

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

SENATE BILL NO. 235

INTRODUCED BY

*for Public Utilities Bennett Beneficial Hargrove*

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT MOBILE HOMES HELD BY A DEALER OR DISTRIBUTOR AS PART OF THE STOCK IN TRADE ARE BUSINESS INVENTORIES FOR PROPERTY TAX PURPOSES; AMENDING SECTION 15-6-202, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

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

**"15-6-202. Freeport merchandise and business inventories exemption.** (1) Freeport merchandise and business inventories are exempt from taxation.

(2) "Freeport merchandise" means those stocks of merchandise manufactured or produced outside this state ~~which~~ that are in transit through this state and consigned to a warehouse or other storage facility, public or private, within this state for storage in transit prior to shipment to a final destination outside the state and ~~which~~ that have acquired a taxable situs within the state.

(3) Stocks of merchandise do not lose their status as freeport merchandise because while in the storage facility they are assembled, bound, joined, processed, disassembled, divided, cut, broken in bulk, relabeled, or repackaged.

(4) Any person or other group seeking to qualify its property for inclusion in the freeport merchandise class shall make application to the department of revenue in ~~such~~ the manner or form as may be required by the department.

(5) "Business inventories" includes goods primarily intended for sale and not for lease in the ordinary course of business and raw materials and work in progress with respect to ~~such~~ those goods. Business inventories do not include goods that are leased or rented ~~or mobile homes held by a dealer or distributor as part of his stock in trade.~~

**NEW SECTION. Section 2. Effective date.** [This act] is effective on passage and approval.

-END-

---

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0235, as introduced

---

DESCRIPTION OF PROPOSED LEGISLATION:

An act clarifying that mobile homes held by a dealer or distributor as part of the stock in trade are business inventories for property tax purposes; and providing an immediate effective date.

FISCAL IMPACT:

This proposal has no impact on Department of Revenue expenditures or revenues. The proposal changes statute to reflect current practice.

Dave Lewis 1-26-95  
DAVE LEWIS, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

Ken D. Hill 1-27-95  
KEN MILLER, PRIMARY SPONSOR      DATE  
Fiscal Note for SB0235, as introduced

SB 235

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

SENATE BILL NO. 235

INTRODUCED BY *Forbes* *Walters* *Armed* *Benefit* *Hargrove*

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT MOBILE HOMES HELD BY A DEALER OR DISTRIBUTOR AS PART OF THE STOCK IN TRADE ARE BUSINESS INVENTORIES FOR PROPERTY TAX PURPOSES; AMENDING SECTION 15-6-202, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

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

**"15-6-202. Freeport merchandise and business inventories exemption.** (1) Freeport merchandise and business inventories are exempt from taxation.

(2) "Freeport merchandise" means those stocks of merchandise manufactured or produced outside this state ~~which~~ that are in transit through this state and consigned to a warehouse or other storage facility, public or private, within this state for storage in transit prior to shipment to a final destination outside the state and ~~which~~ that have acquired a taxable situs within the state.

(3) Stocks of merchandise do not lose their status as freeport merchandise because while in the storage facility they are assembled, bound, joined, processed, disassembled, divided, cut, broken in bulk, relabeled, or repackaged.

(4) Any person or other group seeking to qualify its property for inclusion in the freeport merchandise class shall make application to the department of revenue in ~~such~~ the manner or form as may be required by the department.

(5) "Business inventories" includes goods primarily intended for sale and not for lease in the ordinary course of business and raw materials and work in progress with respect to ~~such~~ those goods. Business inventories do not include goods that are leased or rented ~~or mobile homes held by a dealer or distributor as part of his stock in trade.~~

**NEW SECTION. Section 2. Effective date.** [This act] is effective on passage and approval.

-END-

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

INTRODUCED BY for Bill <sup>SENATE BILL NO. 235</sup> Mobile Home Exemption Benjamin Hargrove

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT MOBILE HOMES HELD BY A DEALER OR DISTRIBUTOR AS PART OF THE STOCK IN TRADE ARE BUSINESS INVENTORIES FOR PROPERTY TAX PURPOSES; AMENDING SECTION 15-6-202, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

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

**"15-6-202. Freeport merchandise and business inventories exemption.** (1) Freeport merchandise and business inventories are exempt from taxation.

(2) "Freeport merchandise" means those stocks of merchandise manufactured or produced outside this state ~~which~~ that are in transit through this state and consigned to a warehouse or other storage facility, public or private, within this state for storage in transit prior to shipment to a final destination outside the state and ~~which~~ that have acquired a taxable situs within the state.

(3) Stocks of merchandise do not lose their status as freeport merchandise because while in the storage facility they are assembled, bound, joined, processed, disassembled, divided, cut, broken in bulk, relabeled, or repackaged.

(4) Any person or other group seeking to qualify its property for inclusion in the freeport merchandise class shall make application to the department of revenue in ~~such~~ the manner or form as may be required by the department.

(5) "Business inventories" includes goods primarily intended for sale and not for lease in the ordinary course of business and raw materials and work in progress with respect to ~~such~~ those goods. Business inventories do not include goods that are leased or rented ~~or mobile homes held by a dealer or distributor as part of his stock in trade.~~

**NEW SECTION. Section 2. Effective date.** [This act] is effective on passage and approval.

-END-

## 1 SENATE BILL NO. 235

2 INTRODUCED BY MILLER, BOHLINGER, BARNETT, BENEDICT, HARGROVE

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT MOBILE HOMES HELD BY A DEALER OR  
5 DISTRIBUTOR AS PART OF THE STOCK IN TRADE ARE BUSINESS INVENTORIES FOR PROPERTY TAX  
6 PURPOSES; AMENDING SECTION 15-6-202, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."7  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:9  
10 **Section 1.** Section 15-6-202, MCA, is amended to read:11 **"15-6-202. Freeport merchandise and business inventories exemption.** (1) Freeport merchandise  
12 and business inventories are exempt from taxation.13 (2) "Freeport merchandise" means those stocks of merchandise manufactured or produced outside  
14 this state ~~which~~ that are in transit through this state and consigned to a warehouse or other storage facility,  
15 public or private, within this state for storage in transit prior to shipment to a final destination outside the  
16 state and ~~which~~ that have acquired a taxable situs within the state.17 (3) Stocks of merchandise do not lose their status as freeport merchandise because while in the  
18 storage facility they are assembled, bound, joined, processed, disassembled, divided, cut, broken in bulk,  
19 relabeled, or repackaged.20 (4) Any person or other group seeking to qualify its property for inclusion in the freeport  
21 merchandise class shall make application to the department of revenue in ~~such~~ the manner or form as may  
22 be required by the department.23 (5) "Business inventories" includes goods primarily intended for sale and not for lease in the  
24 ordinary course of business and raw materials and work in progress with respect to ~~such~~ those goods.  
25 Business inventories do not include goods that are leased or rented ~~or mobile homes held by a dealer or~~  
26 ~~distributor as part of his stock in trade.~~27  
28 **NEW SECTION. Section 2. Effective date.** [This act] is effective on passage and approval.

29 -END-