the year and number of the model, and the manufacturer's  
19 identification number and serial number of the motor vehicle; and

20 (c) that the vehicle is owned and operated by a Montana resident who is on active military duty  
21 and stationed outside Montana.

22 (2) The registration fee for a motor vehicle registered under subsection (1) is as provided in  
23 61-3-311 and 61-3-321.

24 (3) A vehicle registered under this section is not subject to:

25 (a) the taxes described in 61-3-303(2)(b);

26 (b) assessment under 15-8-202 or 61-3-503; or

27 (c) any of the fees provided in part 5 of this chapter.

28  
29 **Section 2.** Section 15-6-201, MCA, is amended to read:

30 **"15-6-201. Exempt categories.** (1) The following categories of property are exempt from taxation:

- 1 (a) except as provided in 15-24-1203, the property of:
- 2 (i) the United States, except:
- 3 (A) if congress passes legislation that allows the state to tax property owned by the federal
- 4 government or an agency created by congress; or
- 5 (B) as provided in 15-24-1103;
- 6 (ii) the state, counties, cities, towns, and school districts;
- 7 (iii) irrigation districts organized under the laws of Montana and not operating for profit;
- 8 (iv) municipal corporations;
- 9 (v) public libraries; and
- 10 (vi) rural fire districts and other entities providing fire protection under Title 7, chapter 33;
- 11 (b) buildings, with land they occupy and furnishings in the buildings, owned by a church and used
- 12 for actual religious worship or for residences of the clergy, together with adjacent land reasonably
- 13 necessary for convenient use of the buildings;
- 14 (c) property used exclusively for agricultural and horticultural societies, for educational purposes,
- 15 and for nonprofit health care facilities, as defined in 50-5-101, licensed by the department of health and
- 16 environmental sciences and organized under Title 35, chapter 2 or 3. A health care facility that is not
- 17 licensed by the department of health and environmental sciences and organized under Title 35, chapter 2
- 18 or 3, is not exempt.
- 19 (d) property that ~~meets the following conditions:~~
- 20 (i) is owned and held by any association or corporation organized under Title 35, chapter 2, 3, 20,
- 21 or 21;
- 22 (ii) is devoted exclusively to use in connection with a cemetery or cemeteries for which a permanent
- 23 care and improvement fund has been established as provided for in Title 35, chapter 20, part 3; and
- 24 (iii) is not maintained and operated for private or corporate profit;
- 25 (e) property owned by institutions of purely public charity and directly used for purely public
- 26 charitable purposes;
- 27 (f) evidence of debt secured by mortgages of record upon real or personal property in the state of
- 28 Montana;
- 29 (g) public museums, art galleries, zoos, and observatories not used or held for private or corporate
- 30 profit;

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

4 (i) a truck canopy cover or topper weighing less than 300 pounds and having no accommodations  
5 attached. This property is also exempt from taxation under 61-3-504(2) and 61-3-537.

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

7 (k) motor homes, travel trailers, and campers;

8 (l) all watercraft;

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

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

15 (o) property that is owned and used by a corporation or association organized and operated  
16 exclusively for the care of the developmentally disabled, mentally ill, or vocationally handicapped as defined  
17 in 18-5-101, ~~which and that~~ is not operated for gain or profit, and property owned and used by an  
18 organization owning and operating facilities that are for the care of the retired, aged, or chronically ill, ~~which~~  
19 and that are not operated for gain or profit;

20 (p) all farm buildings with a market value of less than \$500 and all agricultural implements and  
21 machinery with a market value of less than \$100;

22 (q) property owned by a nonprofit corporation organized to provide facilities primarily for training  
23 and practice for or competition in international sports and athletic events and not held or used for private  
24 or corporate gain or profit. For purposes of this subsection (q), "nonprofit corporation" means an  
25 organization exempt from taxation under section 501(c) of the Internal Revenue Code and incorporated and  
26 admitted under the Montana Nonprofit Corporation Act.

27 (r) the first \$15,000 or less of market value of tools owned by the taxpayer that are customarily  
28 hand-held and that are used to:

29 (i) construct, repair, and maintain improvements to real property; or

30 (ii) repair and maintain machinery, equipment, appliances, or other personal property;

- 1 (s) harness, saddlery, and other tack equipment;
- 2 (t) a title plant owned by a title insurer or a title insurance producer, as those terms are defined in  
3 33-25-105;
- 4 (u) beginning January 1, 1994, timber as defined in 15-44-102; ~~and~~
- 5 (v) all trailers and semitrailers with a licensed gross weight of 26,000 pounds or more. For  
6 purposes of this subsection (v), the terms "trailer" and "semitrailer" mean a vehicle with or without motive  
7 power that is:
- 8 (i) designed and used only for carrying property;
- 9 (ii) designed and used to be drawn by a motor vehicle; and
- 10 (iii) either constructed so that no part of its weight rests upon the towing vehicle or constructed  
11 so that some part of its weight and the weight of its load rests upon or is carried by another vehicle.
- 12 (w) all vehicles registered under [section 1].
- 13 (2) (a) The term "institutions of purely public charity" includes any organization that meets the  
14 following requirements:
- 15 (i) The organization qualifies as a tax-exempt organization under the provisions of section 501(c)(3),  
16 Internal Revenue Code, as amended.
- 17 (ii) The organization accomplishes its activities through absolute gratuity or grants; however, the  
18 organization may solicit or raise funds by the sale of merchandise, memberships, or tickets to public  
19 performances or entertainment or by other similar types of fundraising activities.
- 20 (b) For the purposes of subsection (1)(g), the term "public museums, art galleries, zoos, and  
21 observatories" means governmental entities or nonprofit organizations whose principal purpose is to hold  
22 property for public display or for use as a museum, art gallery, zoo, or observatory. The exempt property  
23 includes all real and personal property reasonably necessary for use in connection with the public display  
24 or observatory use. Unless the property is leased for a profit to a governmental entity or nonprofit  
25 organization by an individual or for-profit organization, real and personal property owned by other persons  
26 is exempt if it is:
- 27 (i) actually used by the governmental entity or nonprofit organization as a part of its public display;
- 28 (ii) held for future display; or
- 29 (iii) used to house or store a public display.
- 30 (3) The following portions of the appraised value of a capital investment made after January 1,

1 1979, in a recognized nonfossil form of energy generation or low emission wood or biomass combustion  
 2 devices, as defined in 15-32-102, are exempt from taxation for a period of 10 years following installation  
 3 of the property:

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

5 (b) \$100,000 in the case of a multifamily residential dwelling or a nonresidential structure."  
 6

7 **Section 3.** Section 61-3-303, MCA, is amended to read:

8 **"61-3-303. Application for registration.** (1) ~~Every~~ Each owner of a motor vehicle operated or driven  
 9 upon the public highways of this state shall for each motor vehicle owned, except as otherwise provided  
 10 in this section, file or cause to be filed in the office of the county treasurer where the owner permanently  
 11 resides at the time of making the application or, if the vehicle is owned by a corporation or used primarily  
 12 for commercial purposes, in the taxing jurisdiction of the county where the vehicle is permanently assigned,  
 13 an application for registration or reregistration upon a blank form to be prepared and furnished by the  
 14 department. The application must contain:

15 (a) name and address of owner, giving county, school district, and town or city within whose  
 16 corporate limits the motor vehicle is taxable, if taxable, or within whose corporate limits the owner's  
 17 residence is located if the motor vehicle is not taxable;

18 (b) name and address of the holder of any security interest in the motor vehicle;

19 (c) description of motor vehicle, including make, year model, engine or serial number,  
 20 manufacturer's model or letter, gross weight, and type of body and, if a truck, rated capacity; and

21 (d) other information that the department may require.

22 (2) A person who files an application for registration or reregistration of a motor vehicle, except  
 23 of a mobile home as defined in 15-1-101(1), shall upon the filing of the application pay to the county  
 24 treasurer:

25 (a) the registration fee, as provided in 61-3-311 and 61-3-321 or [section 1]; and

26 (b) except as provided in [section 1] or unless it has been previously paid:

27 (i) the personal property taxes assessed against the vehicle for the current year of registration and  
 28 the immediately previous year; or

29 (ii) the new motor vehicle sales tax against the vehicle for the current year of registration.

30 (3) The application may not be accepted by the county treasurer unless the payments required by



1 subsection (2) accompany the application. The department of revenue may not assess and the county  
2 treasurer may not collect taxes or fees for a period other than:

3 (a) the current year; and

4 (b) the immediately previous year if the vehicle was not registered or operated on the highways  
5 of the state, regardless of the period of time since the vehicle was previously registered or operated.

6 (4) The department of revenue may make full and complete investigation of the tax status of the  
7 vehicle. ~~Any~~ An applicant for registration or reregistration shall submit proof from the tax or other  
8 appropriate records of the proper county at the request of the department of revenue."

9

10 **Section 4.** Section 61-3-502, MCA, is amended to read:

11 **"61-3-502. Sales tax on new motor vehicles -- exemptions.** (1) In consideration of the right to use  
12 the highways of the state, there is imposed a tax upon all sales of new motor vehicles, excluding trailers,  
13 semitrailers, and housetrailers, for which a license is sought and an original application for title is made. The  
14 tax must be paid by the purchaser when the purchaser applies for an original Montana license through the  
15 county treasurer.

16 (2) Except as provided in subsections (4) and (5), the sales tax is:

17 (a) 1 ½ % of the f.o.b. factory list price or f.o.b. port-of-entry list price, during the first quarter of  
18 the year or for a registration period other than a calendar year or calendar quarter;

19 (b) 1 1/8% of the list price during the second quarter of the year;

20 (c) 3/4 of 1% during the third quarter of the year;

21 (d) 3/8 of 1% during the fourth quarter of the year.

22 (3) If the manufacturer or importer fails to furnish the f.o.b. factory list price or f.o.b. port-of-entry  
23 list price, the department may use published price lists.

24 (4) The new car sales tax on vehicles subject to the provisions of 61-3-313 through 61-3-316 is  
25 1 ½ % of the f.o.b. factory list price or f.o.b. port-of-entry list price regardless of the month in which the  
26 new vehicle is purchased.

27 (5) The sales tax on new motor vehicles registered as part of a fleet under 61-3-318 is 3/4 of 1 %  
28 of the f.o.b. factory list price or f.o.b. port-of-entry list price.

29 (6) The proceeds from this tax must be remitted to the state treasurer every 30 days for credit to  
30 the state highway account of the state special revenue fund. The county treasurer shall retain 5% of the

1 taxes collected to pay for the cost of administration.

2 (7) The new vehicle is not subject to any other assessment, fee in lieu of tax, or tax during the  
3 calendar year in which the original application for title is made.

4 (8) (a) The applicant for original registration of any new and unused motor vehicle, or a new motor  
5 vehicle furnished without charge by a dealer to a school district for use as a traffic education motor vehicle  
6 by a school district operating a state-approved traffic education program within the state, whether or not  
7 previously licensed or titled to the school district (except a mobile home as defined in 15-1-101(1)),  
8 acquired by original contract after January 1 of any year, is required, whenever the vehicle has not been  
9 otherwise assessed, to pay the motor vehicle sales tax provided by this section irrespective of whether the  
10 vehicle was in the state of Montana on January 1 of the year.

11 (b) A motor vehicle may not be registered or licensed under the provisions of this subsection unless  
12 the application for registration is accompanied by a statement of origin to be furnished by the dealer selling  
13 the vehicle, showing that the vehicle has not previously been registered or owned, except as otherwise  
14 provided in this section, by any person, firm, corporation, or association that is not a new motor vehicle  
15 dealer holding a franchise or distribution agreement from a new car manufacturer, distributor, or importer.

16 (9) (a) Motor vehicles operating exclusively for transportation of persons for hire within the limits  
17 of incorporated cities or towns and within 15 miles from the limits are exempt from subsection (1).

18 (b) Motor vehicles brought or driven into Montana by a nonresident, migratory, bona fide  
19 agricultural worker temporarily employed in agricultural work in this state where those motor vehicles are  
20 used exclusively for transportation of agricultural workers are also exempt from subsection (1).

21 (c) Vehicles lawfully displaying a licensed dealer's plate as provided in 61-4-103 are exempt from  
22 subsection (1) when moving to or from a dealer's place of business when unloaded or loaded with dealer's  
23 property only, and in the case of vehicles having a gross loaded weight of less than 24,000 pounds, while  
24 being demonstrated in the course of the dealer's business.

25 (d) A vehicle registered under [section 1] is exempt from the provisions of subsection (1)."

26

27 **Section 5.** Section 61-3-504, MCA, is amended to read:

28 **"61-3-504. Computation of tax.** (1) The amount of taxes on a motor vehicle, other than an  
29 automobile, truck having a rated capacity of 1 ton or less, motorcycle, quadricycle, motor home, travel  
30 trailer, camper, or mobile home, is computed and determined by the county treasurer on the basis of the

1 levy of the year preceding the current year of application for registration or reregistration.

2 (2) The amount of tax on an automobile or truck having a rated capacity of 1 ton or less, except  
3 for vehicles registered under [section 1] or owned by disabled veterans qualifying for special license plates  
4 under 61-3-332(10)(c)(i)(A), and on a motorcycle or quadricycle is 2% of the value determined under  
5 61-3-503.

6 (3) The amount of tax on fleet vehicles subject to the provisions of 61-3-318 is 1% of the value  
7 determined under 61-3-503.

8 (4) For all taxable motor vehicles, the amount of tax is entered on the application form in a space  
9 provided therefor."

10

11 NEW SECTION. **Section 6. Codification instruction.** [Section 1] is intended to be codified as an  
12 integral part of Title 61, chapter 3, part 4, and the provisions of Title 61, chapter 3, part 4, apply to  
13 [section 1].

14

-END-