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House BILL NO. 532

INTRODUCED BY Barnett Hays

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE LAWS RELATING TO MOBILE HOMES AND MANUFACTURED HOMES; DEFINING "MANUFACTURED HOME"; ALLOWING FOR THE UNTITLING AND RETITLING OF A MANUFACTURED HOME; TREATING A MANUFACTURED HOME AS A MOBILE HOME FOR PURPOSES OF TAXATION; CHANGING THE DATES FOR THE PAYMENT OF PERSONAL PROPERTY TAXES ON A MOBILE OR MANUFACTURED HOME; REQUIRING THAT ALL TAXES ON A MOBILE HOME BE PAID BEFORE A TRANSFER OF INTEREST CAN OCCUR; AMENDING SECTIONS 7-13-4502, 15-1-101, 15-6-134, 15-8-201, 15-8-205, 15-16-202, 15-24-201, 15-24-202, 15-24-203, 15-24-204, 15-24-205, 15-24-206, 15-24-208, 15-24-209, 15-24-210, 15-32-102, 61-3-207, 61-3-303, 61-3-503, AND 69-12-331, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

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

NEW SECTION. Section 1. Manufactured home. (1) "Manufactured home" means a residential dwelling built in a factory in accordance with the federal Manufactured Home Construction and Safety Standards.

(2) A manufactured home does not include a mobile home, as defined in 61-4-309 or 15-1-101, a housetrailer, as defined in 61-1-501, or a mobile home or housetrailer constructed before the federal Manufactured Home Construction and Safety Standards went into effect on June 15, 1976.

NEW SECTION. Section 2. Declaration of manufactured home as improvement to real property -- requirements. (1) An owner of a manufactured home may declare the home as an improvement to real property if:

- (a) the running gear is removed;
- (b) the manufactured home is attached to a permanent foundation on land that is owned or being purchased by the owner of the manufactured home or, if the land is owned by another person, with the permission of the landowner; and
- (c) the owner files a statement of intent on a form furnished by the department to declare the

1 manufactured home as an improvement to real property.

2 (2) The statement of intent must include:

3 (a) the serial number of the manufactured home;

4 (b) the legal description of the real property to which the manufactured home has been permanently
5 attached;

6 (c) a description of any security interests in the manufactured home; and

7 (d) approval from all lienholders of the intent to eliminate the title.

8 (3) The owner shall present the statement of intent to the county treasurer of the county in which
9 the manufactured home is located and shall surrender the certificate of ownership. Upon receipt of a titling
10 fee of \$5, the county treasurer shall issue the owner a duplicate receipt for the surrendered certificate and
11 forward a copy of the statement of intent, the original receipt, and the surrendered certificate to the
12 department of justice. The county treasurer may not issue the receipt unless all taxes, interest, and
13 penalties on the manufactured home have been paid in full. The county treasurer shall:

14 (a) deposit \$1.50 of the titling fee in the county general fund; and

15 (b) remit \$3.50 of the titling fee to the state treasurer for deposit in the state general fund.

16 (4) The owner shall file the statement of intent and the receipt of surrender to the department in
17 the county in which the manufactured home is located. Upon the recording of the statement of intent and
18 the receipt of surrender, the manufactured home is declared an improvement to real property for purposes
19 of taxation and may not be physically removed without the consent of all persons who have an interest in
20 the manufactured home.

21 (5) A manufactured home that has been declared an improvement to real property in accordance
22 with this section must be treated by the department and by lending institutions in the same manner as any
23 other residence that is classified as an improvement.

24

25 **NEW SECTION. Section 3. Reversal of declaration -- exception.** (1) Before a manufactured home
26 can be physically removed from its location, the owner shall obtain an abstract from a title insurance
27 company in order to identify those persons or entities whose consent for removal must be obtained. The
28 owner shall obtain permission in writing from the affected persons or entities before removing the
29 manufactured home from its location.

30 (2) At least 30 days before the manufactured home is removed, the owner shall give written notice

1 to the department of the intended removal of the home. The written notice must include the written
2 consents of the affected persons or entities identified in subsection (1). The department may not give
3 permission for the removal until the written consents are received and all of the taxes that have been
4 assessed have been paid in full to the county treasurer.

5 (3) Within 5 days of the removal of the home, the purchaser shall apply for a certificate of
6 ownership for the manufactured home from the department of justice in accordance with the provisions of
7 Title 61, chapter 3, part 2. Upon issuance of the certificate, the owner shall file a declaration of reversal
8 with the department upon a form furnished by the department. Once the declaration is filed with the
9 department, the manufactured home is classified as personal property.

10

11 **NEW SECTION. Section 4. Exception to certificate of ownership requirements for manufactured**
12 **homes.** (1) A manufactured home is subject to the provisions of this part unless the manufactured home
13 has been declared an improvement to real property in accordance with the provisions of [section 2].

14 (2) A manufactured home that has been classified as personal property in accordance with the
15 provisions of [section 3] is subject to the provisions of this part.

16

17 **Section 5.** Section 7-13-4502, MCA, is amended to read:

18 **"7-13-4502. Definitions.** As used in this part, unless the context indicates otherwise, the following
19 definitions apply:

20 (1) "Board of directors" means the board of directors provided for in 7-13-4516 or a joint board
21 of directors provided for in 7-13-4527.

22 (2) "Board of environmental review" means the board of environmental review as provided in
23 2-15-3502.

24 (3) "Commissioners" means the board of county commissioners or the governing body of a
25 city-county consolidated government.

26 (4) "Family residential unit" means a single-family dwelling.

27 (5) "Fee-assessed units" means all real property with improvements, including taxable and
28 tax-exempt property as shown on the property assessment records maintained by the county, and mobile
29 homes and manufactured homes as defined in 15-24-201.

30 (6) "Local water quality district" means an area established with definite boundaries for the purpose

1 of protecting, preserving, and improving the quality of surface water and ground water in the district as
2 authorized by this part."

3
4 **Section 6.** Section 15-1-101, MCA, is amended to read:

5 **"15-1-101. Definitions.** (1) Except as otherwise specifically provided, when terms mentioned in
6 this section are used in connection with taxation, they are defined in the following manner:

7 (a) The term "agricultural" refers to:

8 (i) the production of food, feed, and fiber commodities, livestock and poultry, bees, fruits and
9 vegetables, and sod, ornamental, nursery, and horticultural crops that are raised, grown, or produced for
10 commercial purposes; and

11 (ii) the raising of domestic animals and wildlife in domestication or a captive environment.

12 (b) The term "assessed value" means the value of property as defined in 15-8-111.

13 (c) The term "average wholesale value" means the value to a dealer prior to reconditioning and the
14 profit margin shown in national appraisal guides and manuals or the valuation schedules of the department.

15 (d) (i) The term "commercial", when used to describe property, means property used or owned by
16 a business, a trade, or a corporation as defined in 35-2-114 or used for the production of income, except
17 property described in subsection (1)(d)(ii).

18 (ii) The following types of property are not commercial:

19 (A) agricultural lands;

20 (B) timberlands and forest lands;

21 (C) single-family residences and ancillary improvements and improvements necessary to the
22 function of a bona fide farm, ranch, or stock operation;

23 (D) mobile homes and manufactured homes used exclusively as a residence except when held by
24 a distributor or dealer ~~of trailers or mobile homes~~ as stock in trade;

25 (E) all property described in 15-6-135; and

26 (F) all property described in 15-6-136.

27 (e) The term "comparable property" means property that:

28 (i) has similar use, function, and utility;

29 (ii) is influenced by the same set of economic trends and physical, governmental, and social factors;

30 and

1 (iii) has the potential of a similar highest and best use.

2 (f) The term "credit" means solvent debts, secured or unsecured, owing to a person.

3 (g) (i) "Department", except as provided in subsection (1)(g)(ii), means the department of revenue
4 provided for in 2-15-1301.

5 (ii) In chapters 70 and 71, department means the department of transportation provided for in
6 2-15-2501.

7 (h) The terms "gas" and "natural gas" are synonymous and mean gas as defined in 82-1-111(2).
8 The terms include all natural gases and all other fluid hydrocarbons, including methane gas or any other
9 natural gas found in any coal formation.

10 (i) The term "improvements" includes all buildings, structures, fences, and improvements situated
11 upon, erected upon, or affixed to land. When the department determines that the permanency of location
12 of a mobile home, manufactured home, or housetrailer has been established, the mobile home,
13 manufactured home, or housetrailer is presumed to be an improvement to real property. A mobile home,
14 manufactured home, or housetrailer may be determined to be permanently located only when it is attached
15 to a foundation that cannot feasibly be relocated and only when the wheels are removed.

16 (j) The term "leasehold improvements" means improvements to mobile homes and mobile homes
17 located on land owned by another person. This property is assessed under the appropriate classification,
18 and the taxes are due and payable in two payments as provided in 15-24-202. Delinquent taxes on
19 leasehold improvements are a lien only on the leasehold improvements.

20 (k) The term "livestock" means cattle, sheep, swine, goats, horses, mules, asses, llamas, alpacas,
21 bison, ostriches, rheas, emus, and domestic ungulates.

22 (l) The term "manufactured home" means a residential dwelling built in a factory in accordance with
23 the federal Manufactured Home Construction and Safety Standards. A manufactured home does not
24 include a mobile home, as defined in 61-4-309 and in subsection (1)(m) of this section, a housetrailer, as
25 defined in 61-1-501, or a mobile home or housetrailer constructed before the federal Manufactured Home
26 Construction and Safety Standards went into effect on June 15, 1976.

27 ~~(m)~~ (m) The term "mobile home" means forms of housing known as "trailers", "housetrailers", or
28 "trailer coaches" exceeding 8 feet in width or 45 feet in length, designed to be moved from one place to
29 another by an independent power connected to them, or any trailer, housetrailer, or trailer coach up to 8
30 feet in width or 45 feet in length used as a principal residence.

1 ~~(m)~~(n) The term "personal property" includes everything that is the subject of ownership but that
2 is not included within the meaning of the terms "real estate" and "improvements".

3 ~~(n)~~(o) The term "poultry" includes all chickens, turkeys, geese, ducks, and other birds raised in
4 domestication to produce food or feathers.

5 ~~(o)~~(p) The term "property" includes money, credits, bonds, stocks, franchises, and all other matters
6 and things, real, personal, and mixed, capable of private ownership. This definition may not be construed
7 to authorize the taxation of the stocks of a company or corporation when the property of the company or
8 corporation represented by the stocks is within the state and has been taxed.

9 ~~(p)~~(q) The term "real estate" includes:

10 (i) the possession of, claim to, ownership of, or right to the possession of land;

11 (ii) all mines, minerals, and quarries in and under the land subject to the provisions of 15-23-501
12 and Title 15, chapter 23, part 8;

13 (iii) all timber belonging to individuals or corporations growing or being on the lands of the United
14 States; and

15 (iv) all rights and privileges appertaining to mines, minerals, quarries, and timber.

16 ~~(q)~~(r) "Research and development firm" means an entity incorporated under the laws of this state
17 or a foreign corporation authorized to do business in this state whose principal purpose is to engage in
18 theoretical analysis, exploration, and experimentation and the extension of investigative findings and
19 theories of a scientific and technical nature into practical application for experimental and demonstration
20 purposes, including the experimental production and testing of models, devices, equipment, materials, and
21 processes.

22 (s) The term "stock in trade" means any mobile home, manufactured home, or housetrailer that
23 is listed by the dealer as inventory and that is offered for sale, is unoccupied, and is not located on a
24 permanent foundation. Inventory does not have to be located at the business location of a dealer or a
25 distributor.

26 ~~(r)~~(t) The term "taxable value" means the percentage of market or assessed value as provided for
27 in Title 15, chapter 6, part 1.

28 (2) The phrase "municipal corporation" or "municipality" or "taxing unit" includes a county, city,
29 incorporated town, township, school district, irrigation district, or drainage district or a person, persons,
30 or organized body authorized by law to establish tax levies for the purpose of raising public revenue.

1 (3) The term "state board" or "board" when used without other qualification means the state tax
2 appeal board."

3
4 **Section 7.** Section 15-6-134, MCA, is amended to read:

5 **"15-6-134. Class four property -- description -- taxable percentage.** (1) Class four property
6 includes:

7 (a) all land, except that specifically included in another class;

8 (b) all improvements, including trailers, manufactured homes, or mobile homes used as a residence,
9 except those specifically included in another class;

10 (c) the first \$100,000 or less of the market value of any improvement on real property, including
11 trailers, manufactured homes, or mobile homes, and appurtenant land not exceeding 5 acres owned or
12 under contract for deed and actually occupied for at least 7 months a year as the primary residential
13 dwelling of any person whose total income from all sources, including net business income and otherwise
14 tax-exempt income of all types but not including social security income paid directly to a nursing home, is
15 not more than \$15,000 for a single person or \$20,000 for a married couple or a head of household, as
16 adjusted according to subsection (2)(b)(ii). For the purposes of this subsection (1)(c), net business income
17 is gross income less ordinary operating expenses but before deducting depreciation or depletion allowance,
18 or both.

19 (d) all golf courses, including land and improvements actually and necessarily used for that
20 purpose, that consist of at least nine holes and not less than 3,000 lineal yards; and

21 (e) all improvements on land that is eligible for valuation, assessment, and taxation as agricultural
22 land under 15-7-202, including 1 acre of real property beneath improvements on land described in
23 15-6-133(1)(c). The 1 acre must be valued at market value.

24 (2) Class four property is taxed as follows:

25 (a) Except as provided in 15-24-1402 or 15-24-1501, property described in subsections (1)(a),
26 (1)(b), and (1)(e) is taxed at 3.86% of its market value.

27 (b) (i) Property qualifying under the property tax assistance program in subsection (1)(c) is taxed
28 at 3.86% of its market value multiplied by a percentage figure based on income and determined from the
29 following table:

30

| Income | Income | Percentage |
|--------|--------|------------|
|--------|--------|------------|

| 1 | Single Person | Married Couple | Multiplier |
|---|-----------------|-------------------|------------|
| 2 | | Head of Household | |
| 3 | \$ 0 - \$ 6,000 | \$ 0 - \$ 8,000 | 20% |
| 4 | 6,001 - 9,200 | 8,001 - 14,000 | 50% |
| 5 | 9,201 - 15,000 | 14,001 - 20,000 | 70% |

6 (ii) The income levels contained in the table in subsection (2)(b)(i) must be adjusted for inflation
 7 annually by the department of revenue. The adjustment to the income levels is determined by:

8 (A) multiplying the appropriate dollar amount from the table in subsection (2)(b)(i) by the ratio of
 9 the PCE for the second quarter of the year prior to the year of application to the PCE for the second quarter
 10 of 1995; and

11 (B) rounding the product thus obtained to the nearest whole dollar amount.

12 (iii) "PCE" means the implicit price deflator for personal consumption expenditures as published
 13 quarterly in the Survey of Current Business by the bureau of economic analysis of the U.S. department of
 14 commerce.

15 (c) Property described in subsection (1)(d) is taxed at one-half the taxable percentage rate
 16 established in subsection (2)(a).

17 (3) Within the meaning of comparable property, as defined in 15-1-101, property assessed as
 18 commercial property is comparable only to other property assessed as commercial property and property
 19 assessed as other than commercial property is comparable only to other property assessed as other than
 20 commercial property."

21

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

23 **"15-8-201. General assessment day.** (1) The department shall, between January 1 and the second
 24 Monday of July in each year, ascertain the names of all taxable inhabitants and assess all property subject
 25 to taxation in each county. The department shall assess property to the person by whom it was owned or
 26 claimed or in whose possession or control it was at midnight of the preceding January 1. The department
 27 shall also ascertain and assess all mobile homes arriving in the county after midnight of the preceding
 28 January 1. A mistake in the name of the owner or supposed owner of real property does not invalidate the
 29 assessment.

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

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

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

4 (c) watercraft;

5 (d) livestock;

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

8 (f) mobile homes and manufactured homes held by a distributor or dealer ~~of mobile homes~~ as stock
9 in trade; and

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

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

12
13 **Section 9.** Section 15-8-205, MCA, is amended to read:

14 "**15-8-205. Initial assessment of class four trailer, manufactured home, and mobile home property**
15 **-- when.** The department shall assess all class four trailer, manufactured home, and mobile home property
16 immediately upon arrival in the county if the taxes have not been previously paid for that year in another
17 county in Montana."

18
19 **Section 10.** 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 and manufactured homes as defined in 15-1-101, the new motor
28 vehicle sales tax and the personal property tax or fee in lieu of tax imposed or assessed against a motor
29 vehicle for the current year and the immediately previous year must be paid before a motor vehicle may be
30 registered or reregistered pursuant to 61-3-303.

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

3
4 **Section 11.** Section 15-24-201, MCA, is amended to read:

5 "**15-24-201. Definitions.** As used in this part, the following definitions apply:

6 (1) "Dealer" means a person engaged in the distribution or sale of mobile homes or manufactured
7 homes.

8 (2) "Housetrailer" means a form of housing designed to be moved from one place to another by
9 an independent power connected ~~thereto~~ to the housetrailer, which is either 8 feet wide or less or 32 feet
10 long or less.

11 (3) "Manufactured home" means a residential dwelling built in a factory in accordance with the
12 federal Manufactured Home Construction and Safety Standards. A manufactured home does not include
13 a mobile home or a housetrailer.

14 ~~(3)(4)~~ (4) "Mobile home" means forms of housing known as "trailers", "housetrailers", or "trailer
15 coaches" exceeding 8 feet in width or ~~32~~ 45 feet in length, designed to be moved from one place to
16 another by an independent power connected ~~thereto~~ to the mobile home or any trailer, housetrailer, or
17 trailer coach up to 8 feet in width or 45 feet in length used as a principal residence."

18
19 **Section 12.** Section 15-24-202, MCA, is amended to read:

20 "**15-24-202. Payment of tax -- interest and penalty -- display of tax-paid sticker.** (1) (a) The owner
21 of a mobile home, manufactured home, or housetrailer which is not taxed as an improvement, as
22 improvements are defined in 15-1-101, shall pay the personal property tax in two payments, except as
23 provided in 15-24-206.

24 (b) The first payment is due on or before May 31 or within 30 days from the date of the notice of
25 taxes due.

26 (c) The second payment is due no later than ~~September~~ November 30 of the year in which the
27 property is assessed.

28 (d) If not paid on or before the date due, the tax is considered delinquent and subject to the penalty
29 and interest provisions in 15-16-102 applicable to other delinquent property taxes. The penalty must be
30 assessed and interest begins to accrue on the first day of delinquency.

1 (2) Upon request, the treasurer shall notify a lienholder if taxes on a mobile home, manufactured
2 home, or housetrailer have not been paid.

3 (3) Taxes assessed against a mobile home or manufactured home after the second payment date
4 must be prorated to reflect the remaining portion of the tax year. The prorated taxes must be added to the
5 following year's tax roll and, except as provided in 15-24-206, are due with and must be collected with
6 the first payment due in that year.

7 (4) The department of revenue shall issue tax-paid stickers to the county treasurers. Except as
8 provided in 15-24-206 and 15-24-209, if a mobile home, manufactured home, or housetrailer is to be
9 moved and all taxes, interest, and penalties on the mobile home or housetrailer are paid in full, the treasurer
10 shall issue a tax-paid sticker to the owner of the mobile home, manufactured home, or housetrailer. Prior
11 to and while in the process of moving the mobile home, manufactured home, or housetrailer, the owner
12 shall display the tax-paid sticker, which must be visible from the exterior of the mobile home, manufactured
13 home, or housetrailer. ~~No~~ A mobile home or manufactured home movement declaration of destination
14 provided for in 15-24-206 may not be issued unless:

15 (a) the taxes have been paid in full to the county treasurer; or

16 (b) the exceptions in 15-24-206(3) or 15-24-209 apply.

17 (5) On the movement of a mobile home, manufactured home, or housetrailer in violation of this
18 part, the county treasurer for the county where the mobile home, manufactured home, or housetrailer first
19 comes to rest shall issue a written notice to the owner, showing the amount of delinquent taxes, special
20 assessments, penalties, and interest due. In addition to the penalties provided in 15-16-102, 20% or \$50,
21 whichever is greater, must be added to the delinquent taxes as penalty for violation of this part. On receipt
22 of the delinquent taxes, special assessments, penalties, and interest, the county treasurer shall forward all
23 delinquent taxes, special assessments, penalties, and interest collected under 15-16-102 to the county
24 treasurer for the county of origin. The county of destination shall retain the penalty."
25

26 **Section 13.** Section 15-24-203, MCA, is amended to read:

27 "**15-24-203. Tax receipt -- when production required.** If stopped on a highway or at a state vehicle
28 weight station by a state highway patrol officer or state vehicle weight station attendant, a person
29 transporting a mobile home, manufactured home, or housetrailer ~~must~~ shall produce, if requested, the
30 property-tax-paid receipt or a duplicate issued by the county treasurer where the vehicle was taxed."

1 **Section 14.** Section 15-24-204, MCA, is amended to read:

2 "**15-24-204. Failure to display or produce declaration, sticker, or receipt -- penalty.** (1) Whoever
3 makes a false or fraudulent declaration of destination or, when required, fails to execute a declaration of
4 destination or fails to display or produce a declaration of destination or tax-paid receipt, if a tax-paid receipt
5 is required, is guilty of a misdemeanor and upon conviction is punishable by imprisonment in a county jail
6 for not more than 6 months or by a fine of not more than \$500, or both.

7 (2) Whoever fails to display a property-tax-paid sticker while in the process of moving a mobile
8 home, manufactured home, or housetrailer or to produce a property-tax-paid receipt from 15 days after the
9 due date for personal property taxes of 1 year to the due date for personal property taxes of the next year,
10 when the display of a tax-paid receipt is required, commits a misdemeanor punishable by a fine of not less
11 than \$10 or more than \$50 or confinement in the county jail for not more than 30 days or both ~~such a~~ fine
12 and imprisonment."

13

14 **Section 15.** Section 15-24-205, MCA, is amended to read:

15 "**15-24-205. Sections limited to taxable trailers and manufactured homes.** The provisions of this
16 part shall apply only to those mobile homes, manufactured homes, and housetrailer, as defined in this part,
17 subject to assessment and taxation under chapter 8, part 2, and 15-24-301."

18

19 **Section 16.** Section 15-24-206, MCA, is amended to read:

20 "**15-24-206. Declaration of destination on imported mobile homes and manufactured homes --**
21 **display -- tax receipt -- exemptions.** (1) A person who brings a mobile home or manufactured home into the
22 state shall immediately upon arrival in the state execute a written declaration, verified under oath, stating
23 the destination of the mobile home or manufactured home and any other information the department of
24 revenue may require and shall deliver the original of the declaration to whomever is on duty at the nearest
25 port of entry station, state vehicle weight station, or other place the department may prescribe. ~~He~~ The
26 person shall also immediately upon arrival in the state affix a copy of the declaration to the mobile home
27 or manufactured home at a conspicuous place.

28 (2) The treasurer shall issue the mobile home or manufactured home movement declaration
29 provided for in this section to a person required by this section to execute it, in quantities ~~to~~ the person
30 requests to a maximum of 100. The treasurer shall issue additional quantities of the declaration to a

1 maximum of 100 as the person requests at the discretion of the county treasurer upon receipt from the
2 person of the previously issued declarations properly executed. Executed declarations must be delivered
3 to the treasurer within 30 days from their issue.

4 (3) A person who moves a mobile home or a manufactured home from a point within the state to
5 another point within or ~~without~~ outside of the state shall first:

6 (a) execute the declaration provided for in subsection (1), deliver the original of it to the treasurer
7 of the county in which the move originates or to any other person the department ~~may prescribe~~ prescribes,
8 and affix a copy of it in a conspicuous place on the mobile home or manufactured home to be moved;

9 (b) obtain from the county treasurer of the county in which the move originates a receipt showing:

10 (i) payment in full of property taxes with respect to that mobile home or manufactured home; or

11 (ii) payment of the property taxes provided for in 15-24-209.

12 (4) The provisions of subsection (3)(b) do not apply whenever a person moves a mobile home or
13 manufactured home:

14 (a) from a point ~~without~~ outside of to a point within the state;

15 (b) between places of business of dealers within or ~~without~~ outside of the state;

16 (c) from the place of business of a dealer to a point within or ~~without~~ outside of the state; or

17 (d) pursuant to the repossession of a mobile home or manufactured home, unless the treasurer has
18 furnished the lienholder or secured party with timely notice of the delinquent tax due when information has
19 been requested under 15-24-202(2)."

20
21 **Section 17.** Section 15-24-208, MCA, is amended to read:

22 "15-24-208. **Penalty for moving mobile home or manufactured home on which taxes due.** Any
23 person ~~that~~ who moves a mobile home or manufactured home on which property taxes are unpaid is guilty
24 of a misdemeanor."

25
26 **Section 18.** Section 15-24-209, MCA, is amended to read:

27 "15-24-209. **Limit on delinquent mobile home or manufactured home taxes chargeable to security**
28 **interest holder.** The holder of a perfected security interest in a mobile home, manufactured home, or
29 housetrailer who repossesses the mobile home, manufactured home, or housetrailer as provided by law and
30 as authorized in the contract between the owner and the secured party may not be required to pay

1 delinquent property taxes for more than 3 years as a condition of moving the mobile home, manufactured
2 home, or houstrailer or transferring it to another person. Any additional delinquent taxes due upon the
3 mobile home, manufactured home, or houstrailer are a lien upon any other personal or real property of the
4 person who was required by law to pay the delinquent taxes at the time the taxes were due."

5
6 **Section 19.** Section 15-24-210, MCA, is amended to read:

7 **"15-24-210. Notice of impending sale to certain lienholders.** After entry of a notation under
8 15-16-115(2) concerning a mobile home or manufactured home that is not taxed as an improvement to real
9 property but before directing the sheriff to make a levy and sale on the mobile home or manufactured home,
10 the treasurer shall notify a person who has a properly perfected security interest in the mobile home or
11 manufactured home and who has furnished the treasurer a copy of the instrument by which the interest
12 was perfected of the levy and sale. The notice must state that the sheriff may soon be requested to make
13 a levy and sale on the mobile home or manufactured home."

14
15 **Section 20.** Section 15-32-102, MCA, is amended to read:

16 **"15-32-102. Definitions.** As used in this part, the following definitions apply:

17 (1) "Building" means a single or multiple dwelling, including a mobile home or manufactured home,
18 or a building used for commercial, industrial, or agricultural purposes, that is enclosed with walls and a roof.

19 (2) "Capital investment" means any material or equipment purchased and installed in a building or
20 land with or without improvements.

21 (3) "Energy conservation purpose" means one or both of the following results of an investment:

22 (a) reducing the waste or dissipation of energy; or

23 (b) reducing the amount of energy required to accomplish a given quantity of work.

24 (4) "Geothermal system" means a system that transfers energy either from the ground, by way
25 of a closed loop, or from ground water, by way of an open loop, for the purpose of heating or cooling a
26 residential building.

27 (5) "Passive solar system" means a direct thermal energy system that uses the structure of a
28 building and its operable components to provide heating or cooling during the appropriate times of the year
29 by using the climate resources available at the site. It includes only those portions and components of a
30 building that are expressly designed and required for the collection, storage, and distribution of solar energy

1 and that are not standard components of a conventional building.

2 (6) "Low emission wood or biomass combustion device" means a noncatalytic stove or furnace
3 that:

4 (a) (i) is specifically designed to burn wood pellets or other nonfossil biomass pellets; and

5 (ii) has a particulate emission rate of less than 4.1 grams per hour when tested in conformance with
6 the standard method for measuring the emissions and efficiencies of residential wood stoves, as adopted
7 by the department of environmental quality pursuant to 15-32-203; or

8 (iii) has an air-to-fuel ratio of 35 to 1 or greater when tested in conformance with the standard
9 method for measuring the air-to-fuel ratio and minimum achievable burn rates for wood-fired appliances,
10 as adopted by the department of environmental quality pursuant to 15-32-203; or

11 (b) burns wood or other nonfossil biomass and has a particulate emission rate of less than 4.1
12 grams per hour when tested in conformance with the standard method for measuring the emissions and
13 efficiencies of residential wood stoves, as adopted by the department of environmental quality pursuant
14 to 15-32-203.

15 (7) "Recognized nonfossil forms of energy generation" means:

16 (a) a system that captures energy or converts energy sources into usable sources by using solar
17 energy, including passive solar systems; wind; solid waste; or the decomposition of organic wastes;

18 (b) a system that produces electric power from solid wood wastes; or

19 (c) a small system that uses water power by means of an impoundment that is not over 20 acres
20 in surface area."

21

22 **Section 21.** Section 61-3-207, MCA, is amended to read:

23 **"61-3-207. Mobile home or housetrailer -- transfer of interest.** (1) Upon a transfer of any interest
24 in a mobile home or housetrailer under the provisions of this chapter, the application for the transfer must
25 be made through the county treasurer's office in the county in which the mobile home or housetrailer is
26 located at the time of the transfer. The county treasurer may not accept the application unless all taxes,
27 interest, and penalties that have been assessed on the mobile home or housetrailer have been paid in full.

28 (2) When a mobile home or housetrailer is sold under contract or under ~~such~~ conditions that title
29 is not immediately conveyed, the parties to the transaction shall immediately file with the county clerk and
30 recorder a notice of intention to transfer title. The notice must indicate the name of the party who is

1 responsible for payment of taxes upon the mobile home or housetrailer after the transfer. The clerk and
2 recorder shall immediately notify the department of revenue of the information in the notice. The penalty
3 provisions of 61-3-201(2) do not apply if the notice of intent to transfer is filed with the county clerk and
4 recorder within 20 days after the transfer."

5

6 **Section 22.** Section 61-3-303, MCA, is amended to read:

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

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

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

18 (c) description of motor vehicle, including make, year model, engine or serial number,
19 manufacturer's model or letter, gross weight, declared weight on all trucks for which the rated capacity is
20 1 ton or less, and type of body and, if a truck, rated capacity;

21 (d) declared weight on all trailers operating intrastate, except travel trailers or trailers and
22 semitrailers registered as provided in 61-3-711 through 61-3-733; and

23 (e) other information that the department may require.

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

27 (a) the registration fee, as provided in 61-3-311 and 61-3-321 or 61-3-456; and

28 (b) except as provided in 61-3-456 or unless it has been previously paid:

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

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

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

5 (a) the current year; and

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

8 (4) The department of revenue may make full and complete investigation of the tax status of the
9 vehicle. An applicant for registration or reregistration shall submit proof from the tax or other appropriate
10 records of the proper county at the request of the department of revenue."
11

12 **Section 23.** Section 61-3-503, MCA, is amended to read:

13 **"61-3-503. Assessment.** (1) Except as provided in 61-3-520 and subsection (2) of this section,
14 the following apply to the taxation of motor vehicles:

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

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

24 (c) Vehicles subject to the provisions of 61-3-313 through 61-3-316 must be assessed as of the
25 first day of the registration period, using the average trade-in or wholesale value as of January 1 of the year
26 of assessment of the vehicle as contained in the most recent volume of the Mountain States Edition of the
27 National Automobile Dealers Association (N.A.D.A.) Official Used Car Guide, the National Edition of
28 N.A.D.A. Appraisal Guides Official Older Used Car Guide, or another nationally published used vehicle or
29 appraisal guide approved by the department of revenue or, for a vehicle that was never listed in any edition
30 of the preceding guides, the retail value of the vehicle as determined by the department of revenue, and

1 depreciated 10% a year until a value of \$500 is reached, not including additions or deductions for options
2 and mileage but including additions or deductions, whether or not one of the preceding guides is used, for
3 diesel engines; and a lien for taxes and fees due on the vehicle occurs on the anniversary date of the
4 registration and continues until the fees and taxes have been paid. If the value shown in any of the
5 appraisal guides listed in this section is less than \$500, the department shall value the vehicle at \$500.

6 (d) Quadricycles must be assessed, using the greater of the following:

7 (i) \$250; or

8 (ii) the average trade-in or wholesale value as of January 1 of the year of assessment of the vehicle
9 as contained in the most recent volume of the applicable National Edition of the N.A.D.A.
10 Motorcycle/Moped/ATV Appraisal Guide or N.A.D.A. Recreational Vehicle Appraisal Guide or another
11 nationally published used vehicle or appraisal guide approved by the department of revenue, not including
12 additions or deductions for options and mileage.

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

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

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

24 (f) When a minimum value of \$500 is reached, the value must remain at that minimum as long as
25 the vehicle is registered.

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

30 (2) The provisions of subsections (1)(a) through (1)(g) do not apply to motorcycles, motor homes,

1 travel trailers, campers, or mobile homes or manufactured homes as those terms are defined in
2 15-1-101(1)."

3

4 **Section 24.** Section 69-12-331, MCA, is amended to read:

5 "69-12-331. **Special provisions relating to transportation of buildings.** A certificate that permits
6 the transportation of a building other than a mobile home or a manufactured home, as defined in 15-1-101,
7 from its existing foundation to a new location must permit transportation throughout the state and may not
8 restrict transportation to a particular region of the state."

9

10 **NEW SECTION. Section 25. Codification instruction.** (1) [Section 1] is intended to be codified
11 as an integral part of Title 61, chapter 1, part 5, and the provisions of Title 61, chapter 1, part 5, apply to
12 [section 1].

13 (2) [Sections 2 and 3] are intended to be codified as an integral part of Title 15, chapter 1, part
14 1, and the provisions of Title 15, chapter 1, part 1, apply to [sections 2 and 3].

15 (3) [Section 4] is intended to be codified as an integral part of Title 61, chapter 3, part 2, and the
16 provisions of Title 61, chapter 3, part 2, apply to [section 4].

17

18 **NEW SECTION. Section 26. Effective date.** [This act] is effective January 1, 1998.

19

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0532, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

A bill generally revising the laws relating to mobile homes and manufactured homes, and defining "manufactured home".

ASSUMPTIONS:

1. An undetermined number of owners of manufactured homes will choose to declare their homes as improvements to real property.
2. If an owner obtains a reversal of declaration, the manufactured home will be classified as personal property.
3. The state will receive \$3.50 for deposit to the state general fund from the titling fee for each manufactured home that is declared an improvement to real property.

FISCAL IMPACT:

Passage of HB 532 will have minimal fiscal impact on state government.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The county will receive \$1.50 for deposit to the county general fund from the titling fee for each manufactured home that is declared an improvement to real property.

Dave Lewis 2-15-97
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Joe Barnett
JOE BARNETT, PRIMARY SPONSOR DATE
Fiscal Note for HB0532, as introduced

HB 532

1 HOUSE BILL NO. 532

2 INTRODUCED BY BARNETT, HARGROVE

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE LAWS RELATING TO MOBILE
5 HOMES AND MANUFACTURED HOMES; DEFINING "MANUFACTURED HOME"; ALLOWING FOR THE
6 UNTITLING AND RETITLING OF A MANUFACTURED HOME; TREATING A MANUFACTURED HOME AS A
7 MOBILE HOME FOR PURPOSES OF TAXATION; CHANGING THE DATES FOR THE PAYMENT OF
8 PERSONAL PROPERTY TAXES ON A MOBILE OR MANUFACTURED HOME; REQUIRING THAT ALL TAXES
9 ON A MOBILE HOME BE PAID BEFORE A TRANSFER OF INTEREST CAN OCCUR; AMENDING SECTIONS
10 7-13-4502, 15-1-101, 15-6-134, 15-8-201, 15-8-205, 15-16-202, 15-24-201, 15-24-202, 15-24-203,
11 15-24-204, 15-24-205, 15-24-206, 15-24-208, 15-24-209, 15-24-210, 15-32-102, 61-3-207, 61-3-303,
12 61-3-503, AND 69-12-331, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

13

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

15

16 NEW SECTION. Section 1. Manufactured home. (1) "Manufactured home" means a residential
17 dwelling built in a factory in accordance with THE UNITED STATES DEPARTMENT OF HOUSING AND
18 URBAN DEVELOPMENT CODE AND the federal Manufactured Home Construction and Safety Standards.

19 (2) A manufactured home does not include a mobile home, as defined in 61-4-309 or 15-1-101,
20 a housetrailer, as defined in 61-1-501, or a mobile home or housetrailer constructed before the federal
21 Manufactured Home Construction and Safety Standards went into effect on June 15, 1976.

22

23 NEW SECTION. Section 2. ~~Declaration of manufactured~~ MANUFACTURED home CONSIDERED
24 as improvement to real property -- requirements. (1) ~~An owner of a~~ A manufactured home ~~may declare~~
25 ~~the home as~~ WILL BE CONSIDERED FOR TAX PURPOSES an improvement to real property if:

26 (a) the running gear is removed; AND

27 (b) the manufactured home is attached to a permanent foundation on land that is owned or being
28 purchased by the owner of the manufactured home or, if the land is owned by another person, with the
29 permission of the landowner; ~~and,~~

30 ~~(c) the owner files~~ (2) TO ELIMINATE THE CERTIFICATE OF OWNERSHIP OF A MANUFACTURED

1 HOME, AN OWNER MAY FILE a statement of intent on a form furnished by the department OF JUSTICE
 2 ~~to declare the manufactured home as an improvement to real property.~~

3 (2) The statement of intent must include:

4 (a) the serial number of the manufactured home;

5 (b) the legal description of the real property to which the manufactured home has been permanently
 6 attached;

7 (c) a description of any security interests in the manufactured home; and

8 (d) approval from all lienholders of the intent to eliminate the title.

9 (3) The owner shall present the statement of intent to the county treasurer of the county in which
 10 the manufactured home is located and shall surrender the certificate of ownership. Upon receipt of a titling
 11 fee of \$5, the county treasurer shall issue the owner a duplicate receipt for the surrendered certificate and
 12 forward a copy of the statement of intent, the original receipt, and the surrendered certificate to the
 13 department of justice. The county treasurer may not issue the receipt unless all taxes, interest, and
 14 penalties on the manufactured home have been paid in full. The county treasurer shall:

15 (a) deposit \$1.50 of the titling fee in the county general fund; and

16 (b) remit \$3.50 of the titling fee to the state treasurer for deposit in the state general fund.

17 (4) ~~The owner shall file the statement of intent and the receipt of surrender to the department in~~
 18 ~~the county in which the manufactured home is located.~~ Upon the recording of the statement of intent and
 19 the receipt of surrender, the manufactured home ~~is declared an improvement to real property for purposes~~
 20 ~~of taxation and~~ may not be physically removed without the consent of all persons who have an interest in
 21 the manufactured home.

22 (5) A manufactured home that has been declared an improvement to real property in accordance
 23 with this section must be treated by the department and by lending institutions in the same manner as any
 24 other residence that is classified as an improvement.

25
 26 NEW SECTION. Section 3. Reversal of declaration -- exception. (1) Before a manufactured home
 27 can be physically removed from its location, the owner shall obtain ~~an abstract~~ A SEARCH OF THE TITLE
 28 TO THE LAND from a title insurance company in order to identify those persons or entities whose consent
 29 for removal must be obtained. The owner shall obtain permission in writing from the affected persons or
 30 entities before removing the manufactured home from its location.

1 (2) At least 30 days before the manufactured home is removed, the owner shall give written notice
 2 to the department of ~~AND THE COUNTY TREASURER IN WHICH THE HOME IS CURRENTLY LOCATED,~~
 3 OF the intended removal of the home. The written notice must include the written consents of the affected
 4 persons or entities identified in subsection (1). The ~~department~~ OWNER may not ~~give permission for the~~
 5 ~~removal~~ REMOVE THE HOME until the written consents are received and all of the taxes that have been
 6 assessed have been paid in full to the county treasurer.

7 (3) Within 5 days of the removal of the home, the purchaser shall MAKE A DECLARATION OF
 8 REVERSAL AND apply for a certificate of ownership for the manufactured home from the department of
 9 justice in accordance with the provisions of Title 61, chapter 3, part 2. ~~Upon issuance of the certificate,~~
 10 ~~the owner shall file a declaration of reversal with the department upon a form furnished by the department.~~
 11 ~~Once the declaration is filed with the department, the manufactured home is classified as personal property.~~

12
 13 **NEW SECTION. Section 4. Exception to certificate of ownership requirements for manufactured**
 14 **homes.** (1) A manufactured home is subject to the provisions of this part unless the manufactured home
 15 has been declared an improvement to real property in accordance with the provisions of [section 2].

16 (2) A manufactured home that has been classified as personal property ~~in accordance with the~~
 17 ~~provisions of [section 3]~~ is subject to the provisions of this part.

18
 19 **Section 5.** Section 7-13-4502, MCA, is amended to read:

20 **"7-13-4502. Definitions.** As used in this part, unless the context indicates otherwise, the following
 21 definitions apply:

22 (1) "Board of directors" means the board of directors provided for in 7-13-4516 or a joint board
 23 of directors provided for in 7-13-4527.

24 (2) "Board of environmental review" means the board of environmental review as provided in
 25 2-15-3502.

26 (3) "Commissioners" means the board of county commissioners or the governing body of a
 27 city-county consolidated government.

28 (4) "Family residential unit" means a single-family dwelling.

29 (5) "Fee-assessed units" means all real property with improvements, including taxable and
 30 tax-exempt property as shown on the property assessment records maintained by the county, and mobile

1 homes and manufactured homes as defined in 15-24-201.

2 (6) "Local water quality district" means an area established with definite boundaries for the purpose
3 of protecting, preserving, and improving the quality of surface water and ground water in the district as
4 authorized by this part."

5

6 **Section 6.** Section 15-1-101, MCA, is amended to read:

7 **"15-1-101. Definitions.** (1) Except as otherwise specifically provided, when terms mentioned in
8 this section are used in connection with taxation, they are defined in the following manner:

9 (a) The term "agricultural" refers to:

10 (i) the production of food, feed, and fiber commodities, livestock and poultry, bees, fruits and
11 vegetables, and sod, ornamental, nursery, and horticultural crops that are raised, grown, or produced for
12 commercial purposes; and

13 (ii) the raising of domestic animals and wildlife in domestication or a captive environment.

14 (b) The term "assessed value" means the value of property as defined in 15-8-111.

15 (c) The term "average wholesale value" means the value to a dealer prior to reconditioning and the
16 profit margin shown in national appraisal guides and manuals or the valuation schedules of the department.

17 (d) (i) The term "commercial", when used to describe property, means property used or owned by
18 a business, a trade, or a corporation as defined in 35-2-114 or used for the production of income, except
19 property described in subsection (1)(d)(ii).

20 (ii) The following types of property are not commercial:

21 (A) agricultural lands;

22 (B) timberlands and forest lands;

23 (C) single-family residences and ancillary improvements and improvements necessary to the
24 function of a bona fide farm, ranch, or stock operation;

25 (D) mobile homes and manufactured homes used exclusively as a residence except when held by
26 a distributor or dealer ~~of trailers or mobile homes~~ as stock in trade;

27 (E) all property described in 15-6-135; and

28 (F) all property described in 15-6-136.

29 (e) The term "comparable property" means property that:

30 (i) has similar use, function, and utility;

1 (ii) is influenced by the same set of economic trends and physical, governmental, and social factors;

2 and

3 (iii) has the potential of a similar highest and best use.

4 (f) The term "credit" means solvent debts, secured or unsecured, owing to a person.

5 (g) (i) "Department", except as provided in subsection (1)(g)(ii), means the department of revenue
6 provided for in 2-15-1301.

7 (ii) In chapters 70 and 71, department means the department of transportation provided for in
8 2-15-2501.

9 (h) The terms "gas" and "natural gas" are synonymous and mean gas as defined in 82-1-111(2).
10 The terms include all natural gases and all other fluid hydrocarbons, including methane gas or any other
11 natural gas found in any coal formation.

12 (i) The term "improvements" includes all buildings, structures, fences, and improvements situated
13 upon, erected upon, or affixed to land. When the department determines that the permanency of location
14 of a mobile home, manufactured home, or housetrailer has been established, the mobile home,
15 manufactured home, or housetrailer is presumed to be an improvement to real property. A mobile home,
16 manufactured home, or housetrailer may be determined to be permanently located only when it is attached
17 to a foundation that cannot feasibly be relocated and only when the wheels are removed.

18 (j) The term "leasehold improvements" means improvements to mobile homes and mobile homes
19 located on land owned by another person. This property is assessed under the appropriate classification,
20 and the taxes are due and payable in two payments as provided in 15-24-202. Delinquent taxes on
21 leasehold improvements are a lien only on the leasehold improvements.

22 (k) The term "livestock" means cattle, sheep, swine, goats, horses, mules, asses, llamas, alpacas,
23 bison, ostriches, rheas, emus, and domestic ungulates.

24 (l) The term "manufactured home" means a residential dwelling built in a factory in accordance with
25 THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT CODE AND the federal
26 Manufactured Home Construction and Safety Standards. A manufactured home does not include a mobile
27 home, as defined in 61-4-309 and in subsection (1)(m) of this section, a housetrailer, as defined in
28 61-1-501, or a mobile home or housetrailer constructed before the federal Manufactured Home Construction
29 and Safety Standards went into effect on June 15, 1976.

30 ~~(m)~~ The term "mobile home" means forms of housing known as "trailers", "housetrailers", or

1 "trailer coaches" exceeding 8 feet in width or 45 feet in length, designed to be moved from one place to
 2 another by an independent power connected to them, or any trailer, housetrailer, or trailer coach up to 8
 3 feet in width or 45 feet in length used as a principal residence.

4 ~~(m)~~(n) The term "personal property" includes everything that is the subject of ownership but that
 5 is not included within the meaning of the terms "real estate" and "improvements".

6 ~~(n)~~(o) The term "poultry" includes all chickens, turkeys, geese, ducks, and other birds raised in
 7 domestication to produce food or feathers.

8 ~~(o)~~(p) The term "property" includes money, credits, bonds, stocks, franchises, and all other matters
 9 and things, real, personal, and mixed, capable of private ownership. This definition may not be construed
 10 to authorize the taxation of the stocks of a company or corporation when the property of the company or
 11 corporation represented by the stocks is within the state and has been taxed.

12 ~~(p)~~(q) The term "real estate" includes:

13 (i) the possession of, claim to, ownership of, or right to the possession of land;

14 (ii) all mines, minerals, and quarries in and under the land subject to the provisions of 15-23-501
 15 and Title 15, chapter 23, part 8;

16 (iii) all timber belonging to individuals or corporations growing or being on the lands of the United
 17 States; and

18 (iv) all rights and privileges appertaining to mines, minerals, quarries, and timber.

19 ~~(q)~~(r) "Research and development firm" means an entity incorporated under the laws of this state
 20 or a foreign corporation authorized to do business in this state whose principal purpose is to engage in
 21 theoretical analysis, exploration, and experimentation and the extension of investigative findings and
 22 theories of a scientific and technical nature into practical application for experimental and demonstration
 23 purposes, including the experimental production and testing of models, devices, equipment, materials, and
 24 processes.

25 (s) The term "stock in trade" means any mobile home, manufactured home, or housetrailer that
 26 is listed by the dealer as inventory and that is offered for sale, is unoccupied, and is not located on a
 27 permanent foundation. Inventory does not have to be located at the business location of a dealer or a
 28 distributor.

29 ~~(r)~~(t) The term "taxable value" means the percentage of market or assessed value as provided for
 30 in Title 15, chapter 6, part 1.

1 (2) The phrase "municipal corporation" or "municipality" or "taxing unit" includes a county, city,
2 incorporated town, township, school district, irrigation district, or drainage district or a person, persons,
3 or organized body authorized by law to establish tax levies for the purpose of raising public revenue.

4 (3) The term "state board" or "board" when used without other qualification means the state tax
5 appeal board."

6
7 **Section 7.** Section 15-6-134, MCA, is amended to read:

8 **"15-6-134. Class four property -- description -- taxable percentage.** (1) Class four property
9 includes:

10 (a) all land, except that specifically included in another class;

11 (b) all improvements, including trailers, manufactured homes, or mobile homes used as a residence,
12 except those specifically included in another class;

13 (c) the first \$100,000 or less of the market value of any improvement on real property, including
14 trailers, manufactured homes, or mobile homes, and appurtenant land not exceeding 5 acres owned or
15 under contract for deed and actually occupied for at least 7 months a year as the primary residential
16 dwelling of any person whose total income from all sources, including net business income and otherwise
17 tax-exempt income of all types but not including social security income paid directly to a nursing home, is
18 not more than \$15,000 for a single person or \$20,000 for a married couple or a head of household, as
19 adjusted according to subsection (2)(b)(ii). For the purposes of this subsection (1)(c), net business income
20 is gross income less ordinary operating expenses but before deducting depreciation or depletion allowance,
21 or both.

22 (d) all golf courses, including land and improvements actually and necessarily used for that
23 purpose, that consist of at least nine holes and not less than 3,000 lineal yards; and

24 (e) all improvements on land that is eligible for valuation, assessment, and taxation as agricultural
25 land under 15-7-202, including 1 acre of real property beneath improvements on land described in
26 15-6-133(1)(c). The 1 acre must be valued at market value.

27 (2) Class four property is taxed as follows:

28 (a) Except as provided in 15-24-1402 or 15-24-1501, property described in subsections (1)(a),
29 (1)(b), and (1)(e) is taxed at 3.86% of its market value.

30 (b) (i) Property qualifying under the property tax assistance program in subsection (1)(c) is taxed

1 at 3.86% of its market value multiplied by a percentage figure based on income and determined from the
 2 following table:

| 3 Income | Income | Percentage |
|-------------------|-------------------|------------|
| 4 Single Person | Married Couple | Multiplier |
| 5 | Head of Household | |
| 6 \$ 0 - \$ 6,000 | \$ 0 - \$ 8,000 | 20% |
| 7 6,001 - 9,200 | 8,001 - 14,000 | 50% |
| 8 9,201 - 15,000 | 14,001 - 20,000 | 70% |

9 (ii) The income levels contained in the table in subsection (2)(b)(i) must be adjusted for inflation
 10 annually by the department of revenue. The adjustment to the income levels is determined by:

11 (A) multiplying the appropriate dollar amount from the table in subsection (2)(b)(i) by the ratio of
 12 the PCE for the second quarter of the year prior to the year of application to the PCE for the second quarter
 13 of 1995; and

14 (B) rounding the product thus obtained to the nearest whole dollar amount.

15 (iii) "PCE" means the implicit price deflator for personal consumption expenditures as published
 16 quarterly in the Survey of Current Business by the bureau of economic analysis of the U.S. department of
 17 commerce.

18 (c) Property described in subsection (1)(d) is taxed at one-half the taxable percentage rate
 19 established in subsection (2)(a).

20 (3) Within the meaning of comparable property, as defined in 15-1-101, property assessed as
 21 commercial property is comparable only to other property assessed as commercial property and property
 22 assessed as other than commercial property is comparable only to other property assessed as other than
 23 commercial property."
 24

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

26 **"15-8-201. General assessment day.** (1) The department shall, between January 1 and the second
 27 Monday of July in each year, ascertain the names of all taxable inhabitants and assess all property subject
 28 to taxation in each county. The department shall assess property to the person by whom it was owned or
 29 claimed or in whose possession or control it was at midnight of the preceding January 1. The department
 30 shall also ascertain and assess all mobile homes arriving in the county after midnight of the preceding

1 January 1. A mistake in the name of the owner or supposed owner of real property does not invalidate the
2 assessment.

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

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

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

7 (c) watercraft;

8 (d) livestock;

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

11 (f) mobile homes and manufactured homes held by a distributor or dealer ~~of mobile homes~~ as stock
12 in trade; and

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

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

15

16 **Section 9.** Section 15-8-205, MCA, is amended to read:

17 "**15-8-205. Initial assessment of class four trailer, manufactured home, and mobile home property**
18 -- **when.** The department shall assess all class four trailer, manufactured home, and mobile home property
19 immediately upon arrival in the county if the taxes have not been previously paid for that year in another
20 county in Montana."

21

22 **Section 10.** Section 15-16-202, MCA, is amended to read:

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

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

30 (3) Except for mobile homes and manufactured homes as defined in 15-1-101, the new motor

1 vehicle sales tax and the personal property tax or fee in lieu of tax imposed or assessed against a motor
 2 vehicle for the current year and the immediately previous year must be paid before a motor vehicle may be
 3 registered or reregistered pursuant to 61-3-303.

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

6
 7 **Section 11.** Section 15-24-201, MCA, is amended to read:

8 **"15-24-201. Definitions.** As used in this part, the following definitions apply:

9 (1) "Dealer" means a person engaged in the distribution or sale of mobile homes or manufactured
 10 homes.

11 (2) "Housetrailer" means a form of housing designed to be moved from one place to another by
 12 an independent power connected ~~thereto~~ to the housetrailer, which is either 8 feet wide or less or ~~32~~ 45
 13 feet long or less.

14 (3) "Manufactured home" means a residential dwelling built in a factory in accordance with THE
 15 UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT CODE AND the federal
 16 Manufactured Home Construction and Safety Standards. A manufactured home does not include a mobile
 17 home or a housetrailer.

18 ~~(3)~~(4) "Mobile home" means forms of housing known as "trailers", "housetrailers", or "trailer
 19 coaches" exceeding 8 feet in width or ~~32~~ 45 feet in length, designed to be moved from one place to
 20 another by an independent power connected ~~thereto~~ to the mobile home or any trailer, housetrailer, or
 21 trailer coach up to 8 feet in width or 45 feet in length used as a principal residence."

22
 23 **Section 12.** Section 15-24-202, MCA, is amended to read:

24 **"15-24-202. Payment of tax -- interest and penalty -- display of tax-paid sticker.** (1) (a) The owner
 25 of a mobile home, manufactured home, or housetrailer which is not taxed as an improvement, as
 26 improvements are defined in 15-1-101, shall pay the personal property tax in two payments, except as
 27 provided in 15-24-206.

28 (b) The first payment is due on or before May 31 or within 30 days from the date of the notice of
 29 taxes due, WHICHEVER IS LATER.

30 (c) The second payment is due no later than ~~September~~ November 30 of the year in which the

1 property is assessed.

2 (d) If not paid on or before the date due, the tax is considered delinquent and subject to the penalty
3 and interest provisions in 15-16-102 applicable to other delinquent property taxes. The penalty must be
4 assessed and interest begins to accrue on the first day of delinquency.

5 (2) Upon request, the treasurer shall notify a lienholder if taxes on a mobile home, manufactured
6 home, or housetrailer have not been paid.

7 (3) Taxes assessed against a mobile home or manufactured home after the second payment date
8 must be prorated to reflect the remaining portion of the tax year. The prorated taxes must be added to the
9 following year's tax roll and, except as provided in 15-24-206, are due with and must be collected with
10 the first payment due in that year.

11 (4) The department of revenue shall issue tax-paid stickers to the county treasurers. Except as
12 provided in 15-24-206 and 15-24-209, if a mobile home, manufactured home, or housetrailer is to be
13 moved and all taxes, interest, and penalties on the mobile home or housetrailer are paid in full, the treasurer
14 shall issue a tax-paid sticker to the owner of the mobile home, manufactured home, or housetrailer. Prior
15 to and while in the process of moving the mobile home, manufactured home, or housetrailer, the owner
16 shall display the tax-paid sticker, which must be visible from the exterior of the mobile home, manufactured
17 home, or housetrailer. ~~No~~ A mobile home or manufactured home movement declaration of destination
18 provided for in 15-24-206 may not be issued unless:

19 (a) the taxes have been paid in full to the county treasurer; or

20 (b) the exceptions in 15-24-206(3) or 15-24-209 apply.

21 (5) On the movement of a mobile home, manufactured home, or housetrailer in violation of this
22 part, the county treasurer for the county where the mobile home, manufactured home, or housetrailer first
23 comes to rest shall issue a written notice to the owner, showing the amount of delinquent taxes, special
24 assessments, penalties, and interest due. In addition to the penalties provided in 15-16-102, 20% or \$50,
25 whichever is greater, must be added to the delinquent taxes as penalty for violation of this part. On receipt
26 of the delinquent taxes, special assessments, penalties, and interest, the county treasurer shall forward all
27 delinquent taxes, special assessments, penalties, and interest collected under 15-16-102 to the county
28 treasurer for the county of origin. The county of destination shall retain the penalty."

29

30 **Section 13.** Section 15-24-203, MCA, is amended to read:

1 **"15-24-203. Tax receipt -- when production required.** If stopped on a highway or at a state vehicle
 2 weight station by a state highway patrol officer or state vehicle weight station attendant, a person
 3 transporting a mobile home, manufactured home, or housetrailer ~~must~~ shall produce, if requested, the
 4 property-tax-paid receipt or a duplicate issued by the county treasurer where the vehicle was taxed."
 5

6 **Section 14.** Section 15-24-204, MCA, is amended to read:

7 **"15-24-204. Failure to display or produce declaration, sticker, or receipt.-- penalty.** (1) Whoever
 8 makes a false or fraudulent declaration of destination or, when required, fails to execute a declaration of
 9 destination or fails to display or produce a declaration of destination or tax-paid receipt, if a tax-paid receipt
 10 is required, is guilty of a misdemeanor and upon conviction is punishable by imprisonment in a county jail
 11 for not more than 6 months or by a fine of not more than \$500, or both.

12 (2) Whoever fails to display a property-tax-paid sticker while in the process of moving a mobile
 13 home, manufactured home, or housetrailer or to produce a property-tax-paid receipt from 15 days after the
 14 due date for personal property taxes of 1 year to the due date for personal property taxes of the next year,
 15 when the display of a tax-paid receipt is required, commits a misdemeanor punishable by a fine of not less
 16 than \$10 or more than \$50 or confinement in the county jail for not more than 30 days or both ~~such a~~ a fine
 17 and imprisonment."
 18

19 **Section 15.** Section 15-24-205, MCA, is amended to read:

20 **"15-24-205. Sections limited to taxable trailers and manufactured homes.** The provisions of this
 21 part ~~shall~~ apply only to those mobile homes, manufactured homes, and housetrailer, as defined in this part,
 22 subject to assessment and taxation under chapter 8, part 2, and 15-24-301."
 23

24 **Section 16.** Section 15-24-206, MCA, is amended to read:

25 **"15-24-206. Declaration of destination on imported mobile homes and manufactured homes --**
 26 **display -- tax receipt -- exemptions.** (1) A person who brings a mobile home or manufactured home into the
 27 state shall immediately upon arrival in the state execute a written declaration, verified under oath, stating
 28 the destination of the mobile home or manufactured home and any other information the department of
 29 revenue may require and shall deliver the original of the declaration to whomever is on duty at the nearest
 30 port of entry station, state vehicle weight station, or other place the department may prescribe. ~~He~~ The

1 person shall also immediately upon arrival in the state affix a copy of the declaration to the mobile home
2 or manufactured home at a conspicuous place.

3 (2) The treasurer shall issue the mobile home or manufactured home movement declaration
4 provided for in this section to a person required by this section to execute it, in quantities ~~he~~ the person
5 requests to a maximum of 100. The treasurer shall issue additional quantities of the declaration to a
6 maximum of 100 as the person requests at the discretion of the county treasurer upon receipt from the
7 person of the previously issued declarations properly executed. Executed declarations must be delivered
8 to the treasurer within 30 days from their issue.

9 (3) A person who moves a mobile home or a manufactured home from a point within the state to
10 another point within or ~~without~~ outside of the state shall first:

11 (a) execute the declaration provided for in subsection (1), deliver the original of it to the treasurer
12 of the county in which the move originates or to any other person the department ~~may prescribe~~ prescribes,
13 and affix a copy of it in a conspicuous place on the mobile home or manufactured home to be moved;

14 (b) obtain from the county treasurer of the county in which the move originates a receipt showing:

- 15 (i) payment in full of property taxes with respect to that mobile home or manufactured home; or
16 (ii) payment of the property taxes provided for in 15-24-209.

17 (4) The provisions of subsection (3)(b) do not apply whenever a person moves a mobile home or
18 manufactured home:

19 (a) from a point ~~without~~ outside of to a point within the state;

20 (b) between places of business of dealers within or ~~without~~ outside of the state;

21 (c) from the place of business of a dealer to a point within or ~~without~~ outside of the state; or

22 (d) pursuant to the repossession of a mobile home or manufactured home, unless the treasurer has
23 furnished the lienholder or secured party with timely notice of the delinquent tax due when information has
24 been requested under 15-24-202(2)."

25

26 **Section 17.** Section 15-24-208, MCA, is amended to read:

27 "15-24-208. **Penalty for moving mobile home or manufactured home on which taxes due.** Any
28 person ~~that~~ who moves a mobile home or manufactured home on which property taxes are unpaid is guilty
29 of a misdemeanor."

30

1 **Section 18.** Section 15-24-209, MCA, is amended to read:

2 **"15-24-209. Limit on delinquent mobile home or manufactured home taxes chargeable to security**
3 **interest holder.** The holder of a perfected security interest in a mobile home, manufactured home, or
4 housetrailer who repossesses the mobile home, manufactured home, or housetrailer as provided by law and
5 as authorized in the contract between the owner and the secured party may not be required to pay
6 delinquent property taxes for more than 3 years as a condition of moving the mobile home, manufactured
7 home, or housetrailer or transferring it to another person. Any additional delinquent taxes due upon the
8 mobile home, manufactured home, or housetrailer are a lien upon any other personal or real property of the
9 person who was required by law to pay the delinquent taxes at the time the taxes were due."

10

11 **Section 19.** Section 15-24-210, MCA, is amended to read:

12 **"15-24-210. Notice of impending sale to certain lienholders.** After entry of a notation under
13 15-16-115(2) concerning a mobile home or manufactured home that is not taxed as an improvement to real
14 property but before directing the sheriff to make a levy and sale on the mobile home or manufactured home,
15 the treasurer shall notify a person who has a properly perfected security interest in the mobile home or
16 manufactured home and who has furnished the treasurer a copy of the instrument by which the interest
17 was perfected of the levy and sale. The notice must state that the sheriff may soon be requested to make
18 a levy and sale on the mobile home or manufactured home."

19

20 **Section 20.** Section 15-32-102, MCA, is amended to read:

21 **"15-32-102. Definitions.** As used in this part, the following definitions apply:

22 (1) "Building" means a single or multiple dwelling, including a mobile home or manufactured home,
23 or a building used for commercial, industrial, or agricultural purposes, that is enclosed with walls and a roof.

24 (2) "Capital investment" means any material or equipment purchased and installed in a building or
25 land with or without improvements.

26 (3) "Energy conservation purpose" means one or both of the following results of an investment:

27 (a) reducing the waste or dissipation of energy; or

28 (b) reducing the amount of energy required to accomplish a given quantity of work.

29 (4) "Geothermal system" means a system that transfers energy either from the ground, by way
30 of a closed loop, or from ground water, by way of an open loop, for the purpose of heating or cooling a

1 residential building.

2 (5) "Passive solar system" means a direct thermal energy system that uses the structure of a
3 building and its operable components to provide heating or cooling during the appropriate times of the year
4 by using the climate resources available at the site. It includes only those portions and components of a
5 building that are expressly designed and required for the collection, storage, and distribution of solar energy
6 and that are not standard components of a conventional building.

7 (6) "Low emission wood or biomass combustion device" means a noncatalytic stove or furnace
8 that:

9 (a) (i) is specifically designed to burn wood pellets or other nonfossil biomass pellets; and

10 (ii) has a particulate emission rate of less than 4.1 grams per hour when tested in conformance with
11 the standard method for measuring the emissions and efficiencies of residential wood stoves, as adopted
12 by the department of environmental quality pursuant to 15-32-203; or

13 (iii) has an air-to-fuel ratio of 35 to 1 or greater when tested in conformance with the standard
14 method for measuring the air-to-fuel ratio and minimum achievable burn rates for wood-fired appliances,
15 as adopted by the department of environmental quality pursuant to 15-32-203; or

16 (b) burns wood or other nonfossil biomass and has a particulate emission rate of less than 4.1
17 grams per hour when tested in conformance with the standard method for measuring the emissions and
18 efficiencies of residential wood stoves, as adopted by the department of environmental quality pursuant
19 to 15-32-203.

20 (7) "Recognized nonfossil forms of energy generation" means:

21 (a) a system that captures energy or converts energy sources into usable sources by using solar
22 energy, including passive solar systems; wind; solid waste; or the decomposition of organic wastes;

23 (b) a system that produces electric power from solid wood wastes; or

24 (c) a small system that uses water power by means of an impoundment that is not over 20 acres
25 in surface area."

26

27 **Section 21.** Section 61-3-207, MCA, is amended to read:

28 **"61-3-207. Mobile home or housetrailer -- transfer of interest.** (1) Upon a transfer of any interest
29 in a mobile home or housetrailer under the provisions of this chapter, the application for the transfer must
30 be made through the county treasurer's office in the county in which the mobile home or housetrailer is

1 located at the time of the transfer. The county treasurer may not accept the application unless all taxes,
 2 interest, and penalties that have been assessed on the mobile home or housetrailer have been paid in full.

3 (2) When a mobile home or housetrailer is sold under contract or under ~~such~~ conditions that title
 4 is not immediately conveyed, the parties to the transaction shall immediately file with the county clerk and
 5 recorder a notice of intention to transfer title. The notice must indicate the name of the party who is
 6 responsible for payment of taxes upon the mobile home or housetrailer after the transfer. The clerk and
 7 recorder shall immediately notify the department of revenue of the information in the notice. The penalty
 8 provisions of 61-3-201(2) do not apply if the notice of intent to transfer is filed with the county clerk and
 9 recorder within 20 days after the transfer."

10
 11 **Section 22.** Section 61-3-303, MCA, is amended to read:

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

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

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

23 (c) description of motor vehicle, including make, year model, engine or serial number,
 24 manufacturer's model or letter, gross weight, declared weight on all trucks for which the rated capacity is
 25 1 ton or less, and type of body and, if a truck, rated capacity;

26 (d) declared weight on all trailers operating intrastate, except travel trailers or trailers and
 27 semitrailers registered as provided in 61-3-711 through 61-3-733; and

28 (e) other information that the department may require.

29 (2) A person who files an application for registration or reregistration of a motor vehicle, except
 30 of a mobile home or a manufactured home as those terms are defined in 15-1-101(1), shall upon the filing

1 of the application pay to the county treasurer:

2 (a) the registration fee, as provided in 61-3-311 and 61-3-321 or 61-3-456; and

3 (b) except as provided in 61-3-456 or unless it has been previously paid:

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

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

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

10 (a) the current year; and

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

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

16

17 **Section 23.** Section 61-3-503, MCA, is amended to read:

18 "61-3-503. **Assessment.** (1) Except as provided in 61-3-520 and subsection (2) of this section,
19 the following apply to the taxation of motor vehicles:

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

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

29 (c) Vehicles subject to the provisions of 61-3-313 through 61-3-316 must be assessed as of the
30 first day of the registration period, using the average trade-in or wholesale value as of January 1 of the year

1 of assessment of the vehicle as contained in the most recent volume of the Mountain States Edition of the
2 National Automobile Dealers Association (N.A.D.A.) Official Used Car Guide, the National Edition of
3 N.A.D.A. Appraisal Guides Official Older Used Car Guide, or another nationally published used vehicle or
4 appraisal guide approved by the department of revenue or, for a vehicle that was never listed in any edition
5 of the preceding guides, the retail value of the vehicle as determined by the department of revenue, and
6 depreciated 10% a year until a value of \$500 is reached, not including additions or deductions for options
7 and mileage but including additions or deductions, whether or not one of the preceding guides is used, for
8 diesel engines; and a lien for taxes and fees due on the vehicle occurs on the anniversary date of the
9 registration and continues until the fees and taxes have been paid. If the value shown in any of the
10 appraisal guides listed in this section is less than \$500, the department shall value the vehicle at \$500.

11 (d) 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.

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

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

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

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

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

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

8
9 **Section 24.** Section 69-12-331, MCA, is amended to read:

10 **"69-12-331. Special provisions relating to transportation of buildings.** A certificate that permits
11 the transportation of a building other than a mobile home or a manufactured home, as defined in 15-1-101,
12 from its existing foundation to a new location must permit transportation throughout the state and may not
13 restrict transportation to a particular region of the state."

14
15 **NEW SECTION. Section 25. Codification instruction.** (1) [Section 1] is intended to be codified
16 as an integral part of Title 61, chapter 1, part 5, and the provisions of Title 61, chapter 1, part 5, apply to
17 [section 1].

18 (2) [Sections 2 and 3] are intended to be codified as an integral part of Title 15, chapter 1, part
19 1, and the provisions of Title 15, chapter 1, part 1, apply to [sections 2 and 3].

20 (3) [Section 4] is intended to be codified as an integral part of Title 61, chapter 3, part 2, and the
21 provisions of Title 61, chapter 3, part 2, apply to [section 4].

22
23 **NEW SECTION. Section 26. Effective date.** [This act] is effective January 1, 1998,

24 -END-

1 HOUSE BILL NO. 532

2 INTRODUCED BY BARNETT, HARGROVE

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE LAWS RELATING TO MOBILE
5 HOMES AND MANUFACTURED HOMES; DEFINING "MANUFACTURED HOME"; ALLOWING FOR THE
6 UNTITLING AND RETITLING OF A MANUFACTURED HOME; TREATING A MANUFACTURED HOME AS A
7 MOBILE HOME FOR PURPOSES OF TAXATION; CHANGING THE DATES FOR THE PAYMENT OF
8 PERSONAL PROPERTY TAXES ON A MOBILE OR MANUFACTURED HOME; REQUIRING THAT ALL TAXES
9 ON A MOBILE HOME BE PAID BEFORE A TRANSFER OF INTEREST CAN OCCUR; AMENDING SECTIONS
10 7-13-4502, 15-1-101, 15-6-134, 15-8-201, 15-8-205, 15-16-202, 15-24-201, 15-24-202, 15-24-203,
11 15-24-204, 15-24-205, 15-24-206, 15-24-208, 15-24-209, 15-24-210, 15-32-102, 61-3-207, 61-3-303,
12 61-3-503, AND 69-12-331, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

13

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

**THERE ARE NO CHANGES IN THIS BILL AND IT WILL NOT BE
REPRINTED. PLEASE REFER TO SECOND READING COPY
(YELLOW) FOR COMPLETE TEXT.**

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3
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3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE LAWS RELATING TO MOBILE
 5 HOMES AND MANUFACTURED HOMES; DEFINING "MANUFACTURED HOME"; ALLOWING FOR THE
 6 UNTITLING AND RETITLING OF A MANUFACTURED HOME; TREATING A MANUFACTURED HOME AS A
 7 MOBILE HOME FOR PURPOSES OF TAXATION; CHANGING THE DATES FOR THE PAYMENT OF
 8 PERSONAL PROPERTY TAXES ON A MOBILE OR MANUFACTURED HOME; REQUIRING THAT ALL TAXES
 9 ON A MOBILE HOME BE PAID BEFORE A TRANSFER OF INTEREST CAN OCCUR; AMENDING SECTIONS
 10 7-13-4502, 15-1-101, 15-6-134, 15-8-201, 15-8-205, 15-16-202, 15-24-201, 15-24-202, 15-24-203,
 11 15-24-204, 15-24-205, 15-24-206, 15-24-208, 15-24-209, 15-24-210, 15-32-102, 61-3-207, 61-3-303,
 12 61-3-503, AND 69-12-331, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

13
 14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15
 16 NEW SECTION. **Section 1. Manufactured home.** (1) "Manufactured home" means a residential
 17 dwelling built in a factory in accordance with THE UNITED STATES DEPARTMENT OF HOUSING AND
 18 URBAN DEVELOPMENT CODE AND the federal Manufactured Home Construction and Safety Standards.

19 (2) A manufactured home does not include a mobile home, as defined in 61-4-309 or 15-1-101,
 20 a housetrailer, as defined in 61-1-501, or a mobile home or housetrailer constructed before the federal
 21 Manufactured Home Construction and Safety Standards went into effect on June 15, 1976.

22
 23 NEW SECTION. **Section 2. ~~Declaration of manufactured~~ MANUFACTURED home CONSIDERED**
 24 **as improvement to real property -- requirements.** (1) ~~An owner of a~~ A manufactured home ~~may declare~~
 25 ~~the home as~~ WILL BE CONSIDERED FOR TAX PURPOSES an improvement to real property if:

26 (a) the running gear is removed; AND

27 (b) the manufactured home is attached to a permanent foundation on land that is owned or being
 28 purchased by the owner of the manufactured home or, if the land is owned by another person, with the
 29 permission of the landowner; ~~and,~~

30 ~~(c) the owner files~~ (2) TO ELIMINATE THE CERTIFICATE OF OWNERSHIP OF A MANUFACTURED

1 HOME, AN OWNER MAY FILE a statement of intent on a form furnished by the department OF JUSTICE
 2 ~~to declare the manufactured home as an improvement to real property.~~

3 (2) The statement of intent must include:

4 (a) the serial number of the manufactured home;

5 (b) the legal description of the real property to which the manufactured home has been permanently
 6 attached;

7 (c) a description of any security interests in the manufactured home; and

8 (d) approval from all lienholders of the intent to eliminate the title.

9 (3) The owner shall present the statement of intent to the county treasurer of the county in which
 10 the manufactured home is located and shall surrender the certificate of ownership. Upon receipt of a titling
 11 fee of \$5, the county treasurer shall issue the owner a duplicate receipt for the surrendered certificate and
 12 forward a copy of the statement of intent, the original receipt, and the surrendered certificate to the
 13 department of justice. The county treasurer may not issue the receipt unless all taxes, interest, and
 14 penalties on the manufactured home have been paid in full. The county treasurer shall:

15 (a) deposit \$1.50 of the titling fee in the county general fund; and

16 (b) remit \$3.50 of the titling fee to the state treasurer for deposit in the state general fund.

17 (4) ~~The owner shall file the statement of intent and the receipt of surrender to the department in~~
 18 ~~the county in which the manufactured home is located.~~ Upon the recording of the statement of intent and
 19 the receipt of surrender, the manufactured home is ~~declared an improvement to real property for purposes~~
 20 ~~of taxation and~~ may not be physically removed without the consent of all persons who have an interest in
 21 the manufactured home.

22 (5) A manufactured home that has been declared an improvement to real property in accordance
 23 with this section must be treated by the department and by lending institutions in the same manner as any
 24 other residence that is classified as an improvement.

25

26 NEW SECTION. Section 3. Reversal of declaration -- exception. (1) Before a manufactured home
 27 can be physically removed from its location, the owner shall obtain ~~an abstract~~ A SEARCH OF THE TITLE
 28 TO THE LAND from a title insurance company in order to identify those persons or entities whose consent
 29 for removal must be obtained. The owner shall obtain permission in writing from the affected persons or
 30 entities before removing the manufactured home from its location.

1 (2) At least 30 days before the manufactured home is removed, the owner shall give written notice
 2 to the department of ~~OF~~ AND THE COUNTY TREASURER IN WHICH THE HOME IS CURRENTLY LOCATED,
 3 OF the intended removal of the home. The written notice must include the written consents of the affected
 4 persons or entities identified in subsection (1). The ~~department~~ OWNER may not ~~give permission for the~~
 5 ~~removal~~ REMOVE THE HOME until the written consents are received and all of the taxes that have been
 6 assessed have been paid in full to the county treasurer.

7 (3) Within 5 days of the removal of the home, the purchaser shall MAKE A DECLARATION OF
 8 REVERSAL AND apply for a certificate of ownership for the manufactured home from the department of
 9 justice in accordance with the provisions of Title 61, chapter 3, part 2. ~~Upon issuance of the certificate,~~
 10 ~~the owner shall file a declaration of reversal with the department upon a form furnished by the department.~~
 11 ~~Once the declaration is filed with the department, the manufactured home is classified as personal property.~~

12
 13 NEW SECTION. Section 4. Exception to certificate of ownership requirements for manufactured
 14 homes. (1) A manufactured home is subject to the provisions of this part unless the manufactured home
 15 has been declared an improvement to real property in accordance with the provisions of [section 2].

16 (2) A manufactured home that has been classified as personal property ~~in accordance with the~~
 17 ~~provisions of [section 3]~~ is subject to the provisions of this part.

18
 19 **Section 5.** Section 7-13-4502, MCA, is amended to read:

20 **"7-13-4502. Definitions.** As used in this part, unless the context indicates otherwise, the following
 21 definitions apply:

22 (1) "Board of directors" means the board of directors provided for in 7-13-4516 or a joint board
 23 of directors provided for in 7-13-4527.

24 (2) "Board of environmental review" means the board of environmental review as provided in
 25 2-15-3502.

26 (3) "Commissioners" means the board of county commissioners or the governing body of a
 27 city-county consolidated government.

28 (4) "Family residential unit" means a single-family dwelling.

29 (5) "Fee-assessed units" means all real property with improvements, including taxable and
 30 tax-exempt property as shown on the property assessment records maintained by the county, and mobile

1 homes and manufactured homes as defined in 15-24-201.

2 (6) "Local water quality district" means an area established with definite boundaries for the purpose
3 of protecting, preserving, and improving the quality of surface water and ground water in the district as
4 authorized by this part."

5

6 **Section 6.** Section 15-1-101, MCA, is amended to read:

7 **"15-1-101. Definitions.** (1) Except as otherwise specifically provided, when terms mentioned in
8 this section are used in connection with taxation, they are defined in the following manner:

9 (a) The term "agricultural" refers to:

10 (i) the production of food, feed, and fiber commodities, livestock and poultry, bees, fruits and
11 vegetables, and sod, ornamental, nursery, and horticultural crops that are raised, grown, or produced for
12 commercial purposes; and

13 (ii) the raising of domestic animals and wildlife in domestication or a captive environment.

14 (b) The term "assessed value" means the value of property as defined in 15-8-111.

15 (c) The term "average wholesale value" means the value to a dealer prior to reconditioning and the
16 profit margin shown in national appraisal guides and manuals or the valuation schedules of the department.

17 (d) (i) The term "commercial", when used to describe property, means property used or owned by
18 a business, a trade, or a corporation as defined in 35-2-114 or used for the production of income, except
19 property described in subsection (1)(d)(ii).

20 (ii) The following types of property are not commercial:

21 (A) agricultural lands;

22 (B) timberlands and forest lands;

23 (C) single-family residences and ancillary improvements and improvements necessary to the
24 function of a bona fide farm, ranch, or stock operation;

25 (D) mobile homes and manufactured homes used exclusively as a residence except when held by
26 a distributor or dealer ~~of trailers or mobile homes~~ as stock in trade;

27 (E) all property described in 15-6-135; and

28 (F) all property described in 15-6-136.

29 (e) The term "comparable property" means property that:

30 (i) has similar use, function, and utility;

1 (ii) is influenced by the same set of economic trends and physical, governmental, and social factors;
2 and

3 (iii) has the potential of a similar highest and best use.

4 (f) The term "credit" means solvent debts, secured or unsecured, owing to a person.

5 (g) (i) "Department", except as provided in subsection (1)(g)(ii), means the department of revenue
6 provided for in 2-15-1301.

7 (ii) In chapters 70 and 71, department means the department of transportation provided for in
8 2-15-2501.

9 (h) The terms "gas" and "natural gas" are synonymous and mean gas as defined in 82-1-111(2).
10 The terms include all natural gases and all other fluid hydrocarbons, including methane gas or any other
11 natural gas found in any coal formation.

12 (i) The term "improvements" includes all buildings, structures, fences, and improvements situated
13 upon, erected upon, or affixed to land. When the department determines that the permanency of location
14 of a mobile home, manufactured home, or housetrailer has been established, the mobile home,
15 manufactured home, or housetrailer is presumed to be an improvement to real property. A mobile home,
16 manufactured home, or housetrailer may be determined to be permanently located only when it is attached
17 to a foundation that cannot feasibly be relocated and only when the wheels are removed.

18 (j) The term "leasehold improvements" means improvements to mobile homes and mobile homes
19 located on land owned by another person. This property is assessed under the appropriate classification,
20 and the taxes are due and payable in two payments as provided in 15-24-202. Delinquent taxes on
21 leasehold improvements are a lien only on the leasehold improvements.

22 (k) The term "livestock" means cattle, sheep, swine, goats, horses, mules, asses, llamas, alpacas,
23 bison, ostriches, rheas, emus, and domestic ungulates.

24 (l) The term "manufactured home" means a residential dwelling built in a factory in accordance with
25 THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT CODE AND the federal
26 Manufactured Home Construction and Safety Standards. A manufactured home does not include a mobile
27 home, as defined in 61-4-309 and in subsection (1)(m) of this section, a housetrailer, as defined in
28 61-1-501, or a mobile home or housetrailer constructed before the federal Manufactured Home Construction
29 and Safety Standards went into effect on June 15, 1976.

30 (m) The term "mobile home" means forms of housing known as "trailers", "housetrailers", or

1 "trailer coaches" exceeding 8 feet in width or 45 feet in length, designed to be moved from one place to
2 another by an independent power connected to them, or any trailer, housetrailer, or trailer coach up to 8
3 feet in width or 45 feet in length used as a principal residence.

4 ~~(m)~~(n) The term "personal property" includes everything that is the subject of ownership but that
5 is not included within the meaning of the terms "real estate" and "improvements".

6 ~~(n)~~(o) The term "poultry" includes all chickens, turkeys, geese, ducks, and other birds raised in
7 domestication to produce food or feathers.

8 ~~(o)~~(p) The term "property" includes money, credits, bonds, stocks, franchises, and all other matters
9 and things, real, personal, and mixed, capable of private ownership. This definition may not be construed
10 to authorize the taxation of the stocks of a company or corporation when the property of the company or
11 corporation represented by the stocks is within the state and has been taxed.

12 ~~(p)~~(q) The term "real estate" includes:

13 (i) the possession of, claim to, ownership of, or right to the possession of land;

14 (ii) all mines, minerals, and quarries in and under the land subject to the provisions of 15-23-501
15 and Title 15, chapter 23, part 8;

16 (iii) all timber belonging to individuals or corporations growing or being on the lands of the United
17 States; and

18 (iv) all rights and privileges appertaining to mines, minerals, quarries, and timber.

19 ~~(q)~~(r) "Research and development firm" means an entity incorporated under the laws of this state
20 or a foreign corporation authorized to do business in this state whose principal purpose is to engage in
21 theoretical analysis, exploration, and experimentation and the extension of investigative findings and
22 theories of a scientific and technical nature into practical application for experimental and demonstration
23 purposes, including the experimental production and testing of models, devices, equipment, materials, and
24 processes.

25 (s) The term "stock in trade" means any mobile home, manufactured home, or housetrailer that
26 is listed by the dealer as inventory and that is offered for sale, is unoccupied, and is not located on a
27 permanent foundation. Inventory does not have to be located at the business location of a dealer or a
28 distributor.

29 ~~(r)~~(t) The term "taxable value" means the percentage of market or assessed value as provided for
30 in Title 15, chapter 6, part 1.

1 (2) The phrase "municipal corporation" or "municipality" or "taxing unit" includes a county, city,
2 incorporated town, township, school district, irrigation district, or drainage district or a person, persons,
3 or organized body authorized by law to establish tax levies for the purpose of raising public revenue.

4 (3) The term "state board" or "board" when used without other qualification means the state tax
5 appeal board."
6

7 **Section 7.** Section 15-6-134, MCA, is amended to read:

8 **"15-6-134. Class four property -- description -- taxable percentage.** (1) Class four property
9 includes:

10 (a) all land, except that specifically included in another class;

11 (b) all improvements, including trailers, manufactured homes, or mobile homes used as a residence,
12 except those specifically included in another class;

13 (c) the first \$100,000 or less of the market value of any improvement on real property, including
14 trailers, manufactured homes, or mobile homes, and appurtenant land not exceeding 5 acres owned or
15 under contract for deed and actually occupied for at least 7 months a year as the primary residential
16 dwelling of any person whose total income from all sources, including net business income and otherwise
17 tax-exempt income of all types but not including social security income paid directly to a nursing home, is
18 not more than \$15,000 for a single person or \$20,000 for a married couple or a head of household, as
19 adjusted according to subsection (2)(b)(ii). For the purposes of this subsection (1)(c), net business income
20 is gross income less ordinary operating expenses but before deducting depreciation or depletion allowance,
21 or both.

22 (d) all golf courses, including land and improvements actually and necessarily used for that
23 purpose, that consist of at least nine holes and not less than 3,000 lineal yards; and

24 (e) all improvements on land that is eligible for valuation, assessment, and taxation as agricultural
25 land under 15-7-202, including 1 acre of real property beneath improvements on land described in
26 15-6-133(1)(c). The 1 acre must be valued at market value.

27 (2) Class four property is taxed as follows:

28 (a) Except as provided in 15-24-1402 or 15-24-1501, property described in subsections (1)(a),
29 (1)(b), and (1)(e) is taxed at 3.86% of its market value.

30 (b) (i) Property qualifying under the property tax assistance program in subsection (1)(c) is taxed

1 at 3.86% of its market value multiplied by a percentage figure based on income and determined from the
 2 following table:

| 3 Income | Income | Percentage |
|-------------------|-------------------|------------|
| 4 Single Person | Married Couple | Multiplier |
| 5 | Head of Household | |
| 6 \$ 0 - \$ 6,000 | \$ 0 - \$ 8,000 | 20% |
| 7 6,001 - 9,200 | 8,001 - 14,000 | 50% |
| 8 9,201 - 15,000 | 14,001 - 20,000 | 70% |

9 (ii) The income levels contained in the table in subsection (2)(b)(i) must be adjusted for inflation
 10 annually by the department of revenue. The adjustment to the income levels is determined by:

11 (A) multiplying the appropriate dollar amount from the table in subsection (2)(b)(i) by the ratio of
 12 the PCE for the second quarter of the year prior to the year of application to the PCE for the second quarter
 13 of 1995; and

14 (B) rounding the product thus obtained to the nearest whole dollar amount.

15 (iii) "PCE" means the implicit price deflator for personal consumption expenditures as published
 16 quarterly in the Survey of Current Business by the bureau of economic analysis of the U.S. department of
 17 commerce.

18 (c) Property described in subsection (1)(d) is taxed at one-half the taxable percentage rate
 19 established in subsection (2)(a).

20 (3) Within the meaning of comparable property, as defined in 15-1-101, property assessed as
 21 commercial property is comparable only to other property assessed as commercial property and property
 22 assessed as other than commercial property is comparable only to other property assessed as other than
 23 commercial property."

24

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

26 "**15-8-201. General assessment day.** (1) The department shall, between January 1 and the second
 27 Monday of July in each year, ascertain the names of all taxable inhabitants and assess all property subject
 28 to taxation in each county. The department shall assess property to the person by whom it was owned or
 29 claimed or in whose possession or control it was at midnight of the preceding January 1. The department
 30 shall also ascertain and assess all mobile homes arriving in the county after midnight of the preceding

1 January 1. A mistake in the name of the owner or supposed owner of real property does not invalidate the
2 assessment.

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

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

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

7 (c) watercraft;

8 (d) livestock;

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

11 (f) mobile homes and manufactured homes held by a distributor or dealer ~~of mobile homes~~ as stock
12 in trade; and

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

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

15

16 **Section 9.** Section 15-8-205, MCA, is amended to read:

17 "**15-8-205. Initial assessment of class four trailer, manufactured home, and mobile home property**

18 -- **when.** The department shall assess all class four trailer, manufactured home, and mobile home property
19 immediately upon arrival in the county if the taxes have not been previously paid for that year in another
20 county in Montana."

21

22 **Section 10.** Section 15-16-202, MCA, is amended to read:

23 "**15-16-202. Boats, snowmobiles, and motor vehicles -- payment of current and back taxes and**

24 **fees.** (1) The fee in lieu of personal property taxes assessed against a boat for the year in which application
25 for decals is made and the immediately previous year must be paid before license decals may be issued
26 pursuant to 23-2-515.

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

30 (3) Except for mobile homes and manufactured homes as defined in 15-1-101, the new motor

1 vehicle sales tax and the personal property tax or fee in lieu of tax imposed or assessed against a motor
 2 vehicle for the current year and the immediately previous year must be paid before a motor vehicle may be
 3 registered or reregistered pursuant to 61-3-303.

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

6

7 **Section 11.** Section 15-24-201, MCA, is amended to read:

8 **"15-24-201. Definitions.** As used in this part, the following definitions apply:

9 (1) "Dealer" means a person engaged in the distribution or sale of mobile homes or manufactured
 10 homes.

11 (2) "Housetrailer" means a form of housing designed to be moved from one place to another by
 12 an independent power connected ~~thereto~~ to the housetrailer, which is either 8 feet wide or less or ~~32~~ 45
 13 feet long or less.

14 (3) "Manufactured home" means a residential dwelling built in a factory in accordance with THE
 15 UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT CODE AND the federal
 16 Manufactured Home Construction and Safety Standards. A manufactured home does not include a mobile
 17 home or a housetrailer.

18 ~~(3)~~ (4) "Mobile home" means forms of housing known as "trailers", "housetrailer", or "trailer
 19 coaches" exceeding 8 feet in width or ~~32~~ 45 feet in length, designed to be moved from one place to
 20 another by an independent power connected ~~thereto~~ to the mobile home or any trailer, housetrailer, or
 21 trailer coach up to 8 feet in width or 45 feet in length used as a principal residence."

22

23 **Section 12.** Section 15-24-202, MCA, is amended to read:

24 **"15-24-202. Payment of tax -- interest and penalty -- display of tax-paid sticker.** (1) (a) The owner
 25 of a mobile home, manufactured home, or housetrailer which is not taxed as an improvement, as
 26 improvements are defined in 15-1-101, shall pay the personal property tax in two payments, except as
 27 provided in 15-24-206.

28 (b) The first payment is due on or before May 31 or within 30 days from the date of the notice of
 29 taxes due, WHICHEVER IS LATER.

30 (c) The second payment is due no later than ~~September~~ November 30 of the year in which the

1 property is assessed.

2 (d) If not paid on or before the date due, the tax is considered delinquent and subject to the penalty
3 and interest provisions in 15-16-102 applicable to other delinquent property taxes. The penalty must be
4 assessed and interest begins to accrue on the first day of delinquency.

5 (2) Upon request, the treasurer shall notify a lienholder if taxes on a mobile home, manufactured
6 home, or housetrailer have not been paid.

7 (3) Taxes assessed against a mobile home or manufactured home after the second payment date
8 must be prorated to reflect the remaining portion of the tax year. The prorated taxes must be added to the
9 following year's tax roll and, except as provided in 15-24-206, are due with and must be collected with
10 the first payment due in that year.

11 (4) The department of revenue shall issue tax-paid stickers to the county treasurers. Except as
12 provided in 15-24-206 and 15-24-209, if a mobile home, manufactured home, or housetrailer is to be
13 moved and all taxes, interest, and penalties on the mobile home or housetrailer are paid in full, the treasurer
14 shall issue a tax-paid sticker to the owner of the mobile home, manufactured home, or housetrailer. Prior
15 to and while in the process of moving the mobile home, manufactured home, or housetrailer, the owner
16 shall display the tax-paid sticker, which must be visible from the exterior of the mobile home, manufactured
17 home, or housetrailer. ~~No~~ A mobile home or manufactured home movement declaration of destination
18 provided for in 15-24-206 may not be issued unless:

19 (a) the taxes have been paid in full to the county treasurer; or

20 (b) the exceptions in 15-24-206(3) or 15-24-209 apply.

21 (5) On the movement of a mobile home, manufactured home, or housetrailer in violation of this
22 part, the county treasurer for the county where the mobile home, manufactured home, or housetrailer first
23 comes to rest shall issue a written notice to the owner, showing the amount of delinquent taxes, special
24 assessments, penalties, and interest due. In addition to the penalties provided in 15-16-102, 20% or \$50,
25 whichever is greater, must be added to the delinquent taxes as penalty for violation of this part. On receipt
26 of the delinquent taxes, special assessments, penalties, and interest, the county treasurer shall forward all
27 delinquent taxes, special assessments, penalties, and interest collected under 15-16-102 to the county
28 treasurer for the county of origin. The county of destination shall retain the penalty."

29

30 **Section 13.** Section 15-24-203, MCA, is amended to read:

1 **"15-24-203. Tax receipt -- when production required.** If stopped on a highway or at a state vehicle
 2 weight station by a state highway patrol officer or state vehicle weight station attendant, a person
 3 transporting a mobile home, manufactured home, or housetrailer ~~must~~ shall produce, if requested, the
 4 property-tax-paid receipt or a duplicate issued by the county treasurer where the vehicle was taxed."

5
 6 **Section 14.** Section 15-24-204, MCA, is amended to read:

7 **"15-24-204. Failure to display or produce declaration, sticker, or receipt -- penalty.** (1) Whoever
 8 makes a false or fraudulent declaration of destination or, when required, fails to execute a declaration of
 9 destination or fails to display or produce a declaration of destination or tax-paid receipt, if a tax-paid receipt
 10 is required, is guilty of a misdemeanor and upon conviction is punishable by imprisonment in a county jail
 11 for not more than 6 months or by a fine of not more than \$500, or both.

12 (2) Whoever fails to display a property-tax-paid sticker while in the process of moving a mobile
 13 home, manufactured home, or housetrailer or to produce a property-tax-paid receipt from 15 days after the
 14 due date for personal property taxes of 1 year to the due date for personal property taxes of the next year,
 15 when the display of a tax-paid receipt is required, commits a misdemeanor punishable by a fine of not less
 16 than \$10 or more than \$50 or confinement in the county jail for not more than 30 days or both ~~such a~~ a fine
 17 and imprisonment."

18
 19 **Section 15.** Section 15-24-205, MCA, is amended to read:

20 **"15-24-205. Sections limited to taxable trailers and manufactured homes.** The provisions of this
 21 part ~~shall~~ apply only to those mobile homes, manufactured homes, and housetrailer, as defined in this part,
 22 subject to assessment and taxation under chapter 8, part 2, and 15-24-301."

23
 24 **Section 16.** Section 15-24-206, MCA, is amended to read:

25 **"15-24-206. Declaration of destination on imported mobile homes and manufactured homes --**
 26 **display -- tax receipt -- exemptions.** (1) A person who brings a mobile home or manufactured home into the
 27 state shall immediately upon arrival in the state execute a written declaration, verified under oath, stating
 28 the destination of the mobile home or manufactured home and any other information the department of
 29 revenue may require and shall deliver the original of the declaration to whomever is on duty at the nearest
 30 port of entry station, state vehicle weight station, or other place the department may prescribe. ~~He~~ The

1 person shall also immediately upon arrival in the state affix a copy of the declaration to the mobile home
2 or manufactured home at a conspicuous place.

3 (2) The treasurer shall issue the mobile home or manufactured home movement declaration
4 provided for in this section to a person required by this section to execute it, in quantities ~~as~~ the person
5 requests to a maximum of 100. The treasurer shall issue additional quantities of the declaration to a
6 maximum of 100 as the person requests at the discretion of the county treasurer upon receipt from the
7 person of the previously issued declarations properly executed. Executed declarations must be delivered
8 to the treasurer within 30 days from their issue.

9 (3) A person who moves a mobile home or a manufactured home from a point within the state to
10 another point within or ~~without~~ outside of the state shall first:

11 (a) execute the declaration provided for in subsection (1), deliver the original of it to the treasurer
12 of the county in which the move originates or to any other person the department ~~may prescribe~~ prescribes,
13 and affix a copy of it in a conspicuous place on the mobile home or manufactured home to be moved;

14 (b) obtain from the county treasurer of the county in which the move originates a receipt showing:

15 (i) payment in full of property taxes with respect to that mobile home or manufactured home; or

16 (ii) payment of the property taxes provided for in 15-24-209.

17 (4) The provisions of subsection (3)(b) do not apply whenever a person moves a mobile home or
18 manufactured home:

19 (a) from a point ~~without~~ outside of to a point within the state;

20 (b) between places of business of dealers within or ~~without~~ outside of the state;

21 (c) from the place of business of a dealer to a point within or ~~without~~ outside of the state; or

22 (d) pursuant to the repossession of a mobile home or manufactured home, unless the treasurer has
23 furnished the lienholder or secured party with timely notice of the delinquent tax due when information has
24 been requested under 15-24-202(2)."

25

26 **Section 17.** Section 15-24-208, MCA, is amended to read:

27 "**15-24-208. Penalty for moving mobile home or manufactured home on which taxes due.** Any
28 person ~~that~~ who moves a mobile home or manufactured home on which property taxes are unpaid is guilty
29 of a misdemeanor."

30

1 **Section 18.** Section 15-24-209, MCA, is amended to read:

2 "15-24-209. **Limit on delinquent mobile home or manufactured home taxes chargeable to security**
3 **interest holder.** The holder of a perfected security interest in a mobile home, manufactured home, or
4 houstrailer who repossesses the mobile home, manufactured home, or houstrailer as provided by law and
5 as authorized in the contract between the owner and the secured party may not be required to pay
6 delinquent property taxes for more than 3 years as a condition of moving the mobile home, manufactured
7 home, or houstrailer or transferring it to another person. Any additional delinquent taxes due upon the
8 mobile home, manufactured home, or houstrailer are a lien upon any other personal or real property of the
9 person who was required by law to pay the delinquent taxes at the time the taxes were due."

10

11 **Section 19.** Section 15-24-210, MCA, is amended to read:

12 "15-24-210. **Notice of impending sale to certain lienholders.** After entry of a notation under
13 15-16-115(2) concerning a mobile home or manufactured home that is not taxed as an improvement to real
14 property but before directing the sheriff to make a levy and sale on the mobile home or manufactured home,
15 the treasurer shall notify a person who has a properly perfected security interest in the mobile home or
16 manufactured home and who has furnished the treasurer a copy of the instrument by which the interest
17 was perfected of the levy and sale. The notice must state that the sheriff may soon be requested to make
18 a levy and sale on the mobile home or manufactured home."

19

20 **Section 20.** Section 15-32-102, MCA, is amended to read:

21 "15-32-102. **Definitions.** As used in this part, the following definitions apply:

22 (1) "Building" means a single or multiple dwelling, including a mobile home or manufactured home,
23 or a building used for commercial, industrial, or agricultural purposes, that is enclosed with walls and a roof.

24 (2) "Capital investment" means any material or equipment purchased and installed in a building or
25 land with or without improvements.

26 (3) "Energy conservation purpose" means one or both of the following results of an investment:

27 (a) reducing the waste or dissipation of energy; or

28 (b) reducing the amount of energy required to accomplish a given quantity of work.

29 (4) "Geothermal system" means a system that transfers energy either from the ground, by way
30 of a closed loop, or from ground water, by way of an open loop, for the purpose of heating or cooling a

1 residential building.

2 (5) "Passive solar system" means a direct thermal energy system that uses the structure of a
3 building and its operable components to provide heating or cooling during the appropriate times of the year
4 by using the climate resources available at the site. It includes only those portions and components of a
5 building that are expressly designed and required for the collection, storage, and distribution of solar energy
6 and that are not standard components of a conventional building.

7 (6) "Low emission wood or biomass combustion device" means a noncatalytic stove or furnace
8 that:

9 (a) (i) is specifically designed to burn wood pellets or other nonfossil biomass pellets; and

10 (ii) has a particulate emission rate of less than 4.1 grams per hour when tested in conformance with
11 the standard method for measuring the emissions and efficiencies of residential wood stoves, as adopted
12 by the department of environmental quality pursuant to 15-32-203; or

13 (iii) has an air-to-fuel ratio of 35 to 1 or greater when tested in conformance with the standard
14 method for measuring the air-to-fuel ratio and minimum achievable burn rates for wood-fired appliances,
15 as adopted by the department of environmental quality pursuant to 15-32-203; or

16 (b) burns wood or other nonfossil biomass and has a particulate emission rate of less than 4.1
17 grams per hour when tested in conformance with the standard method for measuring the emissions and
18 efficiencies of residential wood stoves, as adopted by the department of environmental quality pursuant
19 to 15-32-203.

20 (7) "Recognized nonfossil forms of energy generation" means:

21 (a) a system that captures energy or converts energy sources into usable sources by using solar
22 energy, including passive solar systems; wind; solid waste; or the decomposition of organic wastes;

23 (b) a system that produces electric power from solid wood wastes; or

24 (c) a small system that uses water power by means of an impoundment that is not over 20 acres
25 in surface area."

26

27 **Section 21.** Section 61-3-207, MCA, is amended to read:

28 **"61-3-207. Mobile home or housetrailer -- transfer of interest.** (1) Upon a transfer of any interest
29 in a mobile home or housetrailer under the provisions of this chapter, the application for the transfer must
30 be made through the county treasurer's office in the county in which the mobile home or housetrailer is

1 located at the time of the transfer. The county treasurer may not accept the application unless all taxes,
 2 interest, and penalties that have been assessed on the mobile home or housetrailer have been paid in full.

3 (2) When a mobile home or housetrailer is sold under contract or under ~~such~~ conditions that title
 4 is not immediately conveyed, the parties to the transaction shall immediately file with the county clerk and
 5 recorder a notice of intention to transfer title. The notice must indicate the name of the party who is
 6 responsible for payment of taxes upon the mobile home or housetrailer after the transfer. The clerk and
 7 recorder shall immediately notify the department of revenue of the information in the notice. The penalty
 8 provisions of 61-3-201(2) do not apply if the notice of intent to transfer is filed with the county clerk and
 9 recorder within 20 days after the transfer."

10

11 **Section 22.** Section 61-3-303, MCA, is amended to read:

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

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

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

23 (c) description of motor vehicle, including make, year model, engine or serial number,
 24 manufacturer's model or letter, gross weight, declared weight on all trucks for which the rated capacity is
 25 1 ton or less, and type of body and, if a truck, rated capacity;

26 (d) declared weight on all trailers operating intrastate, except travel trailers or trailers and
 27 semitrailers registered as provided in 61-3-711 through 61-3-733; and

28 (e) other information that the department may require.

29 (2) A person who files an application for registration or reregistration of a motor vehicle, except
 30 of a mobile home or a manufactured home as those terms are defined in 15-1-101(1), shall upon the filing

1 of the application pay to the county treasurer:

2 (a) the registration fee, as provided in 61-3-311 and 61-3-321 or 61-3-456; and

3 (b) except as provided in 61-3-456 or unless it has been previously paid:

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

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

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

10 (a) the current year; and

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

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

16

17 **Section 23.** Section 61-3-503, MCA, is amended to read:

18 "**61-3-503. Assessment.** (1) Except as provided in 61-3-520 and subsection (2) of this section,
19 the following apply to the taxation of motor vehicles:

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

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

29 (c) Vehicles subject to the provisions of 61-3-313 through 61-3-316 must be assessed as of the
30 first day of the registration period, using the average trade-in or wholesale value as of January 1 of the year

1 of assessment of the vehicle as contained in the most recent volume of the Mountain States Edition of the
2 National Automobile Dealers Association (N.A.D.A.) Official Used Car Guide, the National Edition of
3 N.A.D.A. Appraisal Guides Official Older Used Car Guide, or another nationally published used vehicle or
4 appraisal guide approved by the department of revenue or, for a vehicle that was never listed in any edition
5 of the preceding guides, the retail value of the vehicle as determined by the department of revenue, and
6 depreciated 10% a year until a value of \$500 is reached, not including additions or deductions for options
7 and mileage but including additions or deductions, whether or not one of the preceding guides is used, for
8 diesel engines; and a lien for taxes and fees due on the vehicle occurs on the anniversary date of the
9 registration and continues until the fees and taxes have been paid. If the value shown in any of the
10 appraisal guides listed in this section is less than \$500, the department shall value the vehicle at \$500.

11 (d) 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.

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

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

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

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

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

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

8

9 **Section 24.** Section 69-12-331, MCA, is amended to read:

10 "**69-12-331. Special provisions relating to transportation of buildings.** A certificate that permits
11 the transportation of a building other than a mobile home or a manufactured home, as defined in 15-1-101,
12 from its existing foundation to a new location must permit transportation throughout the state and may not
13 restrict transportation to a particular region of the state."

14

15 **NEW SECTION. Section 25. Codification instruction.** (1) [Section 1] is intended to be codified
16 as an integral part of Title 61, chapter 1, part 5, and the provisions of Title 61, chapter 1, part 5, apply to
17 [section 1].

18 (2) [Sections 2 and 3] are intended to be codified as an integral part of Title 15, chapter 1, part
19 1, and the provisions of Title 15, chapter 1, part 1, apply to [sections 2 and 3].

20 (3) [Section 4] is intended to be codified as an integral part of Title 61, chapter 3, part 2, and the
21 provisions of Title 61, chapter 3, part 2, apply to [section 4].

22

23 **NEW SECTION. Section 26. Effective date.** [This act] is effective January 1, 1998.

24

-END-

HOUSE BILL NO. 532

INTRODUCED BY BARNETT, HARGROVE

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14

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE LAWS RELATING TO MOBILE HOMES AND MANUFACTURED HOMES; DEFINING "MANUFACTURED HOME"; ALLOWING FOR THE UNTITLING AND RETITLING OF A MANUFACTURED HOME; TREATING A MANUFACTURED HOME AS A MOBILE HOME FOR PURPOSES OF TAXATION; CHANGING THE DATES FOR THE PAYMENT OF PERSONAL PROPERTY TAXES ON A MOBILE OR MANUFACTURED HOME; REQUIRING THAT ALL TAXES ON A MOBILE HOME BE PAID BEFORE A TRANSFER OF INTEREST CAN OCCUR; AMENDING SECTIONS 7-13-4502, 15-1-101, 15-6-134, 15-8-201, 15-8-205, 15-16-202, 15-24-201, 15-24-202, 15-24-203, 15-24-204, 15-24-205, 15-24-206, 15-24-208, 15-24-209, 15-24-210, 15-32-102, 61-3-207, 61-3-303, 61-3-503, AND 69-12-331, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

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

THE ONLY CHANGES TO HB 532 WERE ON PAGE 2.
PLEASE SEE ORIGINAL REFERENCE BILL FOR COMPLETE TEXT OF BILL.

1 HOME, AN OWNER MAY FILE a statement of intent on a form furnished by the department OF JUSTICE
 2 ~~to declare the manufactured home as an improvement to real property.~~

3 ~~(2)~~(3) The statement of intent must include:

4 (a) the serial number of the manufactured home;

5 (b) the legal description of the real property to which the manufactured home has been permanently
 6 attached;

7 (c) a description of any security interests in the manufactured home; and

8 (d) approval from all lienholders of the intent to eliminate the title.

9 ~~(3)~~(4) The owner shall present the statement of intent to the county treasurer of the county in
 10 which the manufactured home is located and shall surrender the certificate of ownership. Upon receipt of
 11 a titling fee of \$5, the county treasurer shall issue the owner a duplicate receipt for the surrendered
 12 certificate and forward a copy of the statement of intent, the original receipt, and the surrendered certificate
 13 to the department of justice. The county treasurer may not issue the receipt unless all taxes, interest, and
 14 penalties on the manufactured home have been paid in full. The county treasurer shall:

15 (a) deposit \$1.50 of the titling fee in the county general fund; and

16 (b) remit \$3.50 of the titling fee to the state treasurer for deposit in the state general fund.

17 ~~(4)~~(5) ~~The owner shall file the statement of intent and the receipt of surrender to the department~~
 18 ~~in the county in which the manufactured home is located.~~ Upon the recording of the statement of intent
 19 and the receipt of surrender, the manufactured home is ~~declared an improvement to real property for~~
 20 ~~purposes of taxation and~~ may not be physically removed without the consent of all persons who have an
 21 interest in the manufactured home.

22 ~~(5)~~(6) A manufactured home that has been declared an improvement to real property in accordance
 23 with this section must be treated by the department and by lending institutions in the same manner as any
 24 other residence that is classified as an improvement.

25
 26 NEW SECTION. Section 3. Reversal of declaration -- exception. (1) Before a manufactured home
 27 can be physically removed from its location, the owner shall obtain ~~an abstract~~ A SEARCH OF THE TITLE
 28 TO THE LAND from a title insurance company in order to identify those persons or entities whose consent
 29 for removal must be obtained. The owner shall obtain permission in writing from the affected persons or
 30 entities before removing the manufactured home from its location.