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House BILL NO. 363

INTRODUCED BY Swanson

BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE CLASSIFICATION, VALUATION, AND TAXATION OF MOTOR VEHICLES AND TRAILERS; TAXING ALL MOTOR VEHICLES AT 2 PERCENT OF THE DEPRECIATED VALUE OF THE MANUFACTURER'S SUGGESTED RETAIL PRICE; ALLOWING THE DEPARTMENT OF JUSTICE TO ESTABLISH AN ALTERNATIVE DEPRECIATED VALUE WHEN THE MANUFACTURER'S SUGGESTED RETAIL PRICE IS NOT AVAILABLE; REVISING THE NEW CAR SALES TAX TO INCLUDE ALL NEW MOTOR VEHICLES; BASING THE NEW MOTOR VEHICLE SALES TAX ON THE MANUFACTURER'S SUGGESTED RETAIL PRICE; EXEMPTING FROM TAXATION ALL CAMPERS AND TRUCK TOPPERS; IMPOSING A FEE IN LIEU OF AD VALOREM TAXES ON ALL TRAILERS AND SEMITRAILERS; AMENDING SECTIONS 7-1-2111, 15-6-138, 15-6-201, 15-8-111, 15-8-201, 15-8-202, 15-16-202, 15-24-101, 15-24-102, 15-24-103, 15-24-104, 15-24-105, 20-9-141, 20-9-331, 20-9-333, 20-9-360, 20-9-501, 20-10-144, 20-10-146, 61-1-129, 61-3-101, 61-3-208, 61-3-303, 61-3-501, 61-3-502, 61-3-503, 61-3-504, 61-3-506, 61-3-507, 61-3-509, 61-3-520, 61-3-521, 61-3-535, 61-3-537, AND 61-12-402, MCA; REPEALING SECTION 15-24-2501, MCA; AND PROVIDING EFFECTIVE DATES AND AN APPLICABILITY DATE."

STATEMENT OF INTENT

A statement of intent is required for this bill because 61-3-506 gives rulemaking authority to the department of justice to implement the new methods for the valuation and taxation of motor vehicles, trailers, and semitrailers. The rules adopted by the department may contain criteria for determining the manufacturer's suggested retail price, alternative valuation when the manufacturer's suggested retail price is unavailable, date of manufacture for vehicles not commercially manufactured for consumer purchase, and the age and declared weight of trailers.

The legislature contemplates that the rules adopted by the department should address, at a minimum, the following:

- (1) the methods for determining the valuation of motor vehicles for taxation purposes;
- (2) the assessment and collection of taxes and fees on motor vehicles and trailers;

1 (3) the methods for determining the manufacturer's suggested retail price for the valuation of motor
2 vehicles;

3 (4) the procedures for establishing an equitable alternative value for vehicles that do not have a
4 published manufacturer's suggested retail price; and

5 (5) the procedures for determining the date of manufacture for trailers and semitrailers that do not
6 have a designated model year.

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9
10 **Section 1.** Section 7-1-2111, MCA, is amended to read:

11 **"7-1-2111. Classification of counties.** (1) For the purpose of regulating the compensation and
12 salaries of all county officers, not otherwise provided for, and for fixing the penalties of officers' bonds,
13 the counties of this state must be classified according to ~~that percentage of the true and full~~ the taxable
14 valuation of the property in the counties upon which the tax levy is made, except for vehicles subject to
15 taxation under 61-3-504(2), as follows:

16 (a) first class--all counties having a taxable valuation of \$50 million or over;

17 (b) second class--all counties having a taxable valuation of more than \$30 million and less than \$50
18 million;

19 (c) third class--all counties having a taxable valuation of more than \$20 million and less than \$30
20 million;

21 (d) fourth class--all counties having a taxable valuation of more than \$15 million and less than \$20
22 million;

23 (e) fifth class--all counties having a taxable valuation of more than \$10 million and less than \$15
24 million;

25 (f) sixth class--all counties having a taxable valuation of more than \$5 million and less than \$10
26 million;

27 (g) seventh class--all counties having a taxable valuation of less than \$5 million.

28 (2) As used in this section, taxable valuation means the taxable value of taxable property in the
29 county as of the time of determination plus:

30 (a) that portion of the taxable value of the county on December 31, 1981, attributable to

1 automobiles and trucks having a rated capacity of three-quarters of a ton or less;

2 (b) that portion of the taxable value of the county on December 31, 1989, attributable to
3 automobiles and trucks having a rated capacity of more than three-quarters of a ton but less than or equal
4 to 1 ton;

5 (c) that portion of the taxable value of the county on December 31, 1995, attributable to
6 automobiles, trucks, and buses having a rated capacity of more than 1 ton and all trailers and semitrailers
7 with a licensed gross weight of less than 26,000 pounds;

8 (d) the amount of taxes levied on new production, production from horizontally completed wells,
9 and incremental production, as provided in 15-23-607, divided by the appropriate tax rates described in
10 15-23-607(2)(a), (2)(b), or (2)(c) and multiplied by 60%;

11 ~~(d)~~(e) the amount of value represented by new production or production from horizontally
12 completed wells exempted from tax as provided in 15-23-612 multiplied by 60%, plus the value of any
13 other production occurring after December 31, 1988, multiplied by 60%; and

14 ~~(e)~~(f) 6% of the taxable value of the county on January 1 of each tax year."

15

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

17 **"15-6-138. Class eight property -- description -- taxable percentage.** (1) Class eight property
18 includes:

19 (a) all agricultural implements and equipment;

20 (b) all mining machinery, fixtures, equipment, tools that are not exempt under 15-6-201(1)(r), and
21 supplies except those included in class five;

22 (c) all manufacturing machinery, fixtures, equipment, tools that are not exempt under
23 15-6-201(1)(r), and supplies except those included in class five;

24 ~~(d) all trailers and semitrailers, including those prorated under 15-24-102, except those subject to~~
25 ~~taxation under 61-3-504(2) or exempt under 15-6-201(1)(v);~~

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

28 (e) special mobile equipment as defined in 61-1-104;

29 ~~(f) buses and trucks having a rated capacity of more than 1 ton, including those prorated under~~
30 ~~15-24-102;~~

1 ~~(g) truck toppers weighing more than 300 pounds;~~
 2 ~~(f)~~ (f) furniture, fixtures, and equipment, except that specifically included in another class, used in
 3 commercial establishments as defined in this section;
 4 ~~(g)~~ (g) x-ray and medical and dental equipment;
 5 ~~(h)~~ (h) citizens' band radios and mobile telephones;
 6 ~~(i)~~ (i) radio and television broadcasting and transmitting equipment;
 7 ~~(j)~~ (j) cable television systems;
 8 ~~(k)~~ (k) coal and ore haulers;
 9 ~~(l)~~ (l) theater projectors and sound equipment; and
 10 ~~(m)~~ (m) all other property not included in any other class in this part, except that property subject
 11 to a fee in lieu of a property tax.

12 (2) As used in this section, "coal and ore haulers" means nonhighway vehicles that exceed 18,000
 13 pounds per axle and that are primarily designed and used to transport coal, ore, or other earthen material
 14 in a mining or quarrying environment.

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

17 (4) Class eight property is taxed at 9% of its market value."
 18

19 **Section 3.** Section 15-6-201, MCA, is amended to read:

20 "**15-6-201. Exempt categories.** (1) The following categories of property are exempt from taxation:

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

22 (i) the United States, except:

23 (A) if congress passes legislation that allows the state to tax property owned by the federal
 24 government or an agency created by congress; or

25 (B) as provided in 15-24-1103;

26 (ii) the state, counties, cities, towns, and school districts;

27 (iii) irrigation districts organized under the laws of Montana and not operating for profit;

28 (iv) municipal corporations;

29 (v) public libraries; and

30 (vi) rural fire districts and other entities providing fire protection under Title 7, chapter 33;

1 (b) buildings, with land they occupy and furnishings in the buildings, owned by a church and used
2 for actual religious worship or for residences of the clergy, together with adjacent land reasonably
3 necessary for convenient use of the buildings;

4 (c) property used exclusively for agricultural and horticultural societies, for educational purposes,
5 and for nonprofit health care facilities, as defined in 50-5-101, licensed by the department of health and
6 environmental sciences and organized under Title 35, chapter 2 or 3. A health care facility that is not
7 licensed by the department of health and environmental sciences and organized under Title 35, chapter 2
8 or 3, is not exempt.

9 (d) property that meets the following conditions:

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

12 (ii) is devoted exclusively to use in connection with a cemetery or cemeteries for which a
13 permanent care and improvement fund has been established as provided for in Title 35, chapter 20, part
14 3; and

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

16 (e) property owned by institutions of purely public charity and directly used for purely public
17 charitable purposes;

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

20 (g) public museums, art galleries, zoos, and observatories not used or held for private or corporate
21 profit;

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

25 (i) ~~a truck canopy cover covers or topper toppers weighing less than 300 pounds and having no~~
26 ~~accommodations attached. This property is also exempt from taxation under 61-3-504(2) and 61-3-537.~~
27 and campers;

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

29 (k) except as provided in 61-3-502, motor homes, ~~travel trailers, and campers;~~

30 (l) all watercraft;

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

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

7 (o) (i) property that is owned and used by a corporation or association organized and operated
8 exclusively for the care of the developmentally disabled, mentally ill, or vocationally handicapped, as
9 defined in 18-5-101, ~~which and that~~ is not operated for gain or profit; and

10 (ii) property owned and used by an organization owning and operating facilities that are for the care
11 of the retired, aged, or chronically ill, ~~which that~~ are not operated for gain or profit;

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

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

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

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

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

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

24 (t) a title plant owned by a title insurer or a title insurance producer, as those terms are defined in
25 33-25-105;

26 (u) ~~beginning January 1, 1994~~, timber as defined in 15-44-102; and

27 (v) all trailers as defined in 61-1-111, and semitrailers ~~with a licensed gross weight of 26,000~~
28 pounds or more as defined in 61-1-112, pole trailers as defined in 61-1-114, and travel trailers as defined
29 in 61-1-131. ~~For purposes of this subsection (v), the terms "trailer" and "semitrailer" mean a vehicle with~~
30 ~~or without motive power that is:~~

1 ~~(ii) designed and used only for carrying property;~~

2 ~~(iii) designed and used to be drawn by a motor vehicle; and~~

3 ~~(iii) either constructed so that no part of its weight rests upon the towing vehicle or constructed~~
 4 ~~so that some part of its weight and the weight of its load rests upon or is carried by another vehicle.~~

5 (2) (a) The term "institutions of purely public charity" includes any organization that meets the
 6 following requirements:

7 (i) The organization qualifies as a tax-exempt organization under the provisions of section 501(c)(3),
 8 Internal Revenue Code, as amended.

9 (ii) The organization accomplishes its activities through absolute gratuity or grants; however, the
 10 organization may solicit or raise funds by the sale of merchandise, memberships, or tickets to public
 11 performances or entertainment or by other similar types of fundraising activities.

12 (b) For the purposes of subsection (1)(g), the term "public museums, art galleries, zoos, and
 13 observatories" means governmental entities or nonprofit organizations whose principal purpose is to hold
 14 property for public display or for use as a museum, art gallery, zoo, or observatory. The exempt property
 15 includes all real and personal property reasonably necessary for use in connection with the public display
 16 or observatory use. Unless the property is leased for a profit to a governmental entity or nonprofit
 17 organization by an individual or for-profit organization, real and personal property owned by other persons
 18 is exempt if it is:

19 (i) actually used by the governmental entity or nonprofit organization as a part of its public display;

20 (ii) held for future display; or

21 (iii) used to house or store a public display.

22 (3) The following portions of the appraised value of a capital investment made after January 1,
 23 1979, in a recognized nonfossil form of energy generation or low emission wood or biomass combustion
 24 devices, as defined in 15-32-102, are exempt from taxation for a period of 10 years following installation
 25 of the property:

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

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

28
 29 **Section 4.** Section 15-8-111, MCA, is amended to read:

30 **"15-8-111. Assessment -- market value standard -- exceptions.** (1) All taxable property must be

1 assessed at 100% of its market value except as otherwise provided.

2 (2) (a) Market value is the value at which property would change hands between a willing buyer
3 and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable
4 knowledge of relevant facts.

5 (b) If the department uses construction cost as one approximation of market value, the department
6 shall fully consider reduction in value caused by depreciation, whether through physical depreciation,
7 functional obsolescence, or economic obsolescence.

8 (c) Except as provided in subsection (3), the market value of ~~all motor trucks; special mobile~~
9 equipment and of agricultural tools, implements, and machinery; ~~and vehicles of all kinds~~ is the average
10 wholesale value shown in national appraisal guides and manuals or the value ~~of the vehicle~~ before
11 reconditioning and profit margin. The department shall prepare valuation schedules showing the average
12 wholesale value when a national appraisal guide does not exist.

13 (3) The department may not adopt a lower or different standard of value from market value in
14 making the official assessment and appraisal of the value of property, except:

15 (a) the wholesale value for agricultural implements and machinery is the loan value as shown in
16 the Official Guide, Tractor and Farm Equipment, published by the national farm and power equipment
17 dealers association, St. Louis, Missouri;

18 (b) for agricultural implements and machinery not listed in the official guide, the department shall
19 prepare a supplemental manual in which the values reflect the same depreciation as those found in the
20 official guide; and

21 (c) as otherwise authorized in Title 15 and Title 61.

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

23 (5) The taxable value for all property is the percentage of market or assessed value established for
24 each class of property.

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

26 (a) Properties in 15-6-131, under class one, are assessed at 100% of the annual net proceeds after
27 deducting the expenses specified and allowed by 15-23-503 or, if applicable, as provided in 15-23-515,
28 15-23-516, or 15-23-517.

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

30 (c) Properties in 15-6-133, under class three, are assessed at 100% of the productive capacity of

1 the lands when valued for agricultural purposes. All lands that meet the qualifications of 15-7-202 are
2 valued as agricultural lands for tax purposes.

3 (d) Properties in 15-6-143, under class ten, are assessed at 100% of the forest productivity value
4 of the land when valued as forest land.

5 (7) Land and the improvements on the land are separately assessed when any of the following
6 conditions occur:

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

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

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

10

11 **Section 5.** Section 15-8-201, MCA, is amended to read:

12 **"15-8-201. General assessment day.** (1) The department shall, between January 1 and the second
13 Monday of July in each year, ascertain the names of all taxable inhabitants and assess all property subject
14 to taxation in each county. The department shall assess property to the person by whom it was owned or
15 claimed or in whose possession or control it was at midnight of the preceding January 1. The department
16 shall also ascertain and assess all mobile homes arriving in the county after midnight of the preceding
17 January 1. A mistake in the name of the owner or supposed owner of real property does not invalidate the
18 assessment.

19 (2) The procedure provided by this section does not apply to:

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

22 (b) motor homes, travel trailers, and campers;

23 (c) watercraft;

24 (d) livestock;

25 (e) property defined in 61-1-104 as "special mobile equipment" that is subject to assessment for
26 personal property taxes on the date that application is made for a special mobile equipment plate;

27 (f) mobile homes held by a distributor or dealer of mobile homes as stock in trade; and

28 (g) property subject to the provisions of 15-16-203.

29 (3) Credits must be assessed as provided in 15-1-101(1)(f)."

30

1 **Section 6.** Section 15-8-202, MCA, is amended to read:

2 "**15-8-202. Motor vehicle assessment by department of justice.** (1) ~~The department shall, in each~~
3 ~~year, ascertain and assess all motor vehicles, other than motor homes, travel trailers, and campers or mobile~~
4 ~~homes, in each county subject to taxation as of January 1 or as of the anniversary registration date of~~
5 ~~these vehicles as provided by law, subject to 61-3-313 through 61-3-316 and 61-3-501. The assessment~~
6 ~~for department of justice shall assess~~ all motor vehicles ~~must be made for taxation~~ in accordance with
7 61-3-503. The motor vehicles must be assessed in each year to the persons by whom owned or claimed
8 or in whose possession or control they were ~~at midnight of January 1 or on~~ the anniversary registration
9 date, ~~whichever is applicable.~~

10 (2) A tax may not be assessed against motor vehicles subject to taxation that constitute inventory
11 of motor vehicle dealers as of January 1. These vehicles and all other motor vehicles subject to taxation
12 brought into the state subsequent to January 1 as motor vehicle dealers' inventories must be assessed to
13 their respective purchasers as of the dates the vehicles are registered by the purchasers.

14 (3) "Purchasers" includes dealers who apply for registration or reregistration of motor vehicles,
15 except as otherwise provided by 61-3-502.

16 (4) Goods, wares, and merchandise of motor vehicle dealers, other than new motor vehicles and
17 new mobile homes, must be assessed at market value as of January 1."

18
19 **Section 7.** Section 15-16-202, MCA, is amended to read:

20 "**15-16-202. Boats, snowmobiles, and motor vehicles -- payment of current and back taxes and**
21 **fees.** (1) The fee in lieu of personal property taxes assessed against a boat for the year in which application
22 for decals is made and the immediately previous year must be paid before license decals may be issued
23 pursuant to 23-2-515.

24 (2) The fee in lieu of tax imposed on a snowmobile for the year in which application for registration
25 is made and the immediately previous year must be paid before a snowmobile may be registered pursuant
26 to 23-2-616.

27 (3) Except for mobile homes as defined in 15-1-101, the new motor vehicle sales tax and the
28 ~~personal property~~ motor vehicle tax or fee in lieu of tax imposed ~~or assessed~~ against a motor vehicle for
29 the current year and the immediately previous year must be paid before a motor vehicle may be registered
30 or reregistered pursuant to 61-3-303.

1 (4) The provisions of subsections 1 through 3 do not require payment of the immediately previous
2 year's taxes or fees if ~~such~~ the taxes or fees have already been paid."

3
4 **Section 8.** Section 15-24-101, MCA, is amended to read:

5 "**15-24-101. Assessment of proportionally registered interstate motor vehicle fleets -- tax payment**
6 **required for registration.** (1) The department of ~~revenue~~ transportation shall assess, for the purpose of
7 ~~personal property motor vehicle~~ taxes, the taxable vehicles in interstate motor vehicle fleets proportionally
8 registered under the provisions of 61-3-711 through 61-3-733⁷, ~~and the~~ The assessment must be
9 apportioned on the ratio of total miles traveled to in-state miles traveled as prescribed by 61-3-721.
10 Interstate motor vehicle fleets are ~~assessable~~ assessed for taxation ~~purposes~~ upon application for
11 proportional registration and are assessed to the persons who own or claim the fleet or in whose possession
12 or control the fleet is at the time of the application.

13 (2) With respect to any fleet contained in an original application that has a situs for the purpose
14 of property taxation in Montana by the terms of this part or any other provision of the laws of Montana,
15 the taxes on taxable vehicles are apportioned as provided in 15-24-303.

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

18 (4) ~~Automobiles and trucks having a rated capacity of 1 ton or less that are part of an interstate~~
19 ~~motor vehicle fleet are subject to property tax. If the fleet is proportionally registered, the tax is apportioned~~
20 ~~in the same fashion as the registration fee under 61-3-721.~~

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

26
27 **Section 9.** Section 15-24-102, MCA, is amended to read:

28 "**15-24-102. Valuation of interstate fleets -- determination of aggregate tax due** ~~—exemption from~~
29 ~~mill levies.~~ The department of ~~revenue~~ transportation shall assess the taxable vehicles of any interstate
30 motor vehicle fleet making application for proportional registration, as follows:

1 (1) The ~~purchase~~ manufacturer's suggested retail price, as defined in 61-3-503, for each vehicle,
2 ~~of the taxable vehicles~~ depreciated by a the schedule as ~~prescribed by the department~~ contained in
3 61-3-503, determines the depreciated value for the vehicle.

4 (2) The depreciated value multiplied by the percent of miles traveled in Montana, as prescribed by
5 61-3-721, is the market value.

6 (3) The sum of the market value of all taxable vehicles included in the fleet multiplied by ~~9%~~ 2%
7 is the ~~taxable value tax~~ tax for the entire fleet ~~as provided in 15-6-138.~~

8 (4) ~~To determine the amount of tax due, the taxable value of the entire fleet must be multiplied by~~
9 ~~the statewide average county mill levy plus state levies as provided in 15-24-103~~ Vehicles taxed as part
10 of a fleet under this section are not subject to the local option vehicle tax imposed under 61-3-537.

11 (5) ~~To determine the tax due under this chapter, state levies applicable to interstate motor vehicle~~
12 ~~fleets include but are not limited to levies imposed under 15-10-101, 15-10-106, 20-9-331, 20-9-333,~~
13 ~~20-9-360, and 53-2-813.~~

14 (6) All taxes and fees collected on motor vehicle fleets under this chapter must be deposited and
15 distributed as provided in 15-24-105."

16
17 **Section 10.** Section 15-24-103, MCA, is amended to read:

18 "**15-24-103. ~~Determination of average levy in state — application to interstate fleets — cost~~ Cost**
19 **stated in application for registration -- alternative valuation.** (1) ~~The department of revenue shall determine~~
20 ~~the aggregate tax in the entire state for state, county, and local purposes levied on the general property~~
21 ~~of the state in the previous year, excluding special levies on property for local improvements and special~~
22 ~~state levies on livestock for bounties, inspection, and protection purposes.~~

23 (2) ~~From the total taxable valuation of the general property of the state, including net proceeds and~~
24 ~~the aggregate tax as determined, the department shall compute the average levy by dividing the aggregate~~
25 ~~tax by the total state taxable valuation. The rate so determined shall constitute the rate of taxation on the~~
26 ~~taxable value of taxable vehicles of an interstate motor vehicle fleet.~~

27 (3) ~~The original cost of each taxable vehicle shall~~ must be included on the application for
28 proportional registration under the provisions of 61-3-711 through 61-3-733. The department of
29 transportation shall determine ~~the original cost when the owner does not have this information on new or~~
30 ~~used vehicles or in the case of rebuilt vehicles~~ an alternative valuation only for motor vehicles for which

1 a published manufacturer's suggested retail price is not available. The department may consider the original
 2 cost of the vehicle in determining the alternative valuation. The department shall, in determining the
 3 alternative valuation, apply the rules and guidelines established by the department of justice pursuant to
 4 61-3-506(2)."

5
 6 **Section 11.** Section 15-24-104, MCA, is amended to read:

7 **"15-24-104. Situs in state of proportionally registered fleets -- collection of taxes and fees.** (1) For
 8 the purposes of this part, any vehicle previously registered or that has had application for registration made
 9 under the provisions of 61-3-711 through 61-3-733 has a situs in the state for the purposes of taxation.
 10 (2) The department ~~or its designated agent~~ of transportation shall collect the ~~personal property~~
 11 ~~taxes or~~ and license fees, ~~or both~~, prescribed in this part."

12
 13 **Section 12.** Section 15-24-105, MCA, is amended to read:

14 **"15-24-105. Deposit and distribution of taxes and fees on proportionally registered fleets.** The
 15 ~~personal property fleet vehicle~~ taxes and license fees collected under this part ~~shall~~ must be deposited with
 16 the state treasurer for distribution to the general fund of each county on the following basis:

17 (1) for ~~personal property fleet vehicle~~ taxes, according to the ratio of the taxable valuation of each
 18 county to the total state taxable valuation; and

19 (2) for fleet vehicle license fees, according to the ratio of vehicle license fees, other than fees
 20 derived from interstate motor vehicle fleets, collected in each county to the sum of all ~~such~~ fleet vehicle
 21 fees collected in all the counties."

22
 23 **Section 13.** Section 20-9-141, MCA, is amended to read:

24 **"20-9-141. Computation of general fund net levy requirement by county superintendent.** (1) The
 25 county superintendent shall compute the levy requirement for each district's general fund on the basis of
 26 the following procedure:

27 (a) Determine the funding required for the district's final general fund budget less the sum of direct
 28 state aid and the special education allowable cost payment for the district by totaling:

29 (i) the district's nonisolated school BASE budget requirement to be met by a district levy as
 30 provided in 20-9-303; and

1 (ii) any general fund budget amount adopted by the trustees of the district under the provisions
2 of 20-9-308 and 20-9-353, including any additional funding for a general fund budget that exceeds the
3 maximum general fund budget.

4 (b) Determine the money available for the reduction of the property tax on the district for the
5 general fund by totaling:

6 (i) general fund balance reappropriated, as established under the provisions of 20-9-104;

7 (ii) amounts received in the last fiscal year for which revenue reporting was required for each of
8 the following:

9 (A) tuition payments for out-of-district pupils under the provisions of 20-5-321 through 20-5-323;

10 (B) revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504(2),
11 61-3-521, 61-3-537, and 67-3-204;

12 (C) net proceeds taxes for new production, production from horizontally completed wells, and
13 incremental production, as defined in 15-23-601;

14 (D) interest earned by the investment of general fund cash in accordance with the provisions of
15 20-9-213(4);

16 (E) revenue from corporation license taxes collected from financial institutions under the provisions
17 of 15-31-702; and

18 (F) any other revenue received during the school fiscal year that may be used to finance the general
19 fund, excluding any guaranteed tax base aid; and

20 (iii) (A) pursuant to subsection (4), anticipated revenue from local government severance taxes as
21 provided in 15-36-112; and

22 (B) pursuant to subsection (4), anticipated revenue from coal gross proceeds under 15-23-703.

23 (c) Notwithstanding the provisions of subsection (2), subtract the money available to reduce the
24 property tax required to finance the general fund that has been determined in subsection (1)(b) from any
25 general fund budget amount adopted by the trustees of the district, up to the BASE budget amount, to
26 determine the general fund BASE budget levy requirement.

27 (d) Subtract any amount remaining after the determination in subsection (1)(c) from any additional
28 funding requirement to be met by an over-BASE budget amount, a district levy as provided in 20-9-303,
29 and any additional financing as provided in 20-9-353 to determine any additional general fund levy
30 requirements.

1 (2) The county superintendent shall calculate the number of mills to be levied on the taxable
 2 property in the district to finance the general fund levy requirement for any amount that does not exceed
 3 the BASE budget amount for the district by dividing the amount determined in subsection (1)(c) by the sum
 4 of:

5 (a) the amount of guaranteed tax base aid that the district will receive for each mill levied, as
 6 certified by the superintendent of public instruction; and

7 (b) the taxable valuation of the district divided by 1,000.

8 (3) The net general fund levy requirement determined in subsections (1)(c) and (1)(d) must be
 9 reported to the county commissioners on the fourth Monday of August by the county superintendent as
 10 the general fund net levy requirement for the district, and a levy must be set by the county commissioners
 11 in accordance with 20-9-142.

12 (4) For each school district, the department of revenue shall calculate and report to the county
 13 superintendent the amount of revenue anticipated for the ensuing fiscal year from local government
 14 severance taxes, as provided in 15-36-112, and from revenue from coal gross proceeds under 15-23-703."
 15

16 **Section 14.** Section 20-9-331, MCA, is amended to read:

17 "**20-9-331. Basic county tax and other revenues revenue for county equalization of the elementary**
 18 **district BASE funding program.** (1) The county commissioners of each county shall levy an annual basic tax
 19 of 33 mills on the dollar of the taxable value of all taxable property within the county, except for property
 20 subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204, for
 21 the purposes of local and state BASE funding program support. The revenue collected from this levy must
 22 be apportioned to the support of the elementary BASE funding programs of the school districts in the
 23 county and to the state special revenue fund, state equalization aid account, in the following manner:

24 (a) In order to determine the amount of revenue raised by this levy that is retained by the county,
 25 the sum of the estimated revenue identified in subsection (2) must be subtracted from the total of the BASE
 26 funding programs of all elementary districts of the county.

27 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is
 28 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds
 29 to the state treasurer for deposit to the state special revenue fund, state equalization aid account,
 30 immediately upon occurrence of a surplus balance and each subsequent month thereafter, with any final

1 remittance due no later than June 20 of the fiscal year for which the levy has been set.

2 (2) The revenue realized from the county's portion of the levy prescribed by this section and the
3 revenue from the following sources must be used for the equalization of the elementary BASE funding
4 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue
5 by the county treasurer in accordance with 20-9-212(1):

6 (a) the portion of the federal Taylor Grazing Act funds distributed to a county and designated for
7 the common school fund under the provisions of 17-3-222;

8 (b) the portion of the federal flood control act funds distributed to a county and designated for
9 expenditure for the benefit of the county common schools under the provisions of 17-3-232;

10 (c) all money paid into the county treasury as a result of fines for violations of law, except money
11 paid to a justice's court, and the use of which is not otherwise specified by law;

12 (d) any money remaining at the end of the immediately preceding school fiscal year in the county
13 treasurer's accounts for the various sources of revenue established or referred to in this section;

14 (e) any federal or state money distributed to the county as payment in lieu of property taxation,
15 including federal forest reserve funds allocated under the provisions of 17-3-213;

16 (f) gross proceeds taxes from coal under 15-23-703;

17 (g) net proceeds taxes for new production, production from horizontally completed wells, and
18 incremental production, as defined in 15-23-601, and local government severance taxes on any other
19 production occurring after December 31, 1988; and

20 (h) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,
21 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204."

22

23 **Section 15.** Section 20-9-333, MCA, is amended to read:

24 **"20-9-333. Basic special levy and other revenues for county equalization of high school district**
25 **BASE funding program.** (1) The county commissioners of each county shall levy an annual basic special tax
26 for high schools of 22 mills on the dollar of the taxable value of all taxable property within the county,
27 except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537,
28 and 67-3-204, for the purposes of local and state BASE funding program support. The revenue collected
29 from this levy must be apportioned to the support of the BASE funding programs of high school districts
30 in the county and to the state special revenue fund, state equalization aid account, in the following manner:

1 (a) In order to determine the amount of revenue raised by this levy that is retained by the county,
2 the sum of the estimated revenue identified in subsection (2) must be subtracted from the sum of the
3 county's high school tuition obligation and the total of the BASE funding programs of all high school
4 districts of the county.

5 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is
6 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds
7 to the state treasurer for deposit to the state special revenue fund, state equalization aid account,
8 immediately upon occurrence of a surplus balance and each subsequent month thereafter, with any final
9 remittance due no later than June 20 of the fiscal year for which the levy has been set.

10 (2) The revenue realized from the county's portion of the levy prescribed in this section and the
11 revenue from the following sources must be used for the equalization of the high school BASE funding
12 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue
13 by the county treasurer in accordance with 20-9-212(1):

14 (a) any money remaining at the end of the immediately preceding school fiscal year in the county
15 treasurer's accounts for the various sources of revenue established in this section;

16 (b) any federal or state money distributed to the county as payment in lieu of property taxation,
17 including federal forest reserve funds allocated under the provisions of 17-3-213;

18 (c) gross proceeds taxes from coal under 15-23-703;

19 (d) net proceeds taxes for new production, production from horizontally completed wells, and
20 incremental production, as defined in 15-23-601, and local government severance taxes on any other
21 production occurring after December 31, 1988; and

22 (e) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,
23 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204."

24
25 **Section 16.** Section 20-9-360, MCA, is amended to read:

26 **"20-9-360. State equalization aid levy.** (1) There is a levy of 40 mills imposed by the county
27 commissioners of each county on all taxable property within the state, except property for which a tax or
28 fee is required under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204. Except as
29 provided in subsection (2), proceeds of the levy must be remitted to the state treasurer and must be
30 deposited to the credit of the state special revenue fund for state equalization aid to the public schools of

1 Montana.

2 (2) For the benefit of each municipality that created an urban renewal area and adopted a tax
3 increment financing provision for the urban renewal area prior to July 1, 1990, the state treasurer shall
4 distribute each fiscal year from the state equalization aid levy to the municipality the amount, if any, equal
5 to the product of the incremental taxable value of the urban renewal area times the reduced school levy
6 for the area, each calculated for the fiscal year. The reduced school levy for a fiscal year is the difference
7 between the aggregate amount of all property tax levies for school purposes in the urban renewal area,
8 expressed in mills, in the fiscal year ended June 30, 1989, and the aggregate amount of all property tax
9 levies for school purposes in the area or the district, expressed in mills, in the fiscal year, including the state
10 equalization aid levy. The state treasurer shall distribute the amounts to municipalities in two equal
11 installments on December 31 and June 30 of the fiscal year."

12

13 **Section 17.** Section 20-9-501, MCA, is amended to read:

14 **"20-9-501. Retirement fund.** (1) The trustees of a district employing personnel who are members
15 of the teachers' retirement system or the public employees' retirement system or who are covered by
16 unemployment insurance or who are covered by any federal social security system requiring employer
17 contributions shall establish a retirement fund for the purposes of budgeting and paying the employer's
18 contributions to the systems. The district's contribution for each employee who is a member of the
19 teachers' retirement system must be calculated in accordance with Title 19, chapter 20, part 6. The
20 district's contribution for each employee who is a member of the public employees' retirement system must
21 be calculated in accordance with 19-3-316. The district's contributions for each employee covered by any
22 federal social security system must be paid in accordance with federal law and regulation. The district's
23 contribution for each employee who is covered by unemployment insurance must be paid in accordance
24 with Title 39, chapter 51, part 11.

25 (2) The trustees of a district required to make a contribution to a system referred to in subsection
26 (1) shall include in the retirement fund of the preliminary budget the estimated amount of the employer's
27 contribution. After the final retirement fund budget has been adopted, the trustees shall pay the employer
28 contributions to the systems in accordance with the financial administration provisions of this title.

29 (3) When the final retirement fund budget has been adopted, the county superintendent shall
30 establish the levy requirement by:

1 (a) determining the sum of the money available to reduce the retirement fund levy requirement by
2 adding:

3 (i) any anticipated money that may be realized in the retirement fund during the ensuing school
4 fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,
5 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204;

6 (ii) net proceeds taxes and local government severance taxes on any other oil and gas production
7 occurring after December 31, 1988;

8 (iii) coal gross proceeds taxes under 15-23-703;

9 (iv) any fund balance available for reappropriation as determined by subtracting the amount of the
10 end-of-the-year fund balance earmarked as the retirement fund operating reserve for the ensuing school
11 fiscal year by the trustees from the end-of-the-year fund balance in the retirement fund. The retirement fund
12 operating reserve may not be more than 35% of the final retirement fund budget for the ensuing school
13 fiscal year and must be used for the purpose of paying retirement fund warrants issued by the district under
14 the final retirement fund budget; and

15 (v) any other revenue anticipated that may be realized in the retirement fund during the ensuing
16 school fiscal year, excluding any guaranteed tax base aid.

17 (b) notwithstanding the provisions of subsection (8), subtracting the money available for reduction
18 of the levy requirement, as determined in subsection (3)(a), from the budgeted amount for expenditures in
19 the final retirement fund budget.

20 (4) The county superintendent shall:

21 (a) total the net retirement fund levy requirements separately for all elementary school districts,
22 all high school districts, and all community college districts of the county, including any prorated joint
23 district or special education cooperative agreement levy requirements; and

24 (b) report each levy requirement to the county commissioners on the fourth Monday of August as
25 the respective county levy requirements for elementary district, high school district, and community college
26 district retirement funds.

27 (5) The county commissioners shall fix and set the county levy in accordance with 20-9-142.

28 (6) The net retirement fund levy requirement for a joint elementary district or a joint high school
29 district must be prorated to each county in which a part of the district is located in the same proportion as
30 the district ANB of the joint district is distributed by pupil residence in each county. The county

1 superintendents of the counties affected shall jointly determine the net retirement fund levy requirement
2 for each county as provided in 20-9-151.

3 (7) The net retirement fund levy requirement for districts that are members of special education
4 cooperative agreements must be prorated to each county in which the district is located in the same
5 proportion as the special education cooperative budget is prorated to the member school districts. The
6 county superintendents of the counties affected shall jointly determine the net retirement fund levy
7 requirement for each county in the same manner as provided in 20-9-151 and the county commissioners
8 shall fix and levy the net retirement fund levy for each county in the same manner as provided in 20-9-152.

9 (8) The county superintendent shall calculate the number of mills to be levied on the taxable
10 property in the county to finance the retirement fund net levy requirement by dividing the amount
11 determined in subsection (4)(a) by the sum of:

12 (a) the amount of guaranteed tax base aid that the county will receive for each mill levied, as
13 certified by the superintendent of public instruction; and

14 (b) the taxable valuation of the district divided by 1,000."

15
16 **Section 18.** Section 20-10-144, MCA, is amended to read:

17 **"20-10-144. Computation of revenue and net tax levy requirements for district transportation fund**
18 **budget.** Before the fourth Monday of July and in accordance with 20-9-123, the county superintendent
19 shall compute the revenue available to finance the transportation fund budget of each district. The county
20 superintendent shall compute the revenue for each district on the following basis:

21 (1) The "schedule amount" of the preliminary budget expenditures that is derived from the rate
22 schedules in 20-10-141 and 20-10-142 must be determined by adding the following amounts:

23 (a) the sum of the maximum reimbursable expenditures for all approved school bus routes
24 maintained by the district (to determine the maximum reimbursable expenditure, multiply the applicable rate
25 per bus mile by the total number of miles to be traveled during the ensuing school fiscal year on each bus
26 route approved by the county transportation committee and maintained by the district); plus

27 (b) the total of all individual transportation per diem reimbursement rates for the district as
28 determined from the contracts submitted by the district multiplied by the number of pupil-instruction days
29 scheduled for the ensuing school attendance year; plus

30 (c) any estimated costs for supervised home study or supervised correspondence study for the

1 ensuing school fiscal year; plus

2 (d) the amount budgeted on the preliminary budget for the contingency amount permitted in
3 20-10-143, except if the amount exceeds 10% of the total of subsections (1)(a), (1)(b), and (1)(c) or \$100,
4 whichever is larger, the contingency amount on the preliminary budget must be reduced to the limitation
5 amount and used in this determination of the schedule amount; plus

6 (e) any estimated costs for transporting a child out of district when the child has mandatory
7 approval to attend school in a district outside the district of residence.

8 (2) (a) The schedule amount determined in subsection (1) or the total preliminary transportation
9 fund budget, whichever is smaller, is divided by 2 and is used to determine the available state and county
10 revenue to be budgeted on the following basis:

11 (i) one-half is the budgeted state transportation reimbursement, except that the state transportation
12 reimbursement for the transportation of special education pupils under the provisions of 20-7-442 must be
13 50% of the schedule amount attributed to the transportation of special education pupils; and

14 (ii) one-half is the budgeted county transportation fund reimbursement and must be financed in the
15 manner provided in 20-10-146.

16 (b) When the district has a sufficient amount of cash for reappropriation and other sources of
17 district revenue, as determined in subsection (3), to reduce the total district obligation for financing to zero,
18 any remaining amount of district revenue and cash reappropriated must be used to reduce the county
19 financing obligation in subsection (2)(a)(ii) and, if the county financing obligations are reduced to zero, to
20 reduce the state financial obligation in subsection (2)(a)(i).

21 (c) The county revenue requirement for a joint district, after the application of any district money
22 under subsection (2)(b), must be prorated to each county incorporated by the joint district in the same
23 proportion as the ANB of the joint district is distributed by pupil residence in each county.

24 (3) The total of the money available for the reduction of property tax on the district for the
25 transportation fund must be determined by totaling:

26 (a) anticipated federal money received under the provisions of Title I of Public Law 81-874 or other
27 anticipated federal money received in lieu of that federal act;

28 (b) anticipated payments from other districts for providing school bus transportation services for
29 the district;

30 (c) anticipated payments from a parent or guardian for providing school bus transportation services

1 for a child;

2 (d) anticipated or reappropriated interest to be earned by the investment of transportation fund
3 cash in accordance with the provisions of 20-9-213(4);

4 (e) anticipated or reappropriated revenue from property taxes and fees imposed under 23-2-517,
5 23-2-803, 61-3-504~~(2)~~, 61-3-521, 61-3-537, and 67-3-204;

6 (f) anticipated revenue from coal gross proceeds under 15-23-703;

7 (g) anticipated net proceeds taxes for new production, production from horizontally completed
8 wells, and incremental production, as defined in 15-23-601, and local government severance taxes on any
9 other production occurring after December 31, 1988;

10 (h) anticipated transportation payments for out-of-district pupils under the provisions of 20-5-320
11 through 20-5-324;

12 (i) any other revenue anticipated by the trustees to be earned during the ensuing school fiscal year
13 that may be used to finance the transportation fund; and

14 (j) any fund balance available for reappropriation as determined by subtracting the amount of the
15 end-of-the-year fund balance earmarked as the transportation fund operating reserve for the ensuing school
16 fiscal year by the trustees from the end-of-the-year fund balance in the transportation fund. The operating
17 reserve may not be more than 20% of the final transportation fund budget for the ensuing school fiscal year
18 and is for the purpose of paying transportation fund warrants issued by the district under the final
19 transportation fund budget.

20 (4) The district levy requirement for each district's transportation fund must be computed by:

21 (a) subtracting the schedule amount calculated in subsection (1) from the total preliminary
22 transportation budget amount; and

23 (b) subtracting the amount of money available to reduce the property tax on the district, as
24 determined in subsection (3), from the amount determined in subsection (4)(a).

25 (5) The transportation fund levy requirements determined in subsection (4) for each district must
26 be reported to the county commissioners on the fourth Monday of August by the county superintendent
27 as the transportation fund levy requirements for the district, and the levy must be made by the county
28 commissioners in accordance with 20-9-142."

29

30 **Section 19.** Section 20-10-146, MCA, is amended to read:

1 **"20-10-146. County transportation reimbursement.** (1) The apportionment of the county
2 transportation reimbursement by the county superintendent for school bus transportation or individual
3 transportation that is actually rendered by a district in accordance with this title, board of public education
4 transportation policy, and the transportation rules of the superintendent of public instruction must be the
5 same as the state transportation reimbursement payment, except that:

6 (a) if any cash was used to reduce the budgeted county transportation reimbursement under the
7 provisions of 20-10-144(2)(b), the annual apportionment is limited to the budget amount;

8 (b) when the county transportation reimbursement for a school bus has been prorated between two
9 or more counties because the school bus is conveying pupils of more than one district located in the
10 counties, the apportionment of the county transportation reimbursement must be adjusted to pay the
11 amount computed under the proration; and

12 (c) when county transportation reimbursement is required under the mandatory attendance
13 agreement provisions of 20-5-321.

14 (2) The county transportation net levy requirement for the financing of the county transportation
15 fund reimbursements to districts is computed by:

16 (a) totaling the net requirement for all districts of the county, including reimbursements to a special
17 education cooperative or prorated reimbursements to joint districts or reimbursements under the mandatory
18 attendance agreement provisions of 20-5-321;

19 (b) determining the sum of the money available to reduce the county transportation net levy
20 requirement by adding:

21 (i) anticipated money that may be realized in the county transportation fund during the ensuing
22 school fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517,
23 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204;

24 (ii) net proceeds taxes and local government severance taxes on other oil and gas production
25 occurring after December 31, 1988;

26 (iii) coal gross proceeds taxes under 15-23-703;

27 (iv) any fund balance available for reappropriation from the end-of-the-year fund balance in the
28 county transportation fund;

29 (v) federal forest reserve funds allocated under the provisions of 17-3-213; and

30 (vi) other revenue anticipated that may be realized in the county transportation fund during the

1 ensuing school fiscal year; and

2 (c) subtracting the money available as determined in subsection (2)(b) to reduce the levy
3 requirement from the county transportation net levy requirement.

4 (3) The net levy requirement determined in subsection (2)(c) must be reported to the county
5 commissioners on the fourth Monday of August by the county superintendent and a levy must be set by
6 the county commissioners in accordance with 20-9-142.

7 (4) The county superintendent shall apportion the county transportation reimbursement from the
8 proceeds of the county transportation fund. The county superintendent shall order the county treasurer to
9 make the apportionments in accordance with 20-9-212(2) and after the receipt of the semiannual state
10 transportation reimbursement payments."

11

12 **Section 20.** Section 61-1-129, MCA, is amended to read:

13 **"61-1-129. Camper.** The term "camper" as used in 61-1-102, 61-3-524, and 61-3-525 includes
14 but is not limited to truck camper, chassis-mounted camper, ~~cab-over cab-over~~, half ~~cab-over cab-over~~, ~~non~~
15 ~~cab-over noncab-over~~, telescopic, and telescopic ~~cab-over~~, but cab-over. The term does not include a truck
16 canopy cover or topper ~~weighing less than 300 pounds and~~ having no accommodations attached."

17

18 **Section 21.** Section 61-3-101, MCA, is amended to read:

19 **"61-3-101. Duties of department -- records.** (1) The department shall keep a record as specified
20 in this section of all motor vehicles, trailers, and semitrailers of every kind, and of certificates of registration
21 and ownership of those vehicles, and of all manufacturers and dealers in motor vehicles.

22 (2) The record must show the following:

23 (a) name of owner, residence address by street or rural route, town, and county, and mailing
24 address if different than residence address;

25 (b) name and address of conditional sales vendor, mortgagee, or other lienholder and amount due
26 under contract or lien;

27 (c) manufacturer of vehicle;

28 (d) manufacturer's designation of style of vehicle;

29 (e) identifying number;

30 (f) year of manufacture;

- 1 (g) character of motive power and shipping weight of vehicle as shown by the manufacturer;
- 2 (h) the distinctive license number assigned to the vehicle, if any;
- 3 (i) if a truck or trailer, the number of tons' capacity or GVW if imprinted on manufacturer's
- 4 identification plate;
- 5 (j) except as provided in 61-3-103, the name and complete address of any holder of a perfected
- 6 security interest in the vehicle; and
- 7 (k) other information that may from time to time be found desirable.

8 (3) The department shall file applications for registration received by it from the county treasurers

9 of the state and register the vehicles and the vehicle owners as follows:

- 10 (a) under the distinctive license number assigned to the vehicle by the county treasurer;
- 11 (b) alphabetically under the name of the owner;
- 12 (c) numerically under make and identifying number of the vehicle; and
- 13 (d) other index of registration as the department considers expedient.

14 (4) The department shall determine the amount of the motor vehicle tax and fees to be collected

15 at the time of registration for each motor vehicle. The amount of the tax must be based on the depreciated

16 value established for each type of motor vehicle according to law. The county treasurer shall collect the

17 taxes and fees on each motor vehicle at the time of its registration.

18 (5) Vehicle registration records and indexes and driver's license records and indexes may be

19 maintained by electronic recording and storage media.

20 ~~(5)(6)~~ In the case of dealers, the records must show the information contained in the application

21 for dealer's license as required by 61-4-101 through 61-4-105, as well as the distinctive license number

22 assigned to the dealer.

23 ~~(6)(7)~~ In order to prevent an accumulation of unneeded records and files, regardless of any other

24 statutory requirements, the department may destroy all records and files that relate to vehicles that have

25 not been registered within the preceding 4 years and that do not have an active lien.

26 ~~(7)(8)~~ All records must be open to inspection during all reasonable business hours, and the

27 department shall furnish any information from the records upon payment by the applicant of the cost of the

28 information requested. Prior to providing the information, the department may require the applicant to

29 provide identification. However, the department may, by rule, reasonably restrict disclosure of information

30 on an owner or the owner's vehicle if the owner has requested in writing that the department not disclose

1 the information."

2

3 **Section 22.** Section 61-3-208, MCA, is amended to read:

4 **"61-3-208. Affidavit and bond for certificate.** (1) If an applicant for a motor vehicle certificate of
5 title cannot provide the department with a certificate of title transferred to the applicant, the department
6 may issue a certificate of title for the vehicle if the applicant furnishes an affidavit in a form prescribed by
7 the department.

8 (2) The affidavit must be signed and sworn to before an officer authorized to administer oaths and
9 affirmations. The affidavit must accompany the application for the certificate of title and include:

10 (a) the facts and circumstances through which the applicant acquired ownership and possession
11 of the motor vehicle;

12 (b) information as required by the department to enable it to determine what security interests,
13 liens, and encumbrances against the motor vehicle, if any, are outstanding against the motor vehicle;

14 (c) the date and the amount secured by the security interests, liens, and encumbrances, if any; and

15 (d) a statement that the applicant has the right to have a certificate of title issued.

16 (3) If after examination of the application, affidavit, and any other evidence the department
17 determines that a certificate of title for the motor vehicle should be issued to the applicant, the department
18 shall require the applicant to file with the department a good and sufficient bond before issuing the
19 certificate of title. The bond must be:

20 (a) in an amount equal to the value of the motor vehicle as determined under the provisions of
21 61-3-503~~(4)(e)~~ for the year in which the application for certificate of title is made;

22 (b) conditioned to indemnify a prior owner, lienholder, subsequent purchaser, secured creditor, or
23 encumbrancer of the motor vehicle, and any respective successors in interest, against expenses, losses,
24 or damages caused by the issuance of the certificate or by a defect in or undisclosed security interest upon
25 the right, title, and interest of the applicant in the motor vehicle; and

26 (c) issued by a surety company authorized to do business in the state.

27 (4) Any interested person has a right of action to recover on the bond for a breach of its
28 conditions, but the aggregate liability of the surety to all persons may not exceed the amount of the bond.

29 (5) Unless the department has been notified of a pending action to recover the bond, the
30 department shall return the bond at the earlier of:

1 (a) 3 years from the date of issuance of the certificate of title; or

2 (b) the date of surrender of the valid certificate of title to the department if the vehicle is no longer
3 registered in this state."

4
5 **Section 23.** Section 61-3-303, MCA, is amended to read:

6 **"61-3-303. Application for registration.** (1) ~~Every~~ Each owner of a motor vehicle operated or driven
7 upon the public highways of this state shall for each motor vehicle owned, except as otherwise provided
8 in this section, file or cause to be filed in the office of the county treasurer where the owner permanently
9 resides at the time of making the application or, if the vehicle is owned by a corporation or used primarily
10 for commercial purposes, in the taxing jurisdiction of the county where the vehicle is permanently assigned,
11 an application for registration or reregistration upon a blank form to be prepared and furnished by the
12 department of justice. The application must contain:

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

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

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

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

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

23 (a) the registration fee, as provided in 61-3-311 and 61-3-321; and

24 (b) unless it has been previously paid:

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

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

28 (3) The application may not be accepted by the county treasurer unless the payments required by
29 subsection (2) accompany the application. The department ~~of revenue~~ may not assess and the county
30 treasurer may not collect taxes or fees for a period other than:

- 1 (a) the current year; and
- 2 (b) the immediately previous year if the vehicle was not registered or operated on the highways
- 3 of the state, regardless of the period of time since the vehicle was previously registered or operated.
- 4 (4) The department ~~of revenue~~ may make full and complete investigation of the tax status of the
- 5 vehicle. Any applicant for registration or reregistration shall submit proof from the tax or other appropriate
- 6 records of the proper county at the request of the department ~~of revenue~~."

7

8 **Section 24.** Section 61-3-501, MCA, is amended to read:

9 **"61-3-501. When vehicle taxes and fees are due.** (1) ~~Property~~ Motor vehicle taxes, new ear motor

10 vehicle taxes, and fees must be paid on the date of registration or reregistration of the vehicle.

11 (2) If the anniversary date for reregistration of a vehicle passes while the vehicle is owned and held

12 for sale by a licensed new or used car dealer, ~~property motor vehicle~~ taxes abate on ~~such the~~ vehicle

13 properly reported with the ~~department of revenue~~ county treasurer until the vehicle is sold and ~~thereafter~~

14 after the sale, the purchaser shall pay the pro rata balance of the taxes due and owing on the vehicle.

15 (3) In the event a vehicle's registration period is changed under 61-3-315, all taxes and other fees

16 due ~~thereon shall~~ must be prorated and paid from the last day of the old period until the first day of the new

17 period in which the vehicle ~~shall be~~ is registered. ~~Thereafter~~ The taxes and other fees must be paid from

18 the first day of the new period for a minimum period of 1 year. When the change is to a later registration

19 period, taxes and fees ~~shall~~ must be prorated and paid based on the same tax year as the original

20 registration period. Thereafter, during the appropriate anniversary registration period, each vehicle ~~shall~~

21 must again ~~register or reregister~~ be registered or reregistered and ~~shall pay~~ all taxes and fees due ~~thereon~~

22 must be paid for a 12-month period."

23

24 **Section 25.** Section 61-3-502, MCA, is amended to read:

25 **"61-3-502. Sales tax on new motor vehicles -- exemptions.** (1) In consideration of the right to use

26 the highways of the state, there is imposed a tax upon all sales of new motor vehicles, including motor

27 homes, quadricycles, and motorcycles, but excluding trailers, semitrailers, pole trailers, travel trailers, and

28 ~~housetrailers~~ mobile homes, for which a license is sought and an original application for title is made. The

29 tax must be paid by the purchaser when the purchaser applies for an original Montana license through the

30 county treasurer.

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

2 (a) ~~1 1/2% of the f.o.b. factory list price or f.o.b. port of entry list~~ manufacturer's suggested retail
3 price as defined in 61-3-503, during the first quarter of the year or for a registration period other than a
4 calendar year or calendar quarter;

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

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

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

8 (3) If the manufacturer or importer fails to furnish the ~~f.o.b. factory list price or f.o.b. port of entry~~
9 ~~list~~ manufacturer's suggested retail price, the department of transportation ~~may use published price lists~~
10 shall use the alternative valuation as determined by the department of justice.

11 (4) The new ~~car~~ motor vehicle sales tax on vehicles subject to the provisions of 61-3-313 through
12 61-3-316 is 1 1/2% of the ~~f.o.b. factory list price or f.o.b. port of entry list~~ manufacturer's suggested retail
13 price, regardless of the month in which the new vehicle is purchased, and must be for a 12-month period.

14 (5) The sales tax on new motor vehicles registered as part of a fleet under 61-3-318 is 3/4 of 1%
15 of the ~~f.o.b. factory list price or f.o.b. port of entry list~~ manufacturer's suggested retail price.

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

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

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

28 (b) A motor vehicle may not be registered or licensed under the provisions of this subsection unless
29 the application for registration is accompanied by a statement of origin to be furnished by the dealer selling
30 the vehicle, showing that the vehicle has not previously been registered or owned, except as otherwise

1 provided in this section, by any person, firm, corporation, or association that is not a new motor vehicle
 2 dealer holding a franchise or distribution agreement from a new ~~car~~ motor vehicle manufacturer, distributor,
 3 or importer.

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

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

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

13
 14 **Section 26.** Section 61-3-503, MCA, is amended to read:

15 "**61-3-503. Assessment.** (1) Except as provided in 61-3-520 and subsection ~~(2)~~ (4) of this section,
 16 the following apply to the taxation of motor vehicles:

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

22 ~~(b) Except as provided in subsection (1)(c), motor vehicles are assessed for taxes on January 1 in~~
 23 ~~each year irrespective of the time fixed by law for the assessment of other classes of personal property and~~
 24 ~~irrespective of whether the levy and tax may be a lien upon real property within the state. A motor vehicle~~
 25 ~~is not subject to assessment, levy, and taxation more than once in each year.~~

26 ~~(c)~~ (a) ~~Vehicles subject to the provisions of 61-3-313 through 61-3-316~~ All motor vehicles must be
 27 assessed as of the first day of the applicable registration period, using the ~~average trade-in or wholesale~~
 28 ~~value as of January 1 of the year of assessment of the vehicle as contained in the most recent volume of~~
 29 ~~the Mountain States Edition of the National Automobile Dealers Association (N.A.D.A.) Official Used Car~~
 30 ~~Guide, the National Edition of N.A.D.A. Appraisal Guides Official Older Used Car Guide, or another~~

1 ~~nationally published used vehicle or appraisal guide approved by the department of revenue or, for a vehicle~~
 2 ~~that was never listed in any edition of the preceding guides, the retail value of the vehicle as determined~~
 3 ~~by the department of revenue, and thereafter depreciated 10% per year until a value of \$500 is reached,~~
 4 ~~not including additions or deductions for options and mileage but including additions or deductions, whether~~
 5 ~~or not one of the preceding guides is used, for diesel engines; and a depreciated value of the~~
 6 ~~manufacturer's suggested retail price as determined in subsection (2).~~

7 (b) A lien for taxes and fees due on the vehicle occurs on the anniversary date of the registration
 8 and continues until the fees and taxes have been paid. If the ~~value shown in any of the appraisal guides~~
 9 ~~listed in this section~~ depreciated value is less than \$500, the department of justice shall value the vehicle
 10 at \$500 as long as the vehicle is registered.

11 ~~(d)~~(c) Motorcycles and quadricycles must be assessed, using the greater of the following:

12 (i) \$250; or

13 (ii) ~~the average trade in or wholesale value as of January 1 of the year of assessment of the vehicle~~
 14 ~~as contained in the most recent volume of the applicable National Edition of the N.A.D.A.~~
 15 ~~Motorcycle/Moped/ATV Appraisal Guide or N.A.D.A. Recreational Vehicle Appraisal Guide or another~~
 16 ~~nationally published used vehicle or appraisal guide approved by the department of revenue, not including~~
 17 ~~additions or deductions for options and mileage~~ depreciated value of the manufacturer's suggested retail
 18 price as determined in subsection (2).

19 ~~(e) If a vehicle assessed under subsection (1)(c) or (1)(d) is not originally listed in the applicable~~
 20 ~~N.A.D.A. guide or other approved guide, the department of revenue shall depreciate the original f.o.b.~~
 21 ~~factory list price, f.o.b. port of entry list price, or the manufacturer's suggested list price, using the~~
 22 ~~following methods:~~

23 ~~(i) if the new car sales tax has been previously paid and the vehicle is less than 1 year in age, the~~
 24 ~~depreciation percentage is 20%; or~~

25 ~~(ii) if the vehicle is 1 year or older in age and it is not listed in any of the appraisal guides listed in~~
 26 ~~this section, the department of revenue shall determine the depreciation percentage to approximate the~~
 27 ~~average wholesale or trade-in values in the current N.A.D.A. guides or other approved guides referred to~~
 28 ~~in this subsection. For purposes of this subsection (1), the age of the vehicle is determined by subtracting~~
 29 ~~the manufacturer's model year of the vehicle from the calendar year of assessment.~~

30 ~~(f) When a minimum value of \$500 is reached, the value must remain at that minimum as long as~~

1 ~~the vehicle is registered.~~

2 ~~(g) If a previously registered vehicle is no longer listed in the applicable N.A.D.A. guide or other~~
 3 ~~approved guide, the department of revenue shall depreciate the value of the vehicle at the rate of 10% a~~
 4 ~~year until a minimum amount of \$500 is attained, and the value must remain at that amount as long as the~~
 5 ~~vehicle is registered.~~

6 (2) (a) The depreciated value for the taxation of motor vehicles is computed by multiplying the
 7 manufacturer's suggested retail price by a percentage multiplier based on the age of the vehicle and
 8 determined from the following table:

| <u>Age of Vehicle (in years)</u> | <u>Percentage Multiplier</u> |
|----------------------------------|------------------------------|
| <u>-1</u> | <u>100%</u> |
| <u>0</u> | <u>91</u> |
| <u>1</u> | <u>82</u> |
| <u>2</u> | <u>72</u> |
| <u>3</u> | <u>63</u> |
| <u>4</u> | <u>53</u> |
| <u>5</u> | <u>44</u> |
| <u>6</u> | <u>34</u> |
| <u>7</u> | <u>25</u> |
| <u>8</u> | <u>17</u> |
| <u>9 or more</u> | <u>10</u> |

9 (b) The age of the vehicle is determined by subtracting the manufacturer's model year of the
 10 vehicle from the calendar year for which the tax is due.

11 (3) For the purposes of this section, "manufacturer's suggested retail price" is the price suggested
 12 by the manufacturer for each given type, style, or model of motor vehicle produced and first made available
 13 for retail sale by the manufacturer. The manufacturer's suggested retail price is based upon standard
 14 equipment on a vehicle and does not contain price additions or deductions for optional accessories. When
 15 a manufacturer's suggested retail price is unavailable for a motor vehicle, the department of justice shall
 16 determine an alternative valuation for the vehicle. For the purposes of this section, the alternative value
 17 must be used in place of manufacturer's suggested retail price.

18 ~~(2)(4)~~ (4) The provisions of subsections ~~(1)(a)~~ (1) through ~~(1)(g)~~ (3) do not apply to motor homes,

1 travel trailers, campers, ~~or to~~ mobile homes as defined in 15-1-101(1), or to trailers, semitrailers, or pole
 2 trailers."

3

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

5 **"61-3-504. Computation of tax.** (1) The amount of taxes on a motor vehicle, ~~other than an~~
 6 ~~automobile, truck having a rated capacity of 1 ton or less, motorcycle, quadricycle, motor home, travel~~
 7 ~~trailer, camper, or mobile home, is computed and determined by the county treasurer on the basis of the~~
 8 ~~levy of the year preceding the current year of application for registration or reregistration.~~

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

12 ~~(3)(2) The amount of tax on fleet vehicles subject to the provisions of 61-3-318 is 1% of the value~~
 13 ~~determined under 61-3-503.~~

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

16

17 **Section 28.** Section 61-3-506, MCA, is amended to read:

18 **"61-3-506. Rules.** (1) ~~The department of revenue shall adopt rules for the payment of property~~
 19 ~~taxes and the department of transportation shall adopt rules for the payment of new car motor vehicle~~ taxes
 20 under the provisions of 61-3-313 through 61-3-316, 61-3-501, and ~~61-3-520~~ 61-3-502. ~~The department~~
 21 ~~of revenue may adopt rules for the proration of taxes for the implementation and administration of 61-3-313~~
 22 ~~through 61-3-316, 61-3-501, and 61-3-520, but shall specifically provide that new car taxes shall be for~~
 23 ~~a 12-month period.~~

24 (2) The department of justice may adopt rules:

25 (a) for the assessment and collection of taxes and fees on motor vehicles;

26 (b) for the determination of the fees for trailers and semitrailers, including establishing criteria for
 27 determining a trailer's age and declared weight; and

28 (c) for the determination of a depreciated value for motor vehicles by using the manufacturer's
 29 suggested retail price or an alternative valuation when the manufacturer's suggested retail price is
 30 unavailable."

1 **Section 29.** Section 61-3-507, MCA, is amended to read:

2 "**61-3-507. Exemption.** ~~(1) A motor vehicle subject to anniversary date registration as provided in~~
3 ~~61-3-313 through 61-3-316 is exempt from the provisions of 61-3-503(1)(b).~~

4 ~~(2)~~ A vehicle exempt from taxation under 15-6-215 or subject to the provisions of 61-3-520 is
5 exempt from all other taxes and fees generally imposed on a vehicle by this part."

6
7 **Section 30.** Section 61-3-509, MCA, is amended to read:

8 "**61-3-509. Disposition of taxes.** (1) Except as provided in subsection (2), the county treasurer
9 shall, after deducting the district court fee, credit all taxes on motor vehicles and fees in lieu of tax on
10 motor homes, travel trailers, ~~and campers,~~ trailers, pole trailers, and semitrailers collected under 61-3-504,
11 61-3-521, and 61-3-537 to a motor vehicle suspense fund, and at some time between March 1 and March
12 10 of each year and every 60 days thereafter, the county treasurer shall distribute the money in the motor
13 vehicle suspense fund in the relative proportions required by the levies for state, county, school district,
14 and municipal purposes in the same manner as personal property taxes are distributed.

15 (2) The county treasurer shall deduct as a district court fee 7% of the amount of the 2% tax
16 collected on an automobile or truck having a rated capacity of 1 ton or less. The county treasurer shall
17 credit the fee for district courts to a separate suspense account and shall forward the amount in the
18 account to the state treasurer at the time the county treasurer distributes the motor vehicle suspense fund.
19 The state treasurer shall credit amounts received under this subsection to the general fund to be used for
20 purposes of state funding of the district court expenses as provided in 3-5-901."

21
22 **NEW SECTION. Section 31. Schedule of fees for trailers.** (1) The owner of a trailer, pole trailer,
23 or semitrailer that has a licensed gross weight of less than 26,000 pounds shall pay a fee based on the age
24 and declared weight of the trailer or semitrailer according to the following schedule:

| 25 <u>Age</u> (in years) | 26 <u>Declared Weight</u> (in pounds) | | |
|---|---------------------------------------|--------------|---------------|
| | 0-6,000 | 6,001-16,000 | 16,001-25,999 |
| 27 less than 5 years old | \$16 | \$55 | \$74 |
| 28 5 years old and less than 10 years old | 11 | 32 | 41 |
| 29 10 years old and older | 6 | 17 | 23 |

30 (2) The age of a trailer or semitrailer is determined by subtracting the manufacturer's designated

1 model year from the current calendar year. For trailers and semitrailers that do not have a designated model
2 year, the department of justice shall determine a year of manufacture.

3 (3) The declared weight is the total unladen weight of the trailer or semitrailer plus the maximum
4 load declared by the owner to be carried on the trailer or semitrailer.

5

6 **Section 32.** Section 61-3-520, MCA, is amended to read:

7 **"61-3-520. Taxation of vehicles used exclusively in filming motion pictures or television**
8 **commercials.** (1) A vehicle used exclusively in the filming of motion pictures or television commercials that
9 has been in the state for a period exceeding 180 consecutive days in a calendar year must be assessed as
10 if the vehicle were not used exclusively for filming motion pictures or television commercials, but the
11 assessment must be prorated as provided in subsection (2).

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

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

16

17 **Section 33.** Section 61-3-521, MCA, is amended to read:

18 **"61-3-521. Fee in lieu of tax for certain vehicles.** (1) There is a fee in lieu of property tax imposed
19 on motor homes, travel trailers, and campers and on trailers, pole trailers, and semitrailers with a licensed
20 gross weight of less than 26,000 pounds. The fee is in addition to annual registration fees.

21 (2) The fee imposed by subsection (1) need not be paid by a dealer for vehicles that constitute
22 inventory of the dealership."

23

24 **Section 34.** Section 61-3-535, MCA, is amended to read:

25 **"61-3-535. Vehicle reregistration by mail -- renewal cards and reregistration notice by mail.** (1)
26 ~~Except as provided in subsection (2), an owner of the following types of motor vehicles may reregister by~~
27 ~~mail:~~

28 ~~(a) light vehicles, motorcycles, quadricycles, and other vehicles subject to tax under 61-3-504(2);~~

29 ~~and~~

30 ~~(b) travel trailers, campers, and motor homes subject to a fee in lieu of tax under 61-3-521.~~

1 ~~(2) The option to reregister by mail need only be made available for vehicles, motor homes, and~~
2 ~~travel trailers registered at the close of the expiring registration period in the name of the applicant for~~
3 ~~reregistration and only if~~ The department of justice may allow the owner of a motor vehicle to renew the
4 registration of a vehicle by mail when the value, age, length, or other criteria used to determine the tax or
5 fee for a particular type of vehicle is available to the department by electronic means.

6 ~~(3)(2) The department shall develop a procedure to facilitate the reregistration by mail of the~~
7 ~~vehicles listed in subsection (1). The~~ Any mail reregistration procedure developed by the department must
8 include a procedure to facilitate automated handling of mail reregistration or recertification-

9 ~~(4) The procedure implemented by the department to permit reregistration or camper decal~~
10 ~~application by mail must~~ and to provide for a written reminder notice by mail to a vehicle owner of the
11 requirement to reregister the owner's vehicle with the county treasurer or to apply for the annual camper
12 decal.

13 ~~(5)(3) The department shall~~ may adopt rules to implement the mail reregistration and decal
14 application procedure."

15
16 **Section 35.** Section 61-3-537, MCA, is amended to read:

17 **"61-3-537. (Temporary) Local option vehicle tax.** (1) A county may impose a local vehicle tax on
18 vehicles subject to a property tax under 61-3-504(2) at a rate of up to 0.5% of the value determined under
19 61-3-503, in addition to the tax imposed under 61-3-504(2).

20 (2) A local vehicle tax is payable at the same time and in the same manner as the tax imposed
21 under 61-3-504(2). The local vehicle tax is distributed as follows:

22 (a) 50% to the county; and

23 (b) the remaining 50% to the county and the incorporated cities and towns within the county,
24 apportioned on the basis of population. The distribution to a city or town is determined by multiplying the
25 amount of money available by the ratio of the population of the city or town to the total county population.
26 The distribution to the county is determined by multiplying the amount of money available by the ratio of
27 the population of unincorporated areas within the county to the total county population.

28 (3) The governing body of a county may impose a local vehicle tax for a fiscal year by adopting
29 a resolution before July 1 of the fiscal year, after conducting a public hearing on the proposed resolution.
30 The resolution may provide for the distribution of the local vehicle tax. (Terminates June 30, 1995--sec.

1 1, Ch. 217, L. 1993.)

2 **61-3-537. (Effective July 1, 1995) Local option vehicle tax.** (1) A county may impose a local
3 vehicle tax on vehicles subject to ~~a property~~ tax under 61-3-504~~(2)~~ at a rate of up to 0.5% of the value
4 determined under 61-3-503, in addition to the tax imposed under 61-3-504~~(2)~~.

5 (2) A local vehicle tax is payable at the same time and in the same manner as the tax imposed
6 under 61-3-504~~(2)~~ and is distributed in the same manner, based on the registration address of the owner
7 of the motor vehicle.

8 (3) The governing body of a county may impose a local vehicle tax for a fiscal year by adopting
9 a resolution before July 1 of the fiscal year, after conducting a public hearing on the proposed resolution."
10

11 **Section 36.** Section 61-12-402, MCA, is amended to read:

12 **"61-12-402. Notice to owner.** (1) Within 72 hours after any vehicle is removed and held by or at
13 the direction of the Montana highway patrol, the highway patrol shall notify the sheriff of the county in
14 which the vehicle was located at the time it was taken into custody and the place where the vehicle is
15 being held. In addition, the Montana highway patrol shall furnish the sheriff a complete description of the
16 vehicle, including year, make, model, serial number, and license number if available; any costs incurred to
17 that date in the removal, storage, and custody of the vehicle; and any available information concerning its
18 ownership.

19 (2) The sheriff or the city police shall make reasonable efforts to ascertain the name and address
20 of the owner, lienholder, or person entitled to possession of the vehicle taken into custody under
21 61-12-401. If a name and address are ascertained, the sheriff or the city police shall notify the owner and
22 lienholder or person of the location of the vehicle.

23 (3) If the vehicle is registered in the office of the department, notice is considered to have been
24 given when a registered or certified letter addressed to the registered owner of the vehicle and lienholder,
25 if any, at the latest address shown by the records in the office of the department, return receipt requested
26 and postage prepaid, is mailed at least 30 days before the vehicle is sold.

27 (4) If the identity of the last-registered owner cannot be determined, if the registration does not
28 contain an address for the owner, or if it is impossible to determine with reasonable certainty the identity
29 and addresses of all lienholders, notice by one publication in one newspaper of general circulation in the
30 county where the motor vehicle was abandoned is sufficient to meet all requirements of notice pursuant

1 to this part. The notice by publication can contain multiple listings of abandoned vehicles. The notice must
2 be provided in the same manner as prescribed in 25-13-701(1)(b).

3 (5) If the abandoned vehicle is in the possession of a motor vehicle wrecking facility licensed under
4 75-10-511, the wrecking facility may make the required search to ascertain the name and address of the
5 owner, lienholder, or person entitled to possession of the vehicle and shall give the notices required in
6 subsections (2) through (4). The wrecking facility shall deliver to the sheriff or the city police a certificate
7 describing the efforts made to ascertain the name and address of the owner, lienholder, or person entitled
8 to possession of the vehicle and shall deliver to the sheriff or the city police proof of the notice given.

9 (6) A vehicle found by law enforcement officials to be a "junk vehicle" as defined by 75-10-501
10 and ~~certified as having an appraised~~ a value of \$100 or less ~~as determined by the department of revenue~~
11 may be directly submitted for disposal in accordance with the provisions of ~~part 5 of chapter 10,~~ Title 75,
12 chapter 10, part 5, upon a release given by the sheriff or the city police. In the release, the sheriff or the
13 city police shall include a description of the vehicle, including year, make, model, serial number, and license
14 number if available. A release provided by the sheriff or the city police under this section must be
15 transmitted to the motor vehicle wrecking facility and must be considered by that facility to meet the
16 requirements for records under 75-10-512 and 75-10-513. Vehicles described in this section may be
17 submitted without notice and without a required holding period."

18
19 **NEW SECTION. Section 37. Repealer.** Section 15-24-2501, MCA, is repealed.

20
21 **NEW SECTION. Section 38. Coordination instruction.** If Senate Bill No. 49 and [this act] are both
22 passed and approved and if Senate Bill No. 49 amends 15-6-201(1)(v) to exempt from taxation trailers and
23 semitrailers that are registered through a proportional registration agreement, then the amendment to
24 15-6-201(1)(v) in Senate Bill No. 49 is void.

25
26 **NEW SECTION. Section 39. Effective dates -- applicability -- rulemaking.** (1) Except for the
27 purposes of subsection (2), [this act] is effective January 1, 1996, and applies to tax years beginning after
28 December 31, 1995.

29 (2) For the purposes of promulgating administrative rules under 61-3-506, [section 28 and this
30 section] are effective on passage and approval.

-END-

- 38 -

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0363, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

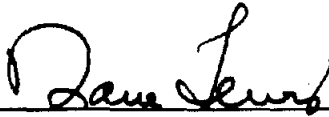
A bill generally revising the classification, valuation, and taxation of motor vehicles and trailers; taxing all motor vehicles at two percent of the depreciated value of the manufacturer's suggested retail price (MSRP); allowing the Department of Justice to establish an alternative depreciated value when the manufacturer's suggested retail price is not available; revising the new car sales tax to include all new motor vehicles; basing the new motor vehicles sales tax on the manufacturer's suggested retail price; exempting from taxation all campers and truck toppers; imposing a fee in lieu of ad valorem taxes on all trailers and semitrailers.

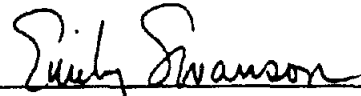
ASSUMPTIONS:

Department of Justice (DOJ):

1. The Department of Justice would begin the implementation phase of HB363 on July 1, 1995, to allow sufficient time to develop and test the policies and procedures required. Also, the county treasurers and motor vehicle personnel would require training in the new procedures prior to the January 1, 1996, effective date.
2. The DOJ currently prepares approximately 766,000 mail renewal notices annually for light trucks and passenger cars, with 90% of those light trucks and passenger cars currently valued for renewal registration by the state's motor vehicle system based upon computerized data obtained by the department. Approximately 10% of the mail renewal cards currently prepared for the light trucks and passenger cars (766,000 x 10% or approximately 77,000) cannot be valued by the motor vehicle system and, therefore, must be valued and entered into the motor vehicle system manually prior to the effective date of HB363. Assuming that the same experience rate of vehicles unable to be valued by the computer data available would apply to the total number of vehicles registered in Montana, approximately 98,500 (984,946 total vehicles registered in 1994 x 10%) would have to be valued and entered into the motor vehicle system manually prior to the effective date of HB363.
3. Implementation of HB363 will allow the DOJ to mail renewal notices to the owners of all motor vehicles (approximately 985,000) registered in Montana. Therefore, an additional 219,000 (985,000 - 766,000) mail renewal notices would be prepared for the registered owners of registered motor vehicles other than those light trucks and passenger cars that currently receive mail renewal notices.
4. It is estimated that 1.00 FTE can process approximately 190 motor vehicle valuations per day. Therefore, 2.00 FTE temporary (four temporary staff) (98,500 motor vehicles / (190 valuations per day / 260 days per FTE) would be required to complete the motor vehicle valuation and computer data updating process between July 1, 1995, and January 1, 1996. However, the Departments of Revenue and Transportation have agreed to assist the DOJ during the implementation process. Thus, the department estimates that 1.00 FTE temporary grade 7 (two temporary staff) would be required during the six-month implementation process. Personal services expenses for the 1.00 FTE temporary would be \$18,876 in FY96 only.

(continued)

 2-3-95
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 2/4/95
EMILY SWANSON, PRIMARY SPONSOR DATE

Fiscal Note for HB0363, as introduced

HB 363

(continued)

Department of Justice (continued):

5. A permanent grade 8 1.50 FTE in FY96 and 2.00 FTE in FY97 would be required to provide help with desk functions to the county treasurers, motor vehicle dealers, and the public, and to resolve problems with motor vehicle valuations. Personal services expenditures for the permanent FTE would be \$30,342 in FY96 and \$40,592 in FY97.
6. Start-up expenses in FY96 only include computer programming costs of \$9,600; \$12,000 for MSRP computerized data tapes; \$10,000 for public service announcements explaining the law; \$2,500 in costs associated with administrative rule hearings; and \$12,360 for training of county treasurers and motor vehicle personnel. There will be purchases of \$4,700 for personal computers, desks, chairs, and office equipment for the necessary additional FTE.
7. Annual operating expenses would be: \$8,500 for updated books and manuals for the department and each of the counties; \$1,200 to print an additional 219,000 mail renewal cards each year; and \$2,800 in computer processing time to generate the additional mail renewal cards.

Department of Revenue:

8. Because motor vehicle valuations will no longer be based on the average wholesale or trade-in values found in the NADA guides, the Department of Revenue will be able to drop its subscription to this data source. This will reduce operating expenses by \$3,620 per year.
9. The department assisted the Department of Justice in determining the depreciation schedule for light trucks and vehicles, and the flat fee schedule for trailers, in a manner that results in revenue-neutrality for these types of vehicles. These vehicles and trailers represent over 90% of the total tax dollars impacted by this bill.

Department of Transportation:

10. Vehicles licensed for interstate travel paid \$200,565 in new use tax in 1994. Interstate vehicles pay new use tax based on the acquired cost. Trucks licensed in Montana counties pay new use tax based on the MSRP. A 5% increase in revenue collection is estimated if valuation of interstate vehicles is based on MSRP due to fleet purchases of vehicles.

FISCAL IMPACT:

Expenditures:

| | <u>FY96</u> | <u>FY97</u> |
|-------------------------------|-------------------|-------------------|
| <u>Department of Justice:</u> | <u>Difference</u> | <u>Difference</u> |
| FTE | 2.50 | 2.00 |
| Personal Services | 49,218 | 40,592 |
| Operating Expenses | 58,960 | 12,500 |
| Equipment | <u>4,700</u> | <u>0</u> |
| Total | 112,878 | 53,092 |

Department of Revenue:

| | | |
|--------------------|---------|---------|
| Operating Expenses | (3,620) | (3,620) |
|--------------------|---------|---------|

Funding:

| | | |
|-------------------|---------|--------|
| General Fund (01) | 109,258 | 49,472 |
|-------------------|---------|--------|

Revenues:

| | | |
|-------------------------------|--------|--------|
| Highways Special Revenue (02) | 10,028 | 10,028 |
|-------------------------------|--------|--------|

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The counties may incur additional annual expenses of \$37,230 in postage to mail the estimated 219,000 additional mail renewal cards generated by implementing the provisions of HB363.

Although the statewide revenue impact from this proposal approximates revenue-neutrality, the individual composition of vehicle types within a taxing jurisdiction may impact the degree of revenue-neutrality or revenue-variance within each jurisdiction.

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0363, 2nd reading

DESCRIPTION OF PROPOSED LEGISLATION:

An act generally revising the classification, valuation, and taxation of motor vehicles and trailers; taxing all motor vehicle at 2 percent of the depreciated value of the manufacturer's suggested retail price, allowing the department of justice to establish an alternative depreciated value when the manufacturer's suggested retail price is not available; revising the new car sales tax to include all new motor vehicles; basing the new motor vehicles sales tax on the manufacturer's suggested retail price, exempting from taxation all campers and truck toppers; imposing a fee in lieu of ad valorem taxes on all trailers and semitrailers; and providing effective dates and an applicability date.

ASSUMPTIONS:

Department of Justice (DOJ):

1. The Department of Justice would begin the implementation phase of HB 363 on July 1, 1995 to allow sufficient time to develop and test the policies and procedures required. Also, the county treasurers and motor vehicle personnel would require training in the new procedures prior to the January 1, 1996 effective date.
2. The Department of Justice currently prepares approximately 766,000 mail renewal notices annually for light trucks and passenger cars. 90% of those light trucks and passenger cars are currently valued for renewal registration by the state's motor vehicle system based upon computerized data obtained by the department. Approximately 10% of the mail renewal cards currently prepared for the light trucks and passenger cars (766,000 x 10% or approximately 77,000) cannot be valued by the motor vehicle system. Assuming that the same experience rate of vehicles unable to be valued by the computer data available would apply to the total number of vehicles registered in Montana, approximately 98,500 (984,946 total vehicles registered in 1994 x 10%) would have to be valued and entered into the motor vehicle system manually prior to the effective date of HB363.
3. Implementation of HB 363 will allow the Department of Justice to mail renewal notices to the owners of ALL motor vehicles (approximately 985,000) registered in the state of Montana. Therefore, an additional 219,000 (985,000 - 766,000) mail renewal notices would be prepared for the registered owners of registered motor vehicles other than those light trucks and passenger cars that currently receive mail renewal notices.
4. 1.00 FTE can process approximately 190 motor vehicle valuations per day. Therefore, 2.00 FTE temporary (four temporary staff) (98,500 motor vehicles / (190 valuations per day / 260 days per FTE) would be required to complete the motor vehicle valuation and computer data updating process between July 1, 1995 and January 1, 1996. However, the Departments of Revenue and Dept. of Transportation, Motor Carrier Services, have agreed to assist the Dept. of Justice during the implementation process. Thus the department estimates that 1.00 FTE temporary grade 7 (two temporary staff) would be required during the six-month implementation process. Personal services expenditures for the 1.00 FTE temporary would be \$18,876 in FY96 only.
5. A permanent grade 8 1.50 FTE in FY96 and 2.00 permanent FTE in FY97 would be required to provide help desk functions to the county treasurers, dealers and public, and to resolve problems with motor vehicle valuations. Personal Services expenditures for the 1.5 permanent FTE would be \$30,342 in FY96 and \$40,592 in FY97.

(continued page 2)

Dave Lewis 3-21-95

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

Emily Swanson 3/22/95

EMILY SWANSON, PRIMARY SPONSOR DATE

Fiscal Note for HB0363, 2nd reading

HB 363 # 2

Fiscal Note Request, HB0363, 2nd reading

Page 2

(continued)

ASSUMPTIONS: (continued)

6. Start up costs would include \$4,700 for pc's, desks, chairs and office equipment for the necessary additional FTE; programming costs of \$9,600; \$12,000 for MSRP (manufacturer suggested retail price) computerized data tapes; \$10,000 for public service announcements explaining the law; \$2,500 in costs associated with administrative rule hearings; and training of the county treasurers and motor vehicle personnel of approximately \$12,360 in FY96.
7. Annual operating expenses would be: \$8,500 for updated books and manuals for the Department and each of the counties; \$1,200 to print an additional 219,000 mail renewal cards each year; and \$2,800 in computer processing time to generate the additional mail renewal cards.

Department of Revenue:

8. Because motor vehicle valuations will no longer be based on the average wholesale or trade-in values found in the NADA guides, the Department of Revenue will be able to drop its subscription to this data source. This will reduce operating expenses by \$3,620 per year.

FISCAL IMPACT:

Expenditures:

Department of Justice:

| | <u>FY96</u> | <u>FY97</u> |
|--------------------|-------------------|-------------------|
| | <u>Difference</u> | <u>Difference</u> |
| FTE | 2.50 | 2.00 |
| Personal Services | 49,218 | 40,592 |
| Operating Expenses | 58,960 | 12,500 |
| <u>Equipment</u> | <u>4,700</u> | <u>0</u> |
| Total | 112,878 | 53,092 |

Department of Revenue:

| | | |
|--------------------|---------|---------|
| Operating Expenses | (3,620) | (3,620) |
|--------------------|---------|---------|

Funding:

| | | |
|-------------------|---------|--------|
| General Fund (01) | 109,258 | 49,472 |
|-------------------|---------|--------|

Revenues:

| | | |
|-------------------------------|-----------|-----------|
| General Fund (01) | (4,831) | (4,831) |
| Highways Special Revenue (02) | (241,520) | (241,520) |

Net Impact:

| | | |
|-------------------------------|-----------|-----------|
| General Fund (01) | (114,089) | (54,303) |
| Highways Special Revenue (02) | (241,520) | (241,520) |

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The counties may incur an additional annual expenditure of \$37,230 in postage to mail the estimated 219,000 additional mail renewal cards generated by implementing the provisions of HB363.

The proposal would decrease revenues to local governments by \$9,506 in each year of the biennium.

1 HOUSE BILL NO. 363
2 INTRODUCED BY SWANSON
3 BY REQUEST OF THE DEPARTMENT OF REVENUE
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE CLASSIFICATION, VALUATION,
6 AND TAXATION OF MOTOR VEHICLES AND TRAILERS; TAXING ALL MOTOR VEHICLES AT 2 PERCENT
7 OF THE DEPRECIATED VALUE OF THE MANUFACTURER'S SUGGESTED RETAIL PRICE; ALLOWING THE
8 DEPARTMENT OF JUSTICE TO ESTABLISH AN ALTERNATIVE DEPRECIATED VALUE WHEN THE
9 MANUFACTURER'S SUGGESTED RETAIL PRICE IS NOT AVAILABLE; REVISING THE NEW CAR SALES TAX
10 TO INCLUDE ALL NEW MOTOR VEHICLES; BASING THE NEW MOTOR VEHICLE SALES TAX ON THE
11 MANUFACTURER'S SUGGESTED RETAIL PRICE; EXEMPTING FROM TAXATION ALL CAMPERS AND
12 TRUCK TOPPERS; IMPOSING A FEE IN LIEU OF AD VALOREM TAXES ON ALL TRAILERS, POLE TRAILERS,
13 AND SEMITRAILERS; AMENDING SECTIONS 7-1-2111, 15-6-138, 15-6-201, 15-8-111, 15-8-201,
14 15-8-202, 15-16-202, 15-24-101, 15-24-102, 15-24-103, 15-24-104, 15-24-105, 20-9-141, 20-9-331,
15 20-9-333, 20-9-360, 20-9-501, 20-10-144, 20-10-146, 61-1-129, 61-3-101, 61-3-208, 61-3-303,
16 61-3-501, 61-3-502, 61-3-503, 61-3-504, 61-3-506, 61-3-507, 61-3-509, 61-3-520, 61-3-521, 61-3-535,
17 61-3-537, AND 61-12-402, MCA; REPEALING SECTION 15-24-2501, MCA; AND PROVIDING EFFECTIVE
18 DATES AND AN APPLICABILITY DATE."
19

20 STATEMENT OF INTENT

21 A statement of intent is required for this bill because 61-3-506 gives rulemaking authority to the
22 department of justice to implement the new methods for the valuation and taxation of motor vehicles,
23 trailers, and semitrailers. The rules adopted by the department may contain criteria for determining the
24 manufacturer's suggested retail price, alternative valuation when the manufacturer's suggested retail price
25 is unavailable, date of manufacture for vehicles not commercially manufactured for consumer purchase, and
26 the age and declared weight of trailers.

27 The legislature contemplates that the rules adopted by the department should address, at a
28 minimum, the following:

- 29 (1) the methods for determining the valuation of motor vehicles for taxation purposes;
30 (2) the assessment and collection of taxes and fees on motor vehicles and trailers;

1 (3) the methods for determining the manufacturer's suggested retail price for the valuation of motor
2 vehicles;

3 (4) the procedures for establishing an equitable alternative value for vehicles that do not have a
4 published manufacturer's suggested retail price; and

5 (5) the procedures for determining the date of manufacture for trailers and semitrailers that do not
6 have a designated model year.

7

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

9

10 **Section 1.** Section 7-1-2111, MCA, is amended to read:

11 **"7-1-2111. Classification of counties.** (1) For the purpose of regulating the compensation and
12 salaries of all county officers, not otherwise provided for, and for fixing the penalties of officers' bonds,
13 the counties of this state must be classified according to ~~that percentage of the true and full~~ the taxable
14 valuation of the property in the counties upon which the tax levy is made, except for vehicles subject to
15 taxation under 61-3-504(2), as follows:

16 (a) first class--all counties having a taxable valuation of \$50 million or over;

17 (b) second class--all counties having a taxable valuation of more than \$30 million and less than \$50
18 million;

19 (c) third class--all counties having a taxable valuation of more than \$20 million and less than \$30
20 million;

21 (d) fourth class--all counties having a taxable valuation of more than \$15 million and less than \$20
22 million;

23 (e) fifth class--all counties having a taxable valuation of more than \$10 million and less than \$15
24 million;

25 (f) sixth class--all counties having a taxable valuation of more than \$5 million and less than \$10
26 million;

27 (g) seventh class--all counties having a taxable valuation of less than \$5 million.

28 (2) As used in this section, taxable valuation means the taxable value of taxable property in the
29 county as of the time of determination plus:

30 (a) that portion of the taxable value of the county on December 31, 1981, attributable to

1 automobiles and trucks having a rated capacity of three-quarters of a ton or less;

2 (b) that portion of the taxable value of the county on December 31, 1989, attributable to
3 automobiles and trucks having a rated capacity of more than three-quarters of a ton but less than or equal
4 to 1 ton;

5 (c) that portion of the taxable value of the county on December 31, 1995, attributable to
6 automobiles, trucks, and buses having a rated capacity of more than 1 ton and all trailers, POLE TRAILERS,
7 and semitrailers with a licensed gross weight of less than 26,000 pounds;

8 (d) the amount of taxes levied on new production, production from horizontally completed wells,
9 and incremental production, as provided in 15-23-607, divided by the appropriate tax rates described in
10 15-23-607(2)(a), (2)(b), or (2)(c) and multiplied by 60%;

11 ~~(d)(e)~~ the amount of value represented by new production or production from horizontally
12 completed wells exempted from tax as provided in 15-23-612 multiplied by 60%, plus the value of any
13 other production occurring after December 31, 1988, multiplied by 60%; and

14 ~~(e)(f)~~ 6% of the taxable value of the county on January 1 of each tax year."

15

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

17 "15-6-138. **Class eight property -- description -- taxable percentage.** (1) Class eight property
18 includes:

19 (a) all agricultural implements and equipment;

20 (b) all mining machinery, fixtures, equipment, tools that are not exempt under 15-6-201(1)(r), and
21 supplies except those included in class five;

22 (c) all manufacturing machinery, fixtures, equipment, tools that are not exempt under
23 15-6-201(1)(r), and supplies except those included in class five;

24 (d) ~~all trailers and semitrailers, including those prorated under 15-24-102, except those subject to~~
25 ~~taxation under 61-3-504(2) or exempt under 15-6-201(1)(v);~~

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

28 (e) special mobile equipment as defined in 61-1-104;

29 ~~(f) buses and trucks having a rated capacity of more than 1 ton, including those prorated under~~
30 ~~15-24-102;~~

- 1 ~~(g)~~ truck toppers weighing more than 300 pounds;
- 2 ~~(h)~~(f) furniture, fixtures, and equipment, except that specifically included in another class, used in
- 3 commercial establishments as defined in this section;
- 4 ~~(i)~~(g) x-ray and medical and dental equipment;
- 5 ~~(j)~~(h) citizens' band radios and mobile telephones;
- 6 ~~(k)~~(i) radio and television broadcasting and transmitting equipment;
- 7 ~~(l)~~(j) cable television systems;
- 8 ~~(m)~~(k) coal and ore haulers;
- 9 ~~(n)~~(l) theater projectors and sound equipment; and
- 10 ~~(o)~~(m) all other property not included in any other class in this part, except that property subject
- 11 to a fee in lieu of a property tax.

12 (2) As used in this section, "coal and ore haulers" means nonhighway vehicles that exceed 18,000
 13 pounds per axle and that are primarily designed and used to transport coal, ore, or other earthen material
 14 in a mining or quarrying environment.

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

17 (4) Class eight property is taxed at 9% of its market value."
 18

19 **Section 3.** Section 15-6-201, MCA, is amended to read:

20 **"15-6-201. Exempt categories.** (1) The following categories of property are exempt from taxation:

- 21 (a) except as provided in 15-24-1203, the property of:
 - 22 (i) the United States, except:
 - 23 (A) if congress passes legislation that allows the state to tax property owned by the federal
 - 24 government or an agency created by congress; or
 - 25 (B) as provided in 15-24-1103;
 - 26 (ii) the state, counties, cities, towns, and school districts;
 - 27 (iii) irrigation districts organized under the laws of Montana and not operating for profit;
 - 28 (iv) municipal corporations;
 - 29 (v) public libraries; and
 - 30 (vi) rural fire districts and other entities providing fire protection under Title 7, chapter 33;

1 (b) buildings, with land they occupy and furnishings in the buildings, owned by a church and used
2 for actual religious worship or for residences of the clergy, together with adjacent land reasonably
3 necessary for convenient use of the buildings;

4 (c) property used exclusively for agricultural and horticultural societies, for educational purposes,
5 and for nonprofit health care facilities, as defined in 50-5-101, licensed by the department of health and
6 environmental sciences and organized under Title 35, chapter 2 or 3. A health care facility that is not
7 licensed by the department of health and environmental sciences and organized under Title 35, chapter 2
8 or 3, is not exempt.

9 (d) property that meets the following conditions:

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

12 (ii) is devoted exclusively to use in connection with a cemetery or cemeteries for which a
13 permanent care and improvement fund has been established as provided for in Title 35, chapter 20, part
14 3; and

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

16 (e) property owned by institutions of purely public charity and directly used for purely public
17 charitable purposes;

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

20 (g) public museums, art galleries, zoos, and observatories not used or held for private or corporate
21 profit;

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

25 (i) ~~a truck canopy cover covers or topper toppers weighing less than 300 pounds and having no~~
26 ~~accommodations attached. This property is also exempt from taxation under 61-3-504(2) and 61-3-537.~~
27 and campers;

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

29 (k) except as provided in 61-3-502, motor homes, ~~travel trailers, and campers;~~

30 (l) all watercraft;

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

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

7 (o) (i) property that is owned and used by a corporation or association organized and operated
 8 exclusively for the care of the developmentally disabled, mentally ill, or vocationally handicapped, as
 9 defined in 18-5-101, ~~which and that~~ is not operated for gain or profit; and

10 (ii) property owned and used by an organization owning and operating facilities that are for the care
 11 of the retired, aged, or chronically ill, ~~which that~~ are not operated for gain or profit;

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

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

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

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

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

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

24 (t) a title plant owned by a title insurer or a title insurance producer, as those terms are defined in
 25 33-25-105;

26 (u) ~~beginning January 1, 1994,~~ timber as defined in 15-44-102; and

27 (v) all trailers as defined in 61-1-111, and semitrailers ~~with a licensed gross weight of 26,000~~
 28 ~~pounds or more as defined in 61-1-112, pole trailers as defined in 61-1-114, and travel trailers as defined~~
 29 ~~in 61-1-131. For purposes of this subsection (v), the terms "trailer" and "semitrailer" mean a vehicle with~~
 30 ~~or without motive power that is:~~

1 ~~(i) designed and used only for carrying property;~~
 2 ~~(ii) designed and used to be drawn by a motor vehicle; and~~
 3 ~~(iii) either constructed so that no part of its weight rests upon the towing vehicle or constructed~~
 4 ~~so that some part of its weight and the weight of its load rests upon or is carried by another vehicle.~~

5 (2) (a) The term "institutions of purely public charity" includes any organization that meets the
 6 following requirements:

7 (i) The organization qualifies as a tax-exempt organization under the provisions of section 501(c)(3),
 8 Internal Revenue Code, as amended.

9 (ii) The organization accomplishes its activities through absolute gratuity or grants; however, the
 10 organization may solicit or raise funds by the sale of merchandise, memberships, or tickets to public
 11 performances or entertainment or by other similar types of fundraising activities.

12 (b) For the purposes of subsection (1)(g), the term "public museums, art galleries, zoos, and
 13 observatories" means governmental entities or nonprofit organizations whose principal purpose is to hold
 14 property for public display or for use as a museum, art gallery, zoo, or observatory. The exempt property
 15 includes all real and personal property reasonably necessary for use in connection with the public display
 16 or observatory use. Unless the property is leased for a profit to a governmental entity or nonprofit
 17 organization by an individual or for-profit organization, real and personal property owned by other persons
 18 is exempt if it is:

19 (i) actually used by the governmental entity or nonprofit organization as a part of its public display;

20 (ii) held for future display; or

21 (iii) used to house or store a public display.

22 (3) The following portions of the appraised value of a capital investment made after January 1,
 23 1979, in a recognized nonfossil form of energy generation or low emission wood or biomass combustion
 24 devices, as defined in 15-32-102, are exempt from taxation for a period of 10 years following installation
 25 of the property:

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

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

28
 29 **Section 4.** Section 15-8-111, MCA, is amended to read:

30 **"15-8-111. Assessment -- market value standard -- exceptions.** (1) All taxable property must be

1 assessed at 100% of its market value except as otherwise provided.

2 (2) (a) Market value is the value at which property would change hands between a willing buyer
3 and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable
4 knowledge of relevant facts.

5 (b) If the department uses construction cost as one approximation of market value, the department
6 shall fully consider reduction in value caused by depreciation, whether through physical depreciation,
7 functional obsolescence, or economic obsolescence.

8 (c) Except as provided in subsection (3), the market value of ~~all motor trucks; special mobile~~
9 equipment and of agricultural tools, implements, and machinery; ~~and vehicles of all kinds~~ is the average
10 wholesale value shown in national appraisal guides and manuals or the value ~~of the vehicle~~ before
11 reconditioning and profit margin. The department shall prepare valuation schedules showing the average
12 wholesale value when a national appraisal guide does not exist.

13 (3) The department may not adopt a lower or different standard of value from market value in
14 making the official assessment and appraisal of the value of property, except:

15 (a) the wholesale value for agricultural implements and machinery is the loan value as shown in
16 the Official Guide, Tractor and Farm Equipment, published by the national farm and power equipment
17 dealers association, St. Louis, Missouri;

18 (b) for agricultural implements and machinery not listed in the official guide, the department shall
19 prepare a supplemental manual in which the values reflect the same depreciation as those found in the
20 official guide; and

21 (c) as otherwise authorized in Title 15 and Title 61.

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

23 (5) The taxable value for all property is the percentage of market or assessed value established for
24 each class of property.

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

26 (a) Properties in 15-6-131, under class one, are assessed at 100% of the annual net proceeds after
27 deducting the expenses specified and allowed by 15-23-503 or, if applicable, as provided in 15-23-515,
28 15-23-516, or 15-23-517.

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

30 (c) Properties in 15-6-133, under class three, are assessed at 100% of the productive capacity of

1 the lands when valued for agricultural purposes. All lands that meet the qualifications of 15-7-202 are
2 valued as agricultural lands for tax purposes.

3 (d) Properties in 15-6-143, under class ten, are assessed at 100% of the forest productivity value
4 of the land when valued as forest land.

5 (7) Land and the improvements on the land are separately assessed when any of the following
6 conditions occur:

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

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

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

10

11 **Section 5.** Section 15-8-201, MCA, is amended to read:

12 "**15-8-201. General assessment day.** (1) The department shall, between January 1 and the second
13 Monday of July in each year, ascertain the names of all taxable inhabitants and assess all property subject
14 to taxation in each county. The department shall assess property to the person by whom it was owned or
15 claimed or in whose possession or control it was at midnight of the preceding January 1. The department
16 shall also ascertain and assess all mobile homes arriving in the county after midnight of the preceding
17 January 1. A mistake in the name of the owner or supposed owner of real property does not invalidate the
18 assessment.

19 (2) The procedure provided by this section does not apply to:

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

22 (b) motor homes, travel trailers, and campers;

23 (c) watercraft;

24 (d) livestock;

25 (e) property defined in 61-1-104 as "special mobile equipment" that is subject to assessment for
26 personal property taxes on the date that application is made for a special mobile equipment plate;

27 (f) mobile homes held by a distributor or dealer of mobile homes as stock in trade; and

28 (g) property subject to the provisions of 15-16-203.

29 (3) Credits must be assessed as provided in 15-1-101(1)(f)."

30

1 **Section 6.** Section 15-8-202, MCA, is amended to read:

2 **"15-8-202. Motor vehicle assessment by department of justice.** (1) ~~The department shall, in each~~
 3 ~~year, ascertain and assess all motor vehicles, other than motor homes, travel trailers, and campers or mobile~~
 4 ~~homes, in each county subject to taxation as of January 1 or as of the anniversary registration date of~~
 5 ~~those vehicles as provided by law, subject to 61-3-313 through 61-3-316 and 61-3-501. The assessment~~
 6 ~~for department of justice shall assess all motor vehicles must be made for taxation~~ in accordance with
 7 61-3-503. The motor vehicles must be assessed in each year to the persons by whom owned or claimed
 8 or in whose possession or control they were ~~at midnight of January 1 or on~~ the anniversary registration
 9 date, ~~whichever is applicable.~~

10 (2) A tax may not be assessed against motor vehicles subject to taxation that constitute inventory
 11 of motor vehicle dealers as of January 1. These vehicles and all other motor vehicles subject to taxation
 12 brought into the state subsequent to January 1 as motor vehicle dealers' inventories must be assessed to
 13 their respective purchasers as of the dates the vehicles are registered by the purchasers.

14 (3) "Purchasers" includes dealers who apply for registration or reregistration of motor vehicles,
 15 except as otherwise provided by 61-3-502.

16 (4) Goods, wares, and merchandise of motor vehicle dealers, other than new motor vehicles and
 17 new mobile homes, must be assessed at market value as of January 1."

18

19 **Section 7.** Section 15-16-202, MCA, is amended to read:

20 **"15-16-202. Boats, snowmobiles, and motor vehicles -- payment of current and back taxes and**
 21 **fees.** (1) The fee in lieu of personal property taxes assessed against a boat for the year in which application
 22 for decals is made and the immediately previous year must be paid before license decals may be issued
 23 pursuant to 23-2-515.

24 (2) The fee in lieu of tax imposed on a snowmobile for the year in which application for registration
 25 is made and the immediately previous year must be paid before a snowmobile may be registered pursuant
 26 to 23-2-616.

27 (3) Except for mobile homes as defined in 15-1-101, the new motor vehicle sales tax and the
 28 ~~personal property~~ motor vehicle tax or fee in lieu of tax imposed ~~or assessed~~ against a motor vehicle for
 29 the current year and the immediately previous year must be paid before a motor vehicle may be registered
 30 or reregistered pursuant to 61-3-303.

1 (4) The provisions of subsections 1 through 3 do not require payment of the immediately previous
2 year's taxes or fees if ~~such~~ the taxes or fees have already been paid."

3
4 **Section 8.** Section 15-24-101, MCA, is amended to read:

5 **"15-24-101. Assessment of proportionally registered interstate motor vehicle fleets -- tax payment**
6 **required for registration.** (1) The department of ~~revenue~~ transportation shall assess, for the purpose of
7 ~~personal property~~ motor vehicle taxes, the taxable vehicles in interstate motor vehicle fleets proportionally
8 registered under the provisions of 61-3-711 through 61-3-733~~7~~, ~~and the~~ The assessment must be
9 apportioned on the ratio of total miles traveled to in-state miles traveled as prescribed by 61-3-721.
10 Interstate motor vehicle fleets are ~~assessable~~ assessed for taxation ~~purposes~~ upon application for
11 proportional registration and are assessed to the persons who own or claim the fleet or in whose possession
12 or control the fleet is at the time of the application.

13 (2) With respect to any fleet contained in an original application that has a situs for the purpose
14 of property taxation in Montana by the terms of this part or any other provision of the laws of Montana,
15 the taxes on taxable vehicles are apportioned as provided in 15-24-303.

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

18 (4) ~~Automobiles and trucks having a rated capacity of 1 ton or less that are part of an interstate~~
19 ~~motor vehicle fleet are subject to property tax. If the fleet is proportionally registered, the tax is apportioned~~
20 ~~in the same fashion as the registration fee under 61-3-721.~~

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

26
27 **Section 9.** Section 15-24-102, MCA, is amended to read:

28 **"15-24-102. Valuation of interstate fleets -- determination of aggregate tax due —exemption from**
29 **mill levies.** The department of ~~revenue~~ transportation shall assess the taxable vehicles of any interstate
30 motor vehicle fleet making application for proportional registration, as follows:

1 (1) The ~~purchase~~ manufacturer's suggested retail price, as defined in 61-3-503, for each vehicle,
2 ~~of the taxable vehicles~~ depreciated by a the schedule as prescribed by the department contained in
3 61-3-503, determines the depreciated value for the vehicle.

4 (2) The depreciated value multiplied by the percent of miles traveled in Montana, as prescribed by
5 61-3-721, is the market value.

6 (3) The sum of the market value of all taxable vehicles included in the fleet multiplied by ~~9%~~ 2%
7 is the ~~taxable value tax~~ tax for the entire fleet ~~as provided in 15-6-138.~~

8 (4) ~~To determine the amount of tax due, the taxable value of the entire fleet must be multiplied by~~
9 ~~the statewide average county mill levy plus state levies as provided in 15-24-103~~ Vehicles taxed as part
10 of a fleet under this section are not subject to the local option vehicle tax imposed under 61-3-537.

11 (5) ~~To determine the tax due under this chapter, state levies applicable to interstate motor vehicle~~
12 ~~fleets include but are not limited to levies imposed under 15-10-101, 15-10-106, 20-9-331, 20-9-333,~~
13 ~~20-9-360, and 53-2-813.~~

14 ~~{6}~~ All taxes and fees collected on motor vehicle fleets under this chapter must be deposited and
15 distributed as provided in 15-24-105."
16

17 **Section 10.** Section 15-24-103, MCA, is amended to read:

18 ~~"15-24-103. Determination of average levy in state — application to interstate fleets — cost~~ **Cost**
19 **stated in application for registration -- alternative valuation.** ~~(1) The department of revenue shall determine~~
20 ~~the aggregate tax in the entire state for state, county, and local purposes levied on the general property~~
21 ~~of the state in the previous year, excluding special levies on property for local improvements and special~~
22 ~~state levies on livestock for bounties, inspection, and protection purposes.~~

23 ~~(2) From the total taxable valuation of the general property of the state, including net proceeds and~~
24 ~~the aggregate tax as determined, the department shall compute the average levy by dividing the aggregate~~
25 ~~tax by the total state taxable valuation. The rate so determined shall constitute the rate of taxation on the~~
26 ~~taxable value of taxable vehicles of an interstate motor vehicle fleet.~~

27 ~~{3}~~ The original cost of each taxable vehicle ~~shall~~ must be included on the application for
28 proportional registration under the provisions of 61-3-711 through 61-3-733. The department of
29 transportation shall determine ~~the original cost when the owner does not have this information on new or~~
30 ~~used vehicles or in the case of rebuilt vehicles~~ an alternative valuation only for motor vehicles for which

1 a published manufacturer's suggested retail price is not available. The department may consider the original
 2 cost of the vehicle in determining the alternative valuation. The department shall, in determining the
 3 alternative valuation, apply the rules and guidelines established by the department of justice pursuant to
 4 61-3-506(2)."

5

6 **Section 11.** Section 15-24-104, MCA, is amended to read:

7 **"15-24-104. Situs in state of proportionally registered fleets -- collection of taxes and fees.** (1) For
 8 the purposes of this part, any vehicle previously registered or that has had application for registration made
 9 under the provisions of 61-3-711 through 61-3-733 has a situs in the state for the purposes of taxation.

10 (2) The department ~~or its designated agent of transportation~~ shall collect the ~~personal property~~
 11 taxes ~~or~~ and license fees, ~~or both,~~ prescribed in this part."

12

13 **Section 12.** Section 15-24-105, MCA, is amended to read:

14 **"15-24-105. Deposit and distribution of taxes and fees on proportionally registered fleets.** The
 15 ~~personal property fleet vehicle~~ taxes and license fees collected under this part shall ~~shall~~ must be deposited with
 16 the state treasurer for distribution to the general fund of each county on the following basis:

17 (1) for ~~personal property fleet vehicle~~ taxes, according to the ratio of the taxable valuation of each
 18 county to the total state taxable valuation; and

19 (2) for fleet vehicle license fees, according to the ratio of vehicle license fees, other than fees
 20 derived from interstate motor vehicle fleets, collected in each county to the sum of all ~~such~~ fleet vehicle
 21 fees collected in all the counties."

22

23 **Section 13.** Section 20-9-141, MCA, is amended to read:

24 **"20-9-141. Computation of general fund net levy requirement by county superintendent.** (1) The
 25 county superintendent shall compute the levy requirement for each district's general fund on the basis of
 26 the following procedure:

27 (a) Determine the funding required for the district's final general fund budget less the sum of direct
 28 state aid and the special education allowable cost payment for the district by totaling:

29 (i) the district's nonisolated school BASE budget requirement to be met by a district levy as
 30 provided in 20-9-303; and

1 (ii) any general fund budget amount adopted by the trustees of the district under the provisions
2 of 20-9-308 and 20-9-353, including any additional funding for a general fund budget that exceeds the
3 maximum general fund budget.

4 (b) Determine the money available for the reduction of the property tax on the district for the
5 general fund by totaling:

6 (i) general fund balance reappropriated, as established under the provisions of 20-9-104;

7 (ii) amounts received in the last fiscal year for which revenue reporting was required for each of
8 the following:

9 (A) tuition payments for out-of-district pupils under the provisions of 20-5-321 through 20-5-323;

10 (B) revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504(2),
11 61-3-521, 61-3-537, and 67-3-204;

12 (C) net proceeds taxes for new production, production from horizontally completed wells, and
13 incremental production, as defined in 15-23-601;

14 (D) interest earned by the investment of general fund cash in accordance with the provisions of
15 20-9-213(4);

16 (E) revenue from corporation license taxes collected from financial institutions under the provisions
17 of 15-31-702; and

18 (F) any other revenue received during the school fiscal year that may be used to finance the general
19 fund, excluding any guaranteed tax base aid; and

20 (iii) (A) pursuant to subsection (4), anticipated revenue from local government severance taxes as
21 provided in 15-36-112; and

22 (B) pursuant to subsection (4), anticipated revenue from coal gross proceeds under 15-23-703.

23 (c) Notwithstanding the provisions of subsection (2), subtract the money available to reduce the
24 property tax required to finance the general fund that has been determined in subsection (1)(b) from any
25 general fund budget amount adopted by the trustees of the district, up to the BASE budget amount, to
26 determine the general fund BASE budget levy requirement.

27 (d) Subtract any amount remaining after the determination in subsection (1)(c) from any additional
28 funding requirement to be met by an over-BASE budget amount, a district levy as provided in 20-9-303,
29 and any additional financing as provided in 20-9-353 to determine any additional general fund levy
30 requirements.

1 (2) The county superintendent shall calculate the number of mills to be levied on the taxable
2 property in the district to finance the general fund levy requirement for any amount that does not exceed
3 the BASE budget amount for the district by dividing the amount determined in subsection (1)(c) by the sum
4 of:

5 (a) the amount of guaranteed tax base aid that the district will receive for each mill levied, as
6 certified by the superintendent of public instruction; and

7 (b) the taxable valuation of the district divided by 1,000.

8 (3) The net general fund levy requirement determined in subsections (1)(c) and (1)(d) must be
9 reported to the county commissioners on the fourth Monday of August by the county superintendent as
10 the general fund net levy requirement for the district, and a levy must be set by the county commissioners
11 in accordance with 20-9-142.

12 (4) For each school district, the department of revenue shall calculate and report to the county
13 superintendent the amount of revenue anticipated for the ensuing fiscal year from local government
14 severance taxes, as provided in 15-36-112, and from revenue from coal gross proceeds under 15-23-703."
15

16 **Section 14.** Section 20-9-331, MCA, is amended to read:

17 **"20-9-331. Basic county tax and other revenues revenue for county equalization of the elementary**
18 **district BASE funding program.** (1) The county commissioners of each county shall levy an annual basic tax
19 of 33 mills on the dollar of the taxable value of all taxable property within the county, except for property
20 subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204, for
21 the purposes of local and state BASE funding program support. The revenue collected from this levy must
22 be apportioned to the support of the elementary BASE funding programs of the school districts in the
23 county and to the state special revenue fund, state equalization aid account, in the following manner:

24 (a) In order to determine the amount of revenue raised by this levy that is retained by the county,
25 the sum of the estimated revenue identified in subsection (2) must be subtracted from the total of the BASE
26 funding programs of all elementary districts of the county.

27 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is
28 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds
29 to the state treasurer for deposit to the state special revenue fund, state equalization aid account,
30 immediately upon occurrence of a surplus balance and each subsequent month thereafter, with any final

1 remittance due no later than June 20 of the fiscal year for which the levy has been set.

2 (2) The revenue realized from the county's portion of the levy prescribed by this section and the
3 revenue from the following sources must be used for the equalization of the elementary BASE funding
4 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue
5 by the county treasurer in accordance with 20-9-212(1):

6 (a) the portion of the federal Taylor Grazing Act funds distributed to a county and designated for
7 the common school fund under the provisions of 17-3-222;

8 (b) the portion of the federal flood control act funds distributed to a county and designated for
9 expenditure for the benefit of the county common schools under the provisions of 17-3-232;

10 (c) all money paid into the county treasury as a result of fines for violations of law, except money
11 paid to a justice's court, and the use of which is not otherwise specified by law;

12 (d) any money remaining at the end of the immediately preceding school fiscal year in the county
13 treasurer's accounts for the various sources of revenue established or referred to in this section;

14 (e) any federal or state money distributed to the county as payment in lieu of property taxation,
15 including federal forest reserve funds allocated under the provisions of 17-3-213;

16 (f) gross proceeds taxes from coal under 15-23-703;

17 (g) net proceeds taxes for new production, production from horizontally completed wells, and
18 incremental production, as defined in 15-23-601, and local government severance taxes on any other
19 production occurring after December 31, 1988; and

20 (h) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,
21 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204."

22

23 **Section 15.** Section 20-9-333, MCA, is amended to read:

24 **"20-9-333. Basic special levy and other revenues for county equalization of high school district**
25 **BASE funding program.** (1) The county commissioners of each county shall levy an annual basic special tax
26 for high schools of 22 mills on the dollar of the taxable value of all taxable property within the county,
27 except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537,
28 and 67-3-204, for the purposes of local and state BASE funding program support. The revenue collected
29 from this levy must be apportioned to the support of the BASE funding programs of high school districts
30 in the county and to the state special revenue fund, state equalization aid account, in the following manner:

1 (a) In order to determine the amount of revenue raised by this levy that is retained by the county,
 2 the sum of the estimated revenue identified in subsection (2) must be subtracted from the sum of the
 3 county's high school tuition obligation and the total of the BASE funding programs of all high school
 4 districts of the county.

5 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is
 6 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds
 7 to the state treasurer for deposit to the state special revenue fund, state equalization aid account,
 8 immediately upon occurrence of a surplus balance and each subsequent month thereafter, with any final
 9 remittance due no later than June 20 of the fiscal year for which the levy has been set.

10 (2) The revenue realized from the county's portion of the levy prescribed in this section and the
 11 revenue from the following sources must be used for the equalization of the high school BASE funding
 12 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue
 13 by the county treasurer in accordance with 20-9-212(1):

14 (a) any money remaining at the end of the immediately preceding school fiscal year in the county
 15 treasurer's accounts for the various sources of revenue established in this section;

16 (b) any federal or state money distributed to the county as payment in lieu of property taxation,
 17 including federal forest reserve funds allocated under the provisions of 17-3-213;

18 (c) gross proceeds taxes from coal under 15-23-703;

19 (d) net proceeds taxes for new production, production from horizontally completed wells, and
 20 incremental production, as defined in 15-23-601, and local government severance taxes on any other
 21 production occurring after December 31, 1988; and

22 (e) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,
 23 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204."

24
 25 **Section 16.** Section 20-9-360, MCA, is amended to read:

26 "**20-9-360. State equalization aid levy.** (1) There is a levy of 40 mills imposed by the county
 27 commissioners of each county on all taxable property within the state, except property for which a tax or
 28 fee is required under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204. Except as
 29 provided in subsection (2), proceeds of the levy must be remitted to the state treasurer and must be
 30 deposited to the credit of the state special revenue fund for state equalization aid to the public schools of

1 Montana.

2 (2) For the benefit of each municipality that created an urban renewal area and adopted a tax
3 increment financing provision for the urban renewal area prior to July 1, 1990, the state treasurer shall
4 distribute each fiscal year from the state equalization aid levy to the municipality the amount, if any, equal
5 to the product of the incremental taxable value of the urban renewal area times the reduced school levy
6 for the area, each calculated for the fiscal year. The reduced school levy for a fiscal year is the difference
7 between the aggregate amount of all property tax levies for school purposes in the urban renewal area,
8 expressed in mills, in the fiscal year ended June 30, 1989, and the aggregate amount of all property tax
9 levies for school purposes in the area or the district, expressed in mills, in the fiscal year, including the state
10 equalization aid levy. The state treasurer shall distribute the amounts to municipalities in two equal
11 installments on December 31 and June 30 of the fiscal year."

12

13 **Section 17.** Section 20-9-501, MCA, is amended to read:

14 **"20-9-501. Retirement fund.** (1) The trustees of a district employing personnel who are members
15 of the teachers' retirement system or the public employees' retirement system or who are covered by
16 unemployment insurance or who are covered by any federal social security system requiring employer
17 contributions shall establish a retirement fund for the purposes of budgeting and paying the employer's
18 contributions to the systems. The district's contribution for each employee who is a member of the
19 teachers' retirement system must be calculated in accordance with Title 19, chapter 20, part 6. The
20 district's contribution for each employee who is a member of the public employees' retirement system must
21 be calculated in accordance with 19-3-316. The district's contributions for each employee covered by any
22 federal social security system must be paid in accordance with federal law and regulation. The district's
23 contribution for each employee who is covered by unemployment insurance must be paid in accordance
24 with Title 39, chapter 51, part 11.

25 (2) The trustees of a district required to make a contribution to a system referred to in subsection
26 (1) shall include in the retirement fund of the preliminary budget the estimated amount of the employer's
27 contribution. After the final retirement fund budget has been adopted, the trustees shall pay the employer
28 contributions to the systems in accordance with the financial administration provisions of this title.

29 (3) When the final retirement fund budget has been adopted, the county superintendent shall
30 establish the levy requirement by:

1 (a) determining the sum of the money available to reduce the retirement fund levy requirement by
2 adding:

3 (i) any anticipated money that may be realized in the retirement fund during the ensuing school
4 fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,
5 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204;

6 (ii) net proceeds taxes and local government severance taxes on any other oil and gas production
7 occurring after December 31, 1988;

8 (iii) coal gross proceeds taxes under 15-23-703;

9 (iv) any fund balance available for reappropriation as determined by subtracting the amount of the
10 end-of-the-year fund balance earmarked as the retirement fund operating reserve for the ensuing school
11 fiscal year by the trustees from the end-of-the-year fund balance in the retirement fund. The retirement fund
12 operating reserve may not be more than 35% of the final retirement fund budget for the ensuing school
13 fiscal year and must be used for the purpose of paying retirement fund warrants issued by the district under
14 the final retirement fund budget; and

15 (v) any other revenue anticipated that may be realized in the retirement fund during the ensuing
16 school fiscal year, excluding any guaranteed tax base aid.

17 (b) notwithstanding the provisions of subsection (8), subtracting the money available for reduction
18 of the levy requirement, as determined in subsection (3)(a), from the budgeted amount for expenditures in
19 the final retirement fund budget.

20 (4) The county superintendent shall:

21 (a) total the net retirement fund levy requirements separately for all elementary school districts,
22 all high school districts, and all community college districts of the county, including any prorated joint
23 district or special education cooperative agreement levy requirements; and

24 (b) report each levy requirement to the county commissioners on the fourth Monday of August as
25 the respective county levy requirements for elementary district, high school district, and community college
26 district retirement funds.

27 (5) The county commissioners shall fix and set the county levy in accordance with 20-9-142.

28 (6) The net retirement fund levy requirement for a joint elementary district or a joint high school
29 district must be prorated to each county in which a part of the district is located in the same proportion as
30 the district ANB of the joint district is distributed by pupil residence in each county. The county

1 superintendents of the counties affected shall jointly determine the net retirement fund levy requirement
2 for each county as provided in 20-9-151.

3 (7) The net retirement fund levy requirement for districts that are members of special education
4 cooperative agreements must be prorated to each county in which the district is located in the same
5 proportion as the special education cooperative budget is prorated to the member school districts. The
6 county superintendents of the counties affected shall jointly determine the net retirement fund levy
7 requirement for each county in the same manner as provided in 20-9-151 and the county commissioners
8 shall fix and levy the net retirement fund levy for each county in the same manner as provided in 20-9-152.

9 (8) The county superintendent shall calculate the number of mills to be levied on the taxable
10 property in the county to finance the retirement fund net levy requirement by dividing the amount
11 determined in subsection (4)(a) by the sum of:

12 (a) the amount of guaranteed tax base aid that the county will receive for each mill levied, as
13 certified by the superintendent of public instruction; and

14 (b) the taxable valuation of the district divided by 1,000."
15

16 **Section 18.** Section 20-10-144, MCA, is amended to read:

17 **"20-10-144. Computation of revenue and net tax levy requirements for district transportation fund**
18 **budget.** Before the fourth Monday of July and in accordance with 20-9-123, the county superintendent
19 shall compute the revenue available to finance the transportation fund budget of each district. The county
20 superintendent shall compute the revenue for each district on the following basis:

21 (1) The "schedule amount" of the preliminary budget expenditures that is derived from the rate
22 schedules in 20-10-141 and 20-10-142 must be determined by adding the following amounts:

23 (a) the sum of the maximum reimbursable expenditures for all approved school bus routes
24 maintained by the district (to determine the maximum reimbursable expenditure, multiply the applicable rate
25 per bus mile by the total number of miles to be traveled during the ensuing school fiscal year on each bus
26 route approved by the county transportation committee and maintained by the district); plus

27 (b) the total of all individual transportation per diem reimbursement rates for the district as
28 determined from the contracts submitted by the district multiplied by the number of pupil-instruction days
29 scheduled for the ensuing school attendance year; plus

30 (c) any estimated costs for supervised home study or supervised correspondence study for the

1 ensuing school fiscal year; plus

2 (d) the amount budgeted on the preliminary budget for the contingency amount permitted in
3 20-10-143, except if the amount exceeds 10% of the total of subsections (1)(a), (1)(b), and (1)(c) or \$100,
4 whichever is larger, the contingency amount on the preliminary budget must be reduced to the limitation
5 amount and used in this determination of the schedule amount; plus

6 (e) any estimated costs for transporting a child out of district when the child has mandatory
7 approval to attend school in a district outside the district of residence.

8 (2) (a) The schedule amount determined in subsection (1) or the total preliminary transportation
9 fund budget, whichever is smaller, is divided by 2 and is used to determine the available state and county
10 revenue to be budgeted on the following basis:

11 (i) one-half is the budgeted state transportation reimbursement, except that the state transportation
12 reimbursement for the transportation of special education pupils under the provisions of 20-7-442 must be
13 50% of the schedule amount attributed to the transportation of special education pupils; and

14 (ii) one-half is the budgeted county transportation fund reimbursement and must be financed in the
15 manner provided in 20-10-146.

16 (b) When the district has a sufficient amount of cash for reappropriation and other sources of
17 district revenue, as determined in subsection (3), to reduce the total district obligation for financing to zero,
18 any remaining amount of district revenue and cash reappropriated must be used to reduce the county
19 financing obligation in subsection (2)(a)(ii) and, if the county financing obligations are reduced to zero, to
20 reduce the state financial obligation in subsection (2)(a)(i).

21 (c) The county revenue requirement for a joint district, after the application of any district money
22 under subsection (2)(b), must be prorated to each county incorporated by the joint district in the same
23 proportion as the ANB of the joint district is distributed by pupil residence in each county.

24 (3) The total of the money available for the reduction of property tax on the district for the
25 transportation fund must be determined by totaling:

26 (a) anticipated federal money received under the provisions of Title I of Public Law 81-874 or other
27 anticipated federal money received in lieu of that federal act;

28 (b) anticipated payments from other districts for providing school bus transportation services for
29 the district;

30 (c) anticipated payments from a parent or guardian for providing school bus transportation services

1 for a child;

2 (d) anticipated or reappropriated interest to be earned by the investment of transportation fund
3 cash in accordance with the provisions of 20-9-213(4);

4 (e) anticipated or reappropriated revenue from property taxes and fees imposed under 23-2-517,
5 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204;

6 (f) anticipated revenue from coal gross proceeds under 15-23-703;

7 (g) anticipated net proceeds taxes for new production, production from horizontally completed
8 wells, and incremental production, as defined in 15-23-601, and local government severance taxes on any
9 other production occurring after December 31, 1988;

10 (h) anticipated transportation payments for out-of-district pupils under the provisions of 20-5-320
11 through 20-5-324;

12 (i) any other revenue anticipated by the trustees to be earned during the ensuing school fiscal year
13 that may be used to finance the transportation fund; and

14 (j) any fund balance available for reappropriation as determined by subtracting the amount of the
15 end-of-the-year fund balance earmarked as the transportation fund operating reserve for the ensuing school
16 fiscal year by the trustees from the end-of-the-year fund balance in the transportation fund. The operating
17 reserve may not be more than 20% of the final transportation fund budget for the ensuing school fiscal year
18 and is for the purpose of paying transportation fund warrants issued by the district under the final
19 transportation fund budget.

20 (4) The district levy requirement for each district's transportation fund must be computed by:

21 (a) subtracting the schedule amount calculated in subsection (1) from the total preliminary
22 transportation budget amount; and

23 (b) subtracting the amount of money available to reduce the property tax on the district, as
24 determined in subsection (3), from the amount determined in subsection (4)(a).

25 (5) The transportation fund levy requirements determined in subsection (4) for each district must
26 be reported to the county commissioners on the fourth Monday of August by the county superintendent
27 as the transportation fund levy requirements for the district, and the levy must be made by the county
28 commissioners in accordance with 20-9-142."

29

30 **Section 19.** Section 20-10-146, MCA, is amended to read:

1 **"20-10-146. County transportation reimbursement.** (1) The apportionment of the county
2 transportation reimbursement by the county superintendent for school bus transportation or individual
3 transportation that is actually rendered by a district in accordance with this title, board of public education
4 transportation policy, and the transportation rules of the superintendent of public instruction must be the
5 same as the state transportation reimbursement payment, except that:

6 (a) if any cash was used to reduce the budgeted county transportation reimbursement under the
7 provisions of 20-10-144(2)(b), the annual apportionment is limited to the budget amount;

8 (b) when the county transportation reimbursement for a school bus has been prorated between two
9 or more counties because the school bus is conveying pupils of more than one district located in the
10 counties, the apportionment of the county transportation reimbursement must be adjusted to pay the
11 amount computed under the proration; and

12 (c) when county transportation reimbursement is required under the mandatory attendance
13 agreement provisions of 20-5-321.

14 (2) The county transportation net levy requirement for the financing of the county transportation
15 fund reimbursements to districts is computed by:

16 (a) totaling the net requirement for all districts of the county, including reimbursements to a special
17 education cooperative or prorated reimbursements to joint districts or reimbursements under the mandatory
18 attendance agreement provisions of 20-5-321;

19 (b) determining the sum of the money available to reduce the county transportation net levy
20 requirement by adding:

21 (i) anticipated money that may be realized in the county transportation fund during the ensuing
22 school fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517,
23 23-2-803, 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204;

24 (ii) net proceeds taxes and local government severance taxes on other oil and gas production
25 occurring after December 31, 1988;

26 (iii) coal gross proceeds taxes under 15-23-703;

27 (iv) any fund balance available for reappropriation from the end-of-the-year fund balance in the
28 county transportation fund;

29 (v) federal forest reserve funds allocated under the provisions of 17-3-213; and

30 (vi) other revenue anticipated that may be realized in the county transportation fund during the

1 ensuing school fiscal year; and

2 (c) subtracting the money available as determined in subsection (2)(b) to reduce the levy
3 requirement from the county transportation net levy requirement.

4 (3) The net levy requirement determined in subsection (2)(c) must be reported to the county
5 commissioners on the fourth Monday of August by the county superintendent and a levy must be set by
6 the county commissioners in accordance with 20-9-142.

7 (4) The county superintendent shall apportion the county transportation reimbursement from the
8 proceeds of the county transportation fund. The county superintendent shall order the county treasurer to
9 make the apportionments in accordance with 20-9-212(2) and after the receipt of the semiannual state
10 transportation reimbursement payments."

11

12 **Section 20.** Section 61-1-129, MCA, is amended to read:

13 "61-1-129. **Camper.** The term "camper" as used in 61-1-102, 61-3-524, and 61-3-525 includes
14 but is not limited to truck camper, chassis-mounted camper, ~~cab-over cab-over~~, half ~~cab-over cab-over~~, ~~non~~
15 ~~cab-over noncab-over~~, telescopic, and telescopic ~~cab-over~~, but cab-over. The term does not include a truck
16 canopy cover or topper ~~weighing less than 300 pounds and~~ having no accommodations attached."

17

18 **Section 21.** Section 61-3-101, MCA, is amended to read:

19 "**61-3-101. Duties of department -- records.** (1) The department shall keep a record as specified
20 in this section of all motor vehicles, trailers, and semitrailers of every kind, and of certificates of registration
21 and ownership of those vehicles, and of all manufacturers and dealers in motor vehicles.

22 (2) The record must show the following:

23 (a) name of owner, residence address by street or rural route, town, and county, and mailing
24 address if different than residence address;

25 (b) name and address of conditional sales vendor, mortgagee, or other lienholder and amount due
26 under contract or lien;

27 (c) manufacturer of vehicle;

28 (d) manufacturer's designation of style of vehicle;

29 (e) identifying number;

30 (f) year of manufacture;

- 1 (g) character of motive power and shipping weight of vehicle as shown by the manufacturer;
- 2 (h) the distinctive license number assigned to the vehicle, if any;
- 3 (i) if a truck or trailer, the number of tons' capacity or GVW if imprinted on manufacturer's
- 4 identification plate;
- 5 (j) except as provided in 61-3-103, the name and complete address of any holder of a perfected
- 6 security interest in the vehicle; and
- 7 (k) other information that may from time to time be found desirable.

8 (3) The department shall file applications for registration received by it from the county treasurers

9 of the state and register the vehicles and the vehicle owners as follows:

- 10 (a) under the distinctive license number assigned to the vehicle by the county treasurer;
- 11 (b) alphabetically under the name of the owner;
- 12 (c) numerically under make and identifying number of the vehicle; and
- 13 (d) other index of registration as the department considers expedient.

14 (4) The department shall determine the amount of the motor vehicle tax and fees to be collected

15 at the time of registration for each motor vehicle. The amount of the tax must be based on the depreciated

16 value established for each type of motor vehicle according to law. The county treasurer shall collect the

17 taxes and fees on each motor vehicle at the time of its registration.

18 (5) Vehicle registration records and indexes and driver's license records and indexes may be

19 maintained by electronic recording and storage media.

20 ~~(6)~~(6) In the case of dealers, the records must show the information contained in the application

21 for dealer's license as required by 61-4-101 through 61-4-105, as well as the distinctive license number

22 assigned to the dealer.

23 ~~(7)~~(7) In order to prevent an accumulation of unneeded records and files, regardless of any other

24 statutory requirements, the department may destroy all records and files that relate to vehicles that have

25 not been registered within the preceding 4 years and that do not have an active lien.

26 ~~(8)~~(8) All records must be open to inspection during all reasonable business hours, and the

27 department shall furnish any information from the records upon payment by the applicant of the cost of the

28 information requested. Prior to providing the information, the department may require the applicant to

29 provide identification. However, the department may, by rule, reasonably restrict disclosure of information

30 on an owner or the owner's vehicle if the owner has requested in writing that the department not disclose

1 the information."

2

3 **Section 22.** Section 61-3-208, MCA, is amended to read:

4 **"61-3-208. Affidavit and bond for certificate.** (1) If an applicant for a motor vehicle certificate of
5 title cannot provide the department with a certificate of title transferred to the applicant, the department
6 may issue a certificate of title for the vehicle if the applicant furnishes an affidavit in a form prescribed by
7 the department.

8 (2) The affidavit must be signed and sworn to before an officer authorized to administer oaths and
9 affirmations. The affidavit must accompany the application for the certificate of title and include:

10 (a) the facts and circumstances through which the applicant acquired ownership and possession
11 of the motor vehicle;

12 (b) information as required by the department to enable it to determine what security interests,
13 liens, and encumbrances against the motor vehicle, if any, are outstanding against the motor vehicle;

14 (c) the date and the amount secured by the security interests, liens, and encumbrances, if any; and

15 (d) a statement that the applicant has the right to have a certificate of title issued.

16 (3) If after examination of the application, affidavit, and any other evidence the department
17 determines that a certificate of title for the motor vehicle should be issued to the applicant, the department
18 shall require the applicant to file with the department a good and sufficient bond before issuing the
19 certificate of title. The bond must be:

20 (a) in an amount equal to the value of the motor vehicle as determined under the provisions of
21 61-3-503(1)(e) for the year in which the application for certificate of title is made;

22 (b) conditioned to indemnify a prior owner, lienholder, subsequent purchaser, secured creditor, or
23 encumbrancer of the motor vehicle, and any respective successors in interest, against expenses, losses,
24 or damages caused by the issuance of the certificate or by a defect in or undisclosed security interest upon
25 the right, title, and interest of the applicant in the motor vehicle; and

26 (c) issued by a surety company authorized to do business in the state.

27 (4) Any interested person has a right of action to recover on the bond for a breach of its
28 conditions, but the aggregate liability of the surety to all persons may not exceed the amount of the bond.

29 (5) Unless the department has been notified of a pending action to recover the bond, the
30 department shall return the bond at the earlier of:

1 (a) 3 years from the date of issuance of the certificate of title; or

2 (b) the date of surrender of the valid certificate of title to the department if the vehicle is no longer
3 registered in this state."

4
5 **Section 23.** Section 61-3-303, MCA, is amended to read:

6 **"61-3-303. Application for registration.** (1) ~~Every~~ Each owner of a motor vehicle operated or driven
7 upon the public highways of this state shall for each motor vehicle owned, except as otherwise provided
8 in this section, file or cause to be filed in the office of the county treasurer where the owner permanently
9 resides at the time of making the application or, if the vehicle is owned by a corporation or used primarily
10 for commercial purposes, in the taxing jurisdiction of the county where the vehicle is permanently assigned,
11 an application for registration or reregistration upon a blank form to be prepared and furnished by the
12 department of justice. The application must contain:

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

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

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

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

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

23 (a) the registration fee, as provided in 61-3-311 and 61-3-321; and

24 (b) unless it has been previously paid:

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

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

28 (3) The application may not be accepted by the county treasurer unless the payments required by
29 subsection (2) accompany the application. The department ~~of revenue~~ may not assess and the county
30 treasurer may not collect taxes or fees for a period other than:

- 1 (a) the current year; and
- 2 (b) the immediately previous year if the vehicle was not registered or operated on the highways
- 3 of the state, regardless of the period of time since the vehicle was previously registered or operated.
- 4 (4) The department ~~of revenue~~ may make full and complete investigation of the tax status of the
- 5 vehicle. Any applicant for registration or reregistration shall submit proof from the tax or other appropriate
- 6 records of the proper county at the request of the department ~~of revenue~~."

7

8 **Section 24.** Section 61-3-501, MCA, is amended to read:

9 "**61-3-501. When vehicle taxes and fees are due.** (1) Property Motor vehicle taxes, new car motor

10 vehicle taxes, and fees must be paid on the date of registration or reregistration of the vehicle.

11 (2) If the anniversary date for reregistration of a vehicle passes while the vehicle is owned and held

12 for sale by a licensed new or used car dealer, property motor vehicle taxes abate on ~~such~~ the vehicle

13 properly reported with the ~~department of revenue~~ county treasurer until the vehicle is sold and ~~thereafter~~

14 after the sale, the purchaser shall pay the pro rata balance of the taxes due and owing on the vehicle.

15 (3) In the event a vehicle's registration period is changed under 61-3-315, all taxes and other fees

16 ~~due thereon shall~~ must be prorated and paid from the last day of the old period until the first day of the new

17 period in which the vehicle ~~shall be~~ is registered. ~~Thereafter~~ The taxes and other fees must be paid from

18 the first day of the new period for a minimum period of 1 year. When the change is to a later registration

19 period, taxes and fees ~~shall~~ must be prorated and paid based on the same tax year as the original

20 registration period. Thereafter, during the appropriate anniversary registration period, each vehicle ~~shall~~

21 must again ~~register or reregister~~ be registered or reregistered and ~~shall pay~~ all taxes and fees due ~~thereon~~

22 must be paid for a 12-month period."

23

24 **Section 25.** Section 61-3-502, MCA, is amended to read:

25 "**61-3-502. Sales tax on new motor vehicles -- exemptions.** (1) In consideration of the right to use

26 the highways of the state, there is imposed a tax upon all sales of new motor vehicles, including motor

27 homes, quadricycles, and motorcycles, but excluding trailers, semitrailers, pole trailers, travel trailers, and

28 ~~house trailers~~ mobile homes, for which a license is sought and an original application for title is made. The

29 tax must be paid by the purchaser when the purchaser applies for an original Montana license through the

30 county treasurer.

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

2 (a) ~~1 1/2% of the f.o.b. factory list price or f.o.b. port of entry list~~ manufacturer's suggested retail
3 price as defined in 61-3-503, during the first quarter of the year or for a registration period other than a
4 calendar year or calendar quarter;

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

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

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

8 (3) If the manufacturer or importer fails to furnish the ~~f.o.b. factory list price or f.o.b. port of entry~~
9 ~~list~~ manufacturer's suggested retail price, the department ~~of transportation may use published price lists~~
10 shall use the alternative valuation as determined by the department of justice.

11 (4) The new ~~car~~ motor vehicle sales tax on vehicles subject to the provisions of 61-3-313 through
12 61-3-316 is 1 1/2% of the ~~f.o.b. factory list price or f.o.b. port of entry list~~ manufacturer's suggested retail
13 price, regardless of the month in which the new vehicle is purchased, and must be for a 12-month period.

14 (5) The sales tax on new motor vehicles registered as part of a fleet under 61-3-318 is 3/4 of 1%
15 of the ~~f.o.b. factory list price or f.o.b. port of entry list~~ manufacturer's suggested retail price.

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

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

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

28 (b) A motor vehicle may not be registered or licensed under the provisions of this subsection unless
29 the application for registration is accompanied by a statement of origin to be furnished by the dealer selling
30 the vehicle, showing that the vehicle has not previously been registered or owned, except as otherwise

1 provided in this section, by any person, firm, corporation, or association that is not a new motor vehicle
 2 dealer holding a franchise or distribution agreement from a new ~~car~~ motor vehicle manufacturer, distributor,
 3 or importer.

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

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

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

13

14 **Section 26.** Section 61-3-503, MCA, is amended to read:

15 "**61-3-503. Assessment.** (1) Except as provided in 61-3-520 and subsection ~~(2)~~ (4) of this section,
 16 the following apply to the taxation of motor vehicles:

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

22 ~~(b) Except as provided in subsection (1)(c), motor vehicles are assessed for taxes on January 1 in~~
 23 ~~each year irrespective of the time fixed by law for the assessment of other classes of personal property and~~
 24 ~~irrespective of whether the levy and tax may be a lien upon real property within the state. A motor vehicle~~
 25 ~~is not subject to assessment, levy, and taxation more than once in each year.~~

26 ~~(c)~~ (a) Vehicles subject to the provisions of ~~61-3-313 through 61-3-316~~ All motor vehicles must be
 27 assessed as of the first day of the applicable registration period, using the ~~average trade-in or wholesale~~
 28 ~~value as of January 1 of the year of assessment of the vehicle as contained in the most recent volume of~~
 29 ~~the Mountain States Edition of the National Automobile Dealers Association (N.A.D.A.) Official Used Car~~
 30 ~~Guide, the National Edition of N.A.D.A. Appraisal Guides Official Older Used Car Guide, or another~~

1 nationally published used vehicle or appraisal guide approved by the department of revenue or, for a vehicle
2 that was never listed in any edition of the preceding guides, the retail value of the vehicle as determined
3 by the department of revenue, and thereafter depreciated 10% per year until a value of \$500 is reached,
4 not including additions or deductions for options and mileage but including additions or deductions, whether
5 or not one of the preceding guides is used, for diesel engines; and a depreciated value of the
6 manufacturer's suggested retail price as determined in subsection (2).

7 (b) A lien for taxes and fees due on the vehicle occurs on the anniversary date of the registration
8 and continues until the fees and taxes have been paid. If the ~~value shown in any of the appraisal guides~~
9 ~~listed in this section~~ depreciated value is less than \$500, the department of justice shall value the vehicle
10 at \$500 as long as the vehicle is registered.

11 ~~(d)~~(c) Motorcycles and quadricycles must be assessed, using the greater of the following:

12 (i) \$250; or

13 (ii) ~~the average trade-in or wholesale value as of January 1 of the year of assessment of the vehicle~~
14 ~~as contained in the most recent volume of the applicable National Edition of the N.A.D.A.~~
15 ~~Motorcycle/Moped/ATV Appraisal Guide or N.A.D.A. Recreational Vehicle Appraisal Guide or another~~
16 ~~nationally published used vehicle or appraisal guide approved by the department of revenue, not including~~
17 ~~additions or deductions for options and mileage~~ depreciated value of the manufacturer's suggested retail
18 price as determined in subsection (2).

19 ~~(e) If a vehicle assessed under subsection (1)(c) or (1)(d) is not originally listed in the applicable~~
20 ~~N.A.D.A. guide or other approved guide, the department of revenue shall depreciate the original f.o.b.~~
21 ~~factory list price, f.o.b. port of entry list price, or the manufacturer's suggested list price, using the~~
22 ~~following methods:~~

23 ~~(i) if the new car sales tax has been previously paid and the vehicle is less than 1 year in age, the~~
24 ~~depreciation percentage is 20%; or~~

25 ~~(ii) if the vehicle is 1 year or older in age and it is not listed in any of the appraisal guides listed in~~
26 ~~this section, the department of revenue shall determine the depreciation percentage to approximate the~~
27 ~~average wholesale or trade-in values in the current N.A.D.A. guides or other approved guides referred to~~
28 ~~in this subsection. For purposes of this subsection (1), the age of the vehicle is determined by subtracting~~
29 ~~the manufacturer's model year of the vehicle from the calendar year of assessment.~~

30 ~~(f) When a minimum value of \$500 is reached, the value must remain at that minimum as long as~~

1 ~~the vehicle is registered.~~

2 ~~(g) If a previously registered vehicle is no longer listed in the applicable N.A.D.A. guide or other~~
3 ~~approved guide, the department of revenue shall depreciate the value of the vehicle at the rate of 10% a~~
4 ~~year until a minimum amount of \$500 is attained, and the value must remain at that amount as long as the~~
5 ~~vehicle is registered.~~

6 (2) (a) The depreciated value for the taxation of motor vehicles is computed by multiplying the
7 manufacturer's suggested retail price by a percentage multiplier based on the age of the vehicle and
8 determined from the following table:

| 9 <u>Age of Vehicle (in years)</u> | <u>Percentage Multiplier</u> |
|------------------------------------|------------------------------|
| 10 <u>-1</u> | <u>100%</u> |
| 11 <u>0</u> | <u>91 75</u> |
| 12 <u>1</u> | <u>82 75</u> |
| 13 <u>2</u> | <u>72 69</u> |
| 14 <u>3</u> | <u>63 64</u> |
| 15 <u>4</u> | <u>53 58</u> |
| 16 <u>5</u> | <u>44 48</u> |
| 17 <u>6</u> | <u>34 37</u> |
| 18 <u>7</u> | <u>25 26</u> |
| 19 <u>8</u> | <u>17 15</u> |
| 20 <u>9 or more</u> | <u>10</u> |

21 (b) The age of the vehicle is determined by subtracting the manufacturer's model year of the
22 vehicle from the calendar year for which the tax is due.

23 (3) For the purposes of this section, "manufacturer's suggested retail price" is the price suggested
24 by the manufacturer for each given type, style, or model of motor vehicle produced and first made available
25 for retail sale by the manufacturer. The manufacturer's suggested retail price is based upon standard
26 equipment on a vehicle and does not contain price additions or deductions for optional accessories. When
27 a manufacturer's suggested retail price is unavailable for a motor vehicle, the department of justice shall
28 determine an alternative valuation for the vehicle. THE STARTING VALUATION FOR MOTOR VEHICLES
29 WITH A MANUFACTURER'S RATED CAPACITY OF 1 1/2 TONS OR MORE IS THE LESSER OF THE
30 MANUFACTURER'S SUGGESTED RETAIL PRICE OR 110% OF THE QUOTIENT OF THE ACTUAL ACQUIRED

1 COST DIVIDED BY THE PERCENTAGE MULTIPLIER APPLICABLE TO THE VEHICLE AT THE TIME OF
 2 ACQUISITION. For the purposes of this section, the alternative value must be used in place of
 3 manufacturer's suggested retail price.

4 ~~(2)(4)~~ The provisions of subsections ~~(1)(a)~~ (1) through ~~(1)(g)~~ (3) do not apply to motor homes,
 5 travel trailers, campers, ~~or to mobile homes as defined in 15-1-101(1), or to trailers, semitrailers, or pole~~
 6 trailers."

7
 8 **Section 27.** Section 61-3-504, MCA, is amended to read:

9 **"61-3-504. Computation of tax.** (1) The amount of taxes on a motor vehicle, ~~other than an~~
 10 ~~automobile, truck having a rated capacity of 1 ton or less, motorcycle, quadricycle, motor home, travel~~
 11 ~~trailer, camper, or mobile home, is computed and determined by the county treasurer on the basis of the~~
 12 ~~levy of the year preceding the current year of application for registration or reregistration.~~

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

16 ~~(3)(2)~~ The amount of tax on fleet vehicles subject to the provisions of 61-3-318 is 1% of the value
 17 determined under 61-3-503.

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

20
 21 **Section 28.** Section 61-3-506, MCA, is amended to read:

22 **"61-3-506. Rules.** (1) ~~The department of revenue shall adopt rules for the payment of property~~
 23 ~~taxes and the department of transportation shall adopt rules for the payment of new ear motor vehicle~~
 24 ~~taxes under the provisions of 61-3-313 through 61-3-316, 61-3-501, and 61-3-520~~ 61-3-502. ~~The department~~
 25 ~~of revenue may adopt rules for the proration of taxes for the implementation and administration of 61-3-313~~
 26 ~~through 61-3-316, 61-3-501, and 61-3-520, but shall specifically provide that new ear taxes shall be for~~
 27 ~~a 12-month period.~~

28 (2) The department of justice may adopt rules:

29 (a) for the assessment and collection of taxes and fees on motor vehicles;

30 (b) for the determination of the fees for trailers and semitrailers, including establishing criteria for

1 determining a trailer's age and declared weight; and

2 (c) for the determination of a depreciated value for motor vehicles by using the manufacturer's
 3 suggested retail price or an alternative valuation when the manufacturer's suggested retail price is
 4 unavailable."

5
 6 **Section 29.** Section 61-3-507, MCA, is amended to read:

7 "**61-3-507. Exemption.** ~~(1) A motor vehicle subject to anniversary date registration as provided in~~
 8 ~~61-3-313 through 61-3-316 is exempt from the provisions of 61-3-503(1)(b).~~

9 ~~(2)~~ A vehicle exempt from taxation under 15-6-215 or subject to the provisions of 61-3-520 is
 10 exempt from all other taxes and fees generally imposed on a vehicle by this part."

11
 12 **Section 30.** Section 61-3-509, MCA, is amended to read:

13 "**61-3-509. Disposition of taxes.** (1) Except as provided in subsection (2), the county treasurer
 14 shall, after deducting the district court fee, credit all taxes on motor vehicles and fees in lieu of tax on
 15 motor homes, travel trailers, ~~and campers, trailers, pole trailers, and semitrailers~~ collected under 61-3-504,
 16 61-3-521, and 61-3-537 to a motor vehicle suspense fund, and at some time between March 1 and March
 17 10 of each year and every 60 days thereafter, the county treasurer shall distribute the money in the motor
 18 vehicle suspense fund in the relative proportions required by the levies for state, county, school district,
 19 and municipal purposes in the same manner as personal property taxes are distributed.

20 (2) The county treasurer shall deduct as a district court fee 7% of the amount of the 2% tax
 21 collected on an automobile or truck having a rated capacity of 1 ton or less. The county treasurer shall
 22 credit the fee for district courts to a separate suspense account and shall forward the amount in the
 23 account to the state treasurer at the time the county treasurer distributes the motor vehicle suspense fund.
 24 The state treasurer shall credit amounts received under this subsection to the general fund to be used for
 25 purposes of state funding of the district court expenses as provided in 3-5-901."

26
 27 **NEW SECTION. Section 31. Schedule of fees for trailers.** (1) The owner of a trailer, pole trailer,
 28 or semitrailer that has a licensed gross weight of less than 26,000 pounds shall pay a fee based on the age
 29 and declared weight of the trailer or semitrailer according to the following schedule:

30 Age (in years)

Declared Weight (in pounds)

| | 0-6,000 | 6,001-16,000 | 16,001-25,999 |
|--|---------|--------------|---------------|
| 1 less than 5 years old | \$16 | \$55 | \$74 |
| 2 5 years old and less than 10 years old | 11 | 32 | 41 |
| 3 10 years old and older | 6 | 17 | 23 |

4 (2) The age of a trailer, POLE TRAILER, or semitrailer is determined by subtracting the
 5 manufacturer's designated model year from the current calendar year. For trailers, POLE TRAILERS, and
 6 semitrailers that do not have a designated model year, the department of justice shall determine a year of
 7 manufacture.
 8

9 (3) The declared weight is the total unladen weight of the trailer, POLE TRAILER, or semitrailer plus
 10 the maximum load declared by the owner to be carried on the trailer, POLE TRAILER, or semitrailer.
 11

12 **Section 32.** Section 61-3-520, MCA, is amended to read:

13 **"61-3-520. Taxation of vehicles used exclusively in filming motion pictures or television**
 14 **commercials.** (1) A vehicle used exclusively in the filming of motion pictures or television commercials that
 15 has been in the state for a period exceeding 180 consecutive days in a calendar year must be assessed as
 16 if the vehicle were not used exclusively for filming motion pictures or television commercials, but the
 17 assessment must be prorated as provided in subsection (2).

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

20 (3) Taxes on a vehicle imposed pursuant to this section must be collected as provided in ~~Title 15,~~
 21 ~~chapter 16, part 1, this chapter~~ for the collection of ~~personal property~~ taxes generally."
 22

23 **Section 33.** Section 61-3-521, MCA, is amended to read:

24 **"61-3-521. Fee in lieu of tax for certain vehicles.** (1) There is a fee in lieu of property tax imposed
 25 on motor homes, travel trailers, and campers and on trailers, pole trailers, and semitrailers with a licensed
 26 gross weight of less than 26,000 pounds. The fee is in addition to annual registration fees.

27 (2) The fee imposed by subsection (1) need not be paid by a dealer for vehicles that constitute
 28 inventory of the dealership."
 29

30 **Section 34.** Section 61-3-535, MCA, is amended to read:

1 **"61-3-535. Vehicle reregistration by mail -- renewal cards and reregistration notice by mail. (1)**

2 ~~Except as provided in subsection (2), an owner of the following types of motor vehicles may reregister by~~
3 ~~mail:~~

4 ~~(a) light vehicles, motorcycles, quadricycles, and other vehicles subject to tax under 61-3-504(2);~~

5 ~~and~~

6 ~~(b) travel trailers, campers, and motor homes subject to a fee in lieu of tax under 61-3-521.~~

7 ~~(2) The option to reregister by mail need only be made available for vehicles, motor homes, and~~
8 ~~travel trailers registered at the close of the expiring registration period in the name of the applicant for~~
9 ~~reregistration and only if~~ The department of justice may allow the owner of a motor vehicle to renew the
10 registration of a vehicle by mail when the value, age, length, or other criteria used to determine the tax or
11 fee for a particular type of vehicle is available to the department by electronic means.

12 ~~(3)(2) The department shall develop a procedure to facilitate the reregistration by mail of the~~
13 ~~vehicles listed in subsection (1). The~~ Any mail reregistration procedure developed by the department must
14 include a procedure to facilitate automated handling of mail reregistration or recertification.

15 ~~(4) The procedure implemented by the department to permit reregistration or camper decal~~
16 ~~application by mail must~~ and to provide for a written reminder notice by mail to a vehicle owner of the
17 requirement to reregister the owner's vehicle with the county treasurer or to apply for the annual camper
18 decal.

19 ~~(5)(3) The department shall~~ may adopt rules to implement the mail reregistration and decal
20 application procedure."

21

22 **Section 35.** Section 61-3-537, MCA, is amended to read:

23 **"61-3-537. (Temporary) Local option vehicle tax. (1)** A county may impose a local vehicle tax on
24 vehicles subject to a property tax under 61-3-504(2) at a rate of up to 0.5% of the value determined under
25 61-3-503, in addition to the tax imposed under 61-3-504(2).

26 (2) A local vehicle tax is payable at the same time and in the same manner as the tax imposed
27 under 61-3-504(2). The local vehicle tax is distributed as follows:

28 (a) 50% to the county; and

29 (b) the remaining 50% to the county and the incorporated cities and towns within the county,
30 apportioned on the basis of population. The distribution to a city or town is determined by multiplying the

1 amount of money available by the ratio of the population of the city or town to the total county population.
 2 The distribution to the county is determined by multiplying the amount of money available by the ratio of
 3 the population of unincorporated areas within the county to the total county population.

4 (3) The governing body of a county may impose a local vehicle tax for a fiscal year by adopting
 5 a resolution before July 1 of the fiscal year, after conducting a public hearing on the proposed resolution.
 6 The resolution may provide for the distribution of the local vehicle tax. (Terminates June 30, 1995--sec.
 7 1, Ch. 217, L. 1993.)

8 **61-3-537. (Effective July 1, 1995) Local option vehicle tax.** (1) A county may impose a local
 9 vehicle tax on vehicles subject to ~~a property~~ tax under 61-3-504(2) at a rate of up to 0.5% of the value
 10 determined under 61-3-503, in addition to the tax imposed under 61-3-504(2).

11 (2) A local vehicle tax is payable at the same time and in the same manner as the tax imposed
 12 under 61-3-504(2) and is distributed in the same manner, based on the registration address of the owner
 13 of the motor vehicle.

14 (3) The governing body of a county may impose a local vehicle tax for a fiscal year by adopting
 15 a resolution before July 1 of the fiscal year, after conducting a public hearing on the proposed resolution."
 16

17 **Section 36.** Section 61-12-402, MCA, is amended to read:

18 **"61-12-402. Notice to owner.** (1) Within 72 hours after any vehicle is removed and held by or at
 19 the direction of the Montana highway patrol, the highway patrol shall notify the sheriff of the county in
 20 which the vehicle was located at the time it was taken into custody and the place where the vehicle is
 21 being held. In addition, the Montana highway patrol shall furnish the sheriff a complete description of the
 22 vehicle, including year, make, model, serial number, and license number if available; any costs incurred to
 23 that date in the removal, storage, and custody of the vehicle; and any available information concerning its
 24 ownership.

25 (2) The sheriff or the city police shall make reasonable efforts to ascertain the name and address
 26 of the owner, lienholder, or person entitled to possession of the vehicle taken into custody under
 27 61-12-401. If a name and address are ascertained, the sheriff or the city police shall notify the owner and
 28 lienholder or person of the location of the vehicle.

29 (3) If the vehicle is registered in the office of the department, notice is considered to have been
 30 given when a registered or certified letter addressed to the registered owner of the vehicle and lienholder,

1 if any, at the latest address shown by the records in the office of the department, return receipt requested
2 and postage prepaid, is mailed at least 30 days before the vehicle is sold.

3 (4) If the identity of the last-registered owner cannot be determined, if the registration does not
4 contain an address for the owner, or if it is impossible to determine with reasonable certainty the identity
5 and addresses of all lienholders, notice by one publication in one newspaper of general circulation in the
6 county where the motor vehicle was abandoned is sufficient to meet all requirements of notice pursuant
7 to this part. The notice by publication can contain multiple listings of abandoned vehicles. The notice must
8 be provided in the same manner as prescribed in 25-13-701(1)(b).

9 (5) If the abandoned vehicle is in the possession of a motor vehicle wrecking facility licensed under
10 75-10-511, the wrecking facility may make the required search to ascertain the name and address of the
11 owner, lienholder, or person entitled to possession of the vehicle and shall give the notices required in
12 subsections (2) through (4). The wrecking facility shall deliver to the sheriff or the city police a certificate
13 describing the efforts made to ascertain the name and address of the owner, lienholder, or person entitled
14 to possession of the vehicle and shall deliver to the sheriff or the city police proof of the notice given.

15 (6) A vehicle found by law enforcement officials to be a "junk vehicle" as defined by 75-10-501
16 and ~~certified as having an appraised a~~ value of \$100 or less ~~as determined by the department of revenue~~
17 may be directly submitted for disposal in accordance with the provisions of ~~part 5 of chapter 10,~~ Title 75,
18 chapter 10, part 5, upon a release given by the sheriff or the city police. In the release, the sheriff or the
19 city police shall include a description of the vehicle, including year, make, model, serial number, and license
20 number if available. A release provided by the sheriff or the city police under this section must be
21 transmitted to the motor vehicle wrecking facility and must be considered by that facility to meet the
22 requirements for records under 75-10-512 and 75-10-513. Vehicles described in this section may be
23 submitted without notice and without a required holding period."

24
25 NEW SECTION. **Section 37. Repealer.** Section 15-24-2501, MCA, is repealed.

26
27 NEW SECTION. **Section 38. Coordination instruction.** If Senate Bill No. 49 and [this act] are both
28 passed and approved and if Senate Bill No. 49 amends 15-6-201(1)(v) to exempt from taxation trailers and
29 semitrailers that are registered through a proportional registration agreement, then the amendment to
30 15-6-201(1)(v) in Senate Bill No. 49 is void.

1 HOUSE BILL NO. 363

2 INTRODUCED BY SWANSON

3 BY REQUEST OF THE DEPARTMENT OF REVENUE

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE CLASSIFICATION, VALUATION,
6 AND TAXATION OF MOTOR VEHICLES AND TRAILERS; TAXING ALL MOTOR VEHICLES AT 2 PERCENT
7 OF THE DEPRECIATED VALUE OF THE MANUFACTURER'S SUGGESTED RETAIL PRICE; ALLOWING THE
8 DEPARTMENT OF JUSTICE TO ESTABLISH AN ALTERNATIVE DEPRECIATED VALUE WHEN THE
9 MANUFACTURER'S SUGGESTED RETAIL PRICE IS NOT AVAILABLE; REVISING THE NEW CAR SALES TAX
10 TO INCLUDE ALL NEW MOTOR VEHICLES; BASING THE NEW MOTOR VEHICLE SALES TAX ON THE
11 MANUFACTURER'S SUGGESTED RETAIL PRICE; EXEMPTING FROM TAXATION ALL CAMPERS AND
12 TRUCK TOPPERS; IMPOSING A FEE IN LIEU OF AD VALOREM TAXES ON ALL TRAILERS, POLE TRAILERS,
13 AND SEMITRAILERS; AMENDING SECTIONS 7-1-2111, 15-6-138, 15-6-201, 15-8-111, 15-8-201,
14 15-8-202, 15-16-202, 15-24-101, 15-24-102, 15-24-103, 15-24-104, 15-24-105, 20-9-141, 20-9-331,
15 20-9-333, 20-9-360, 20-9-501, 20-10-144, 20-10-146, 61-1-129, 61-3-101, 61-3-208, 61-3-303,
16 61-3-501, 61-3-502, 61-3-503, 61-3-504, 61-3-506, 61-3-507, 61-3-509, 61-3-520, 61-3-521, 61-3-535,
17 61-3-537, AND 61-12-402, MCA; REPEALING SECTION 15-24-2501, MCA; AND PROVIDING EFFECTIVE
18 DATES AND AN APPLICABILITY DATE."

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