

1 *House* BILL NO. *554*  
 2 INTRODUCED BY *Simpkins* *Mason* *W. Ryan* *Thurmond*  
 3 *McCain* *Cobb* *Wyers* *Smith* *Hutchinson* *Clark*  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE PROVISIONS THAT ALLOW PERSONS *Doherty*  
 5 CLAIMING MONTANA RESIDENCY WHO ARE ON ACTIVE MILITARY DUTY AND LIVING OUTSIDE OF *Wilson*  
 6 MONTANA TO PURCHASE LICENSE PLATES AND REGISTER A MOTOR VEHICLE FOR THE COST OF  
 7 REGISTRATION ALONE; AMENDING SECTIONS 15-6-201, 61-3-303, 61-3-502, AND 61-3-504, MCA;  
 8 REPEALING SECTION 61-3-456, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND FOR  
 9 APPLICABILITY." *Franklin*

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

13 **Section 1.** Section 15-6-201, MCA, is amended to read:  
 14 **"15-6-201. Exempt categories.** (1) The following categories of property are exempt from taxation:  
 15 (a) except as provided in 15-24-1203, the property of:  
 16 (i) the United States, except:  
 17 (A) if congress passes legislation that allows the state to tax property owned by the federal  
 18 government or an agency created by congress; or  
 19 (B) as provided in 15-24-1103;  
 20 (ii) the state, counties, cities, towns, and school districts;  
 21 (iii) irrigation districts organized under the laws of Montana and not operating for profit;  
 22 (iv) municipal corporations;  
 23 (v) public libraries; and  
 24 (vi) rural fire districts and other entities providing fire protection under Title 7, chapter 33;  
 25 (b) buildings, with land they occupy and furnishings in the buildings, owned by a church and used  
 26 for actual religious worship or for residences of the clergy, together with adjacent land reasonably  
 27 necessary for convenient use of the buildings;  
 28 (c) property used exclusively for agricultural and horticultural societies, for educational purposes,  
 29 and for nonprofit health care facilities, as defined in 50-5-101, licensed by the department of public health  
 30 and human services and organized under Title 35, chapter 2 or 3. A health care facility that is not licensed

1 by the department of public health and human services and organized under Title 35, chapter 2 or 3, is not  
2 exempt.

3 (d) property that is:

4 (i) owned and held by an association or corporation organized under Title 35, chapter 2, 3, 20, or  
5 21;

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

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

9 (e) property owned or property that is leased from a federal, state, or local governmental entity by  
10 institutions of purely public charity if the property is directly used for purely public charitable purposes;

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

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

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

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

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

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

22 (l) all watercraft;

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

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

29 (o) property that is owned and used by a corporation or association organized and operated  
30 exclusively for the care of persons with developmental disabilities, the mentally ill, or the vocationally

1 handicapped, as defined in 18-5-101, and that is not operated for gain or profit and property owned and  
 2 used by an organization owning and operating facilities that are for the care of the retired, aged, or  
 3 chronically ill and that are not operated for gain or profit;

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

6 (q) property owned by a nonprofit corporation that is organized to provide facilities primarily for  
 7 training and practice for or competition in international sports and athletic events and not held or used for  
 8 private or corporate gain or profit. For purposes of this subsection (1)(q), "nonprofit corporation" means  
 9 an organization exempt from taxation under section 501(c) of the Internal Revenue Code and incorporated  
 10 and admitted under the Montana Nonprofit Corporation Act.

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

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

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

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

16 (t) a title plant owned by a title insurer or a title insurance producer, as those terms are defined in  
 17 33-25-105;

18 (u) timber, as defined in 15-44-102;

19 (v) all trailers and semitrailers that have a licensed gross weight of 26,000 pounds or more or that  
 20 are registered through a proportional registration agreement under 61-3-721. For purposes of this  
 21 subsection (1)(v), the terms "trailer" and "semitrailer" mean a vehicle with or without motive power that  
 22 is:

23 (i) designed and used only for carrying property;

24 (ii) designed and used to be drawn by a motor vehicle; and

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

27 ~~(w) all vehicles registered under 61-3-456.~~

28 (2) (a) For the purposes of subsection (1)(e), the term "institutions of purely public charity" includes  
 29 any organization that meets the following requirements:

30 (i) The organization qualifies as a tax-exempt organization under the provisions of section 501(c)(3),

1 Internal Revenue Code, as amended.

2 (ii) The organization accomplishes its activities through absolute gratuity or grants. However, the  
3 organization may solicit or raise funds by the sale of merchandise, memberships, or tickets to public  
4 performances or entertainment or by other similar types of fundraising activities.

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

- 12 (i) actually used by the governmental entity or nonprofit organization as a part of its public display;  
13 (ii) held for future display; or  
14 (iii) used to house or store a public display.

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

- 18 (a) \$20,000 in the case of a single-family residential dwelling;  
19 (b) \$100,000 in the case of a multifamily residential dwelling or a nonresidential structure."  
20

21 **Section 2.** Section 61-3-303, MCA, is amended to read:

22 "**61-3-303. Application for registration.** (1) Each owner of a motor vehicle operated or driven upon  
23 the public highways of this state shall for each motor vehicle owned, except as otherwise provided in this  
24 section, file or cause to be filed in the office of the county treasurer where the owner permanently resides  
25 at the time of making the application or, if the vehicle is owned by a corporation or used primarily for  
26 commercial purposes, in the taxing jurisdiction of the county where the vehicle is permanently assigned,  
27 an application for registration or reregistration upon a blank form to be prepared and furnished by the  
28 department. The application must contain:

- 29 (a) the name and address of the owner, giving the county, school district, and town or city within  
30 whose corporate limits the motor vehicle is taxable, if taxable, or within whose corporate limits the owner's

1 residence is located if the motor vehicle is not taxable;

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

3 (c) a description of the motor vehicle, including the make, year model, engine or serial number,  
4 manufacturer's model or letter, gross weight, declared weight on all trucks for which the rated capacity is  
5 1 ton or less, and type of body and, if a truck, rated capacity;

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

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

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

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

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

14 ~~(i)(a)~~ the personal property taxes assessed against the vehicle for the current year of registration  
15 and the immediately previous year; or

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

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

20 (a) the current year; and

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

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

26

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

28 "**61-3-502. Sales tax on new motor vehicles -- exemptions.** (1) In consideration of the right to use  
29 the highways of the state, there is imposed a tax upon all sales of new motor vehicles, excluding trailers,  
30 semitrailers, and housetrailers, for which a license is sought and an original application for title is made. The

1 tax must be paid by the purchaser when the purchaser applies for an original Montana license through the  
2 county treasurer. For purposes of this section, "new motor vehicle" means a new motor vehicle for which  
3 original registration is sought or a motor vehicle previously furnished without charge by a dealer to a school  
4 district for use in a state-approved traffic education program, whether or not titled by the dealer or the  
5 school district, and for which original registration is sought.

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

7 (a) 1 1/2% of the f.o.b. factory list price or f.o.b. port-of-entry list price, during the first quarter  
8 of the year or for a registration period other than a calendar year or calendar quarter;

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

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

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

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

14 (4) The new car sales tax on vehicles subject to the provisions of 61-3-313 through 61-3-316 is  
15 1 1/2% of the f.o.b. factory list price or f.o.b. port-of-entry list price regardless of the month in which the  
16 new vehicle is purchased.

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

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

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

24 (8) A motor vehicle may not be registered or licensed unless the application for registration is  
25 accompanied by a statement of origin that is furnished by the dealer selling the vehicle and that shows that  
26 the vehicle has not previously been registered or owned, except as otherwise provided in this section, by  
27 any person, firm, corporation, or association other than a new motor vehicle dealer holding a franchise or  
28 distribution agreement from a new car manufacturer, distributor, or importer.

29 (9) (a) Motor vehicles operating exclusively for transportation of persons for hire within the limits  
30 of incorporated cities or towns and within 15 miles from the limits are exempt from the provisions of

1 subsection (1).

2 (b) Motor vehicles brought or driven into Montana by nonresident, migratory, bona fide agricultural  
3 workers who are temporarily employed in agricultural work in this state, when those motor vehicles are  
4 used exclusively for transportation of agricultural workers, are also exempt from the provisions of  
5 subsection (1).

6 (c) Vehicles lawfully displaying a licensed dealer's plate as provided in 61-4-103 are exempt from  
7 the provisions of subsection (1):

8 (i) when moving to or from a dealer's place of business when unloaded or loaded with dealer's  
9 property only; and

10 (ii) in the case of vehicles having a gross loaded weight of less than 24,000 pounds, while being  
11 demonstrated in the course of the dealer's business.

12 (d) Motor vehicles owned or controlled by a special district, as defined in 18-8-202, are exempt  
13 from subsection (1).

14 ~~(e) A vehicle registered under 61-3-456 is exempt from the provisions of subsection (1).~~

15

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

17 **"61-3-504. Computation of tax.** (1) The amount of taxes on a motor vehicle, other than an  
18 automobile, truck having a rated capacity of 1 ton or less, motorcycle, quadricycle, motor home, travel  
19 trailer, camper, or mobile home, is computed and determined by the county treasurer on the basis of the  
20 levy of the year preceding the current year of application for registration or reregistration.

21 (2) The amount of tax on an automobile or truck having a rated capacity of 1 ton or less, except  
22 for vehicles ~~registered under 61-3-456~~ or owned by disabled veterans qualifying for special license plates  
23 under 61-3-332(10)(c)(i)(A) or 61-3-426(2), and on a quadricycle is 2% of the value determined under  
24 61-3-503.

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

27 (4) For all taxable motor vehicles, the amount of tax is entered on the application form in a space  
28 provided for that purpose."

29

30 **NEW SECTION. Section 5. Repealer.** Section 61-3-456, MCA, is repealed.





STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0554, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act eliminating the provisions that allow persons claiming Montana residency who are on active military duty and living outside of Montana to purchase license plates and register a motor vehicle for the cost of registration alone.

ASSUMPTIONS:

1. In calendar 1996 approximately 1,290 Montana military persons received the exemption provided in 61-3-456, MCA. Those Montana residents on military duty outside of Montana paid a license fee of \$2/\$5/\$10 (depending on type of vehicle being registered) which is distributed to the county road fund and a \$5.25 registration fee which is distributed \$5.00 to the state general fund and \$0.25 to the MHP retirement fund.
2. If the Montana military personnel decide to register their vehicles in their assigned locations instead of registering in Montana, there would be a loss of revenue for the counties of the license fees (\$2/\$5/\$10) and for the state for registration fees (\$5.25). Assume approximately 1,300 registrations per fiscal year resulting in \$6,500 going to the general fund and \$325 to the MHP retirement fund each year. The counties would also not receive any property taxes that would be assessed for those vehicles.
3. If the Montana military personnel license and register their vehicles in Montana, the state would continue to receive the registration fees as detailed in the above assumption. Also, the counties would receive the 1.5 percent new use tax, the county property taxes, and local option taxes in addition to the license fees.

FISCAL IMPACT:

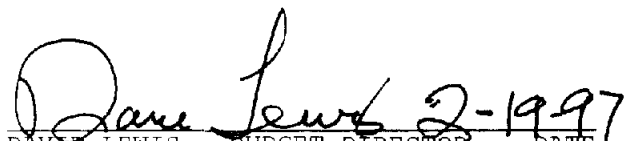
There could be some fiscal impact depending upon the decision of each individual military person on where to register his/her vehicle(s).

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Counties would receive additional revenues from those military personnel who choose to register their vehicles in Montana after the exemption is eliminated. However, the increased revenues would be offset by those military personnel deciding to register their vehicles in the state of residence.

TECHNICAL NOTES:

The Department of Justice, not the Department of Revenue, issues the military registrations referred to in Section 6 of this bill.

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

  
DICK SIMPKINS, PRIMARY SPONSOR      DATE

Fiscal Note for HB0554, as introduced

**HB 554**

1 *House* BILL NO. *554*  
2 INTRODUCED BY *Simpkins* *Mason* *W. Ryan* *Shivers*

3 *Cobb* *Wyers* *Tim* *Tim* *Tim* *Clark*

4 A BILL FOR AN ACT ENTITLED: AN ACT ELIMINATING THE PROVISIONS THAT ALLOW PERSONS *Doherty*  
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6 MONTANA TO PURCHASE LICENSE PLATES AND REGISTER A MOTOR VEHICLE FOR THE COST OF *Wilson*  
7 REGISTRATION ALONE; AMENDING SECTIONS 15-6-201, 61-3-303, 61-3-502, AND 61-3-504, MCA;  
8 REPEALING SECTION 61-3-456, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND FOR  
9 APPLICABILITY." *Franklin*

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15 (a) except as provided in 15-24-1203, the property of:  
16 (i) the United States, except:  
17 (A) if congress passes legislation that allows the state to tax property owned by the federal  
18 government or an agency created by congress; or  
19 (B) as provided in 15-24-1103;  
20 (ii) the state, counties, cities, towns, and school districts;  
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26 for actual religious worship or for residences of the clergy, together with adjacent land reasonably  
27 necessary for convenient use of the buildings;  
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29 and for nonprofit health care facilities, as defined in 50-5-101, licensed by the department of public health  
30 and human services and organized under Title 35, chapter 2 or 3. A health care facility that is not licensed

1 by the department of public health and human services and organized under Title 35, chapter 2 or 3, is not  
2 exempt.

3 (d) property that is:

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7 care and improvement fund has been established as provided for in Title 35, chapter 20, part 3; and

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10 institutions of purely public charity if the property is directly used for purely public charitable purposes;

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12 Montana;

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

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

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

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

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

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

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

29 (o) property that is owned and used by a corporation or association organized and operated  
30 exclusively for the care of persons with developmental disabilities, the mentally ill, or the vocationally

1 handicapped, as defined in 18-5-101, and that is not operated for gain or profit and property owned and  
 2 used by an organization owning and operating facilities that are for the care of the retired, aged, or  
 3 chronically ill and that are not operated for gain or profit;

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

6 (q) property owned by a nonprofit corporation that is organized to provide facilities primarily for  
 7 training and practice for or competition in international sports and athletic events and not held or used for  
 8 private or corporate gain or profit. For purposes of this subsection (1)(q), "nonprofit corporation" means  
 9 an organization exempt from taxation under section 501(c) of the Internal Revenue Code and incorporated  
 10 and admitted under the Montana Nonprofit Corporation Act.

11 (r) the first \$15,000 or less of market value of tools owned by the taxpayer that are customarily  
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19 (v) all trailers and semitrailers that have a licensed gross weight of 26,000 pounds or more or that  
 20 are registered through a proportional registration agreement under 61-3-721. For purposes of this  
 21 subsection (1)(v), the terms "trailer" and "semitrailer" mean a vehicle with or without motive power that  
 22 is:

23 (i) designed and used only for carrying property;

24 (ii) designed and used to be drawn by a motor vehicle; and

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

27 ~~(w) all vehicles registered under 61-3-456.~~

28 (2) (a) For the purposes of subsection (1)(e), the term "institutions of purely public charity" includes  
 29 any organization that meets the following requirements:

30 (i) The organization qualifies as a tax-exempt organization under the provisions of section 501(c)(3),

1 Internal Revenue Code, as amended.

2 (ii) The organization accomplishes its activities through absolute gratuity or grants. However, the  
3 organization may solicit or raise funds by the sale of merchandise, memberships, or tickets to public  
4 performances or entertainment or by other similar types of fundraising activities.

5 (b) For the purposes of subsection (1)(g), the term "public museums, art galleries, zoos, and  
6 observatories" means governmental entities or nonprofit organizations whose principal purpose is to hold  
7 property for public display or for use as a museum, art gallery, zoo, or observatory. The exempt property  
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9 or observatory use. Unless the property is leased for a profit to a governmental entity or nonprofit  
10 organization by an individual or for-profit organization, real and personal property owned by other persons  
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12 (i) actually used by the governmental entity or nonprofit organization as a part of its public display;

13 (ii) held for future display; or

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

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

19 (b) \$100,000 in the case of a multifamily residential dwelling or a nonresidential structure."  
20

21 **Section 2.** Section 61-3-303, MCA, is amended to read:

22 **"61-3-303. Application for registration.** (1) Each owner of a motor vehicle operated or driven upon  
23 the public highways of this state shall for each motor vehicle owned, except as otherwise provided in this  
24 section, file or cause to be filed in the office of the county treasurer where the owner permanently resides  
25 at the time of making the application or, if the vehicle is owned by a corporation or used primarily for  
26 commercial purposes, in the taxing jurisdiction of the county where the vehicle is permanently assigned,  
27 an application for registration or reregistration upon a blank form to be prepared and furnished by the  
28 department. The application must contain:

29 (a) the name and address of the owner, giving the county, school district, and town or city within  
30 whose corporate limits the motor vehicle is taxable, if taxable, or within whose corporate limits the owner's

1 residence is located if the motor vehicle is not taxable;

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

3 (c) a description of the motor vehicle, including the make, year model, engine or serial number,  
4 manufacturer's model or letter, gross weight, declared weight on all trucks for which the rated capacity is  
5 1 ton or less, and type of body and, if a truck, rated capacity;

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

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

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

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

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

14 ~~ii~~(a) the personal property taxes assessed against the vehicle for the current year of registration  
15 and the immediately previous year; or

16 ~~iii~~(b) the new motor vehicle sales tax against the vehicle for the current year of registration.

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

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24 vehicle. An applicant for registration or reregistration shall submit proof from the tax or other appropriate  
25 records of the proper county at the request of the department of revenue."

26

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

28 **"61-3-502. Sales tax on new motor vehicles -- exemptions.** (1) In consideration of the right to use  
29 the highways of the state, there is imposed a tax upon all sales of new motor vehicles, excluding trailers,  
30 semitrailers, and housetrailer, for which a license is sought and an original application for title is made. The

1 tax must be paid by the purchaser when the purchaser applies for an original Montana license through the  
2 county treasurer. For purposes of this section, "new motor vehicle" means a new motor vehicle for which  
3 original registration is sought or a motor vehicle previously furnished without charge by a dealer to a school  
4 district for use in a state-approved traffic education program, whether or not titled by the dealer or the  
5 school district, and for which original registration is sought.

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

7 (a) 1 1/2% of the f.o.b. factory list price or f.o.b. port-of-entry list price, during the first quarter  
8 of the year or for a registration period other than a calendar year or calendar quarter;

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

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

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

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

14 (4) The new car sales tax on vehicles subject to the provisions of 61-3-313 through 61-3-316 is  
15 1 1/2% of the f.o.b. factory list price or f.o.b. port-of-entry list price regardless of the month in which the  
16 new vehicle is purchased.

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

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

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

24 (8) A motor vehicle may not be registered or licensed unless the application for registration is  
25 accompanied by a statement of origin that is furnished by the dealer selling the vehicle and that shows that  
26 the vehicle has not previously been registered or owned, except as otherwise provided in this section, by  
27 any person, firm, corporation, or association other than a new motor vehicle dealer holding a franchise or  
28 distribution agreement from a new car manufacturer, distributor, or importer.

29 (9) (a) Motor vehicles operating exclusively for transportation of persons for hire within the limits  
30 of incorporated cities or towns and within 15 miles from the limits are exempt from the provisions of

1 subsection (1).

2 (b) Motor vehicles brought or driven into Montana by nonresident, migratory, bona fide agricultural  
3 workers who are temporarily employed in agricultural work in this state, when those motor vehicles are  
4 used exclusively for transportation of agricultural workers, are also exempt from the provisions of  
5 subsection (1).

6 (c) Vehicles lawfully displaying a licensed dealer's plate as provided in 61-4-103 are exempt from  
7 the provisions of subsection (1):

8 (i) when moving to or from a dealer's place of business when unloaded or loaded with dealer's  
9 property only; and

10 (ii) in the case of vehicles having a gross loaded weight of less than 24,000 pounds, while being  
11 demonstrated in the course of the dealer's business.

12 (d) Motor vehicles owned or controlled by a special district, as defined in 18-8-202, are exempt  
13 from subsection (1).

14 ~~(e) A vehicle registered under 61-3-456 is exempt from the provisions of subsection (1).~~"

15

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

17 "61-3-504. **Computation of tax.** (1) The amount of taxes on a motor vehicle, other than an  
18 automobile, truck having a rated capacity of 1 ton or less, motorcycle, quadricycle, motor home, travel  
19 trailer, camper, or mobile home, is computed and determined by the county treasurer on the basis of the  
20 levy of the year preceding the current year of application for registration or reregistration.

21 (2) The amount of tax on an automobile or truck having a rated capacity of 1 ton or less, except  
22 for vehicles registered under ~~61-3-456~~ or owned by disabled veterans qualifying for special license plates  
23 under 61-3-332(10)(c)(i)(A) or 61-3-426(2), and on a quadricycle is 2% of the value determined under  
24 61-3-503.

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

27 (4) For all taxable motor vehicles, the amount of tax is entered on the application form in a space  
28 provided for that purpose."

29

30 **NEW SECTION. Section 5. Repealer.** Section 61-3-456, MCA, is repealed.



1            NEW SECTION. **Section 6. Applicability.** [This act] does not apply to military registrations under  
2 61-3-456 that were issued by the department of revenue prior to [the effective date of this act]. All military  
3 registrations issued under 61-3-456 prior to [the effective date of this act] expire December 31, 1997.

4

5            NEW SECTION. **Section 7. Effective date.** [This act] is effective on passage and approval.

6

-END-

## HOUSE BILL NO. 554

INTRODUCED BY SIMPKINS, MESAROS, RYAN, CHRISTIAENS, GALVIN, COBB, WYATT, KOTTEL,  
SCHMIDT, DEBRUYCKER, CLARK, DOHERTY, WILSON, FRANKLIN

A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE PROVISIONS THAT ALLOW CERTAIN  
PERSONS CLAIMING MONTANA RESIDENCY WHO ARE ON ACTIVE MILITARY DUTY AND LIVING  
OUTSIDE OF MONTANA TO PURCHASE LICENSE PLATES AND REGISTER A MOTOR VEHICLE FOR THE  
COST OF REGISTRATION ALONE; AMENDING SECTIONS ~~15-6-201, 61-3-303, 61-3-502, AND 61-3-504,~~  
~~MCA; REPEALING SECTION 61-3-456, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND FOR~~  
APPLICABILITY."

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

~~Section 1. Section 15-6-201, MCA, is amended to read:~~

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

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

~~(i) the United States, except:~~

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

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

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

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

~~(iv) municipal corporations;~~

~~(v) public libraries; and~~

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

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

~~(c) property used exclusively for agricultural and horticultural societies, for educational purposes,  
and for nonprofit health care facilities, as defined in 50-5-101, licensed by the department of public health~~

1 ~~and human services and organized under Title 35, chapter 2 or 3. A health care facility that is not licensed~~  
2 ~~by the department of public health and human services and organized under Title 35, chapter 2 or 3, is not~~  
3 ~~exempt.~~

4 ~~(d) property that is:~~

5 ~~(i) owned and held by an association or corporation organized under Title 35, chapter 2, 3, 20, or~~  
6 ~~21;~~

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

9 ~~(iii) not maintained and operated for private or corporate profit;~~

10 ~~(e) property owned or property that is leased from a federal, state, or local governmental entity by~~  
11 ~~institutions of purely public charity if the property is directly used for purely public charitable purposes;~~

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

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

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

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

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

22 ~~(k) motor homes, travel trailers, and campers;~~

23 ~~(l) all watercraft;~~

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

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

30 ~~(o) property that is owned and used by a corporation or association organized and operated~~

1 ~~exclusively for the care of persons with developmental disabilities, the mentally ill, or the vocationally~~  
 2 ~~handicapped, as defined in 18-5-101, and that is not operated for gain or profit and property owned and~~  
 3 ~~used by an organization owning and operating facilities that are for the care of the retired, aged, or~~  
 4 ~~chronically ill and that are not operated for gain or profit;~~

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

7 ~~(q) property owned by a nonprofit corporation that is organized to provide facilities primarily for~~  
 8 ~~training and practice for or competition in international sports and athletic events and not held or used for~~  
 9 ~~private or corporate gain or profit. For purposes of this subsection (1)(q), "nonprofit corporation" means~~  
 10 ~~an organization exempt from taxation under section 501(c) of the Internal Revenue Code and incorporated~~  
 11 ~~and admitted under the Montana Nonprofit Corporation Act.~~

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

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

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

16 ~~(s) harness, saddlery, and other tack equipment;~~

17 ~~(t) a title plant owned by a title insurer or a title insurance producer, as those terms are defined in~~  
 18 ~~33-25-106;~~

19 ~~(u) timber, as defined in 15-44-102;~~

20 ~~(v) all trailers and semitrailers that have a licensed gross weight of 26,000 pounds or more or that~~  
 21 ~~are registered through a proportional registration agreement under 61-3-721. For purposes of this~~  
 22 ~~subsection (1)(v), the terms "trailer" and "semitrailer" mean a vehicle with or without motive power that~~  
 23 ~~is:~~

24 ~~(i) designed and used only for carrying property;~~

25 ~~(ii) designed and used to be drawn by a motor vehicle; and~~

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

28 ~~(w) all vehicles registered under 61-3-456.~~

29 ~~(2) (a) For the purposes of subsection (1)(e), the term "institutions of purely public charity" includes~~  
 30 ~~any organization that meets the following requirements:~~

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

3           ~~(ii) The organization accomplishes its activities through absolute gratuity or grants. However, the~~  
4 ~~organization may solicit or raise funds by the sale of merchandise, memberships, or tickets to public~~  
5 ~~performances or entertainment or by other similar types of fundraising activities.~~

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

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

14           ~~(ii) held for future display; or~~

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

16           ~~(3) The following portions of the appraised value of a capital investment in a recognized nonfossil~~  
17 ~~form of energy generation or low emission wood or biomass combustion devices, as defined in 15-32-102,~~  
18 ~~are exempt from taxation for a period of 10 years following installation of the property:~~

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

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

22           **Section 2.** ~~Section 61-3-303, MCA, is amended to read:~~

23           ~~"61-3-303. Application for registration. (1) Each owner of a motor vehicle operated or driven upon~~  
24 ~~the public highways of this state shall for each motor vehicle owned, except as otherwise provided in this~~  
25 ~~section, file or cause to be filed in the office of the county treasurer where the owner permanently resides~~  
26 ~~at the time of making the application or, if the vehicle is owned by a corporation or used primarily for~~  
27 ~~commercial purposes, in the taxing jurisdiction of the county where the vehicle is permanently assigned,~~  
28 ~~an application for registration or reregistration upon a blank form to be prepared and furnished by the~~  
29 ~~department. The application must contain:~~

30           ~~(a) the name and address of the owner, giving the county, school district, and town or city within~~

1 ~~whose corporate limits the motor vehicle is taxable, if taxable, or within whose corporate limits the owner's~~  
 2 ~~residence is located if the motor vehicle is not taxable;~~

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

4 ~~(c) a description of the motor vehicle, including the make, year model, engine or serial number,~~  
 5 ~~manufacturer's model or letter, gross weight, declared weight on all trucks for which the rated capacity is~~  
 6 ~~1 ton or less, and type of body and, if a truck, rated capacity;~~

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

9 ~~(e) other information that the department may require.~~

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

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

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

15 ~~(i)(a) the personal property taxes assessed against the vehicle for the current year of registration~~  
 16 ~~and the immediately previous year; or~~

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

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

21 ~~(a) the current year; and~~

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

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

27

28 ~~Section 3. Section 61-3-502, MCA, is amended to read:~~

29 ~~"61-3-502. Sales tax on new motor vehicles—exemptions. (1) In consideration of the right to use~~  
 30 ~~the highways of the state, there is imposed a tax upon all sales of new motor vehicles, excluding trailers;~~

1 ~~semitrailers, and housetrailers, for which a license is sought and an original application for title is made. The~~  
2 ~~tax must be paid by the purchaser when the purchaser applies for an original Montana license through the~~  
3 ~~county treasurer. For purposes of this section, "new motor vehicle" means a new motor vehicle for which~~  
4 ~~original registration is sought or a motor vehicle previously furnished without charge by a dealer to a school~~  
5 ~~district for use in a state approved traffic education program, whether or not titled by the dealer or the~~  
6 ~~school district, and for which original registration is sought.~~

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

8 ~~(a) 1 1/2% of the f.o.b. factory list price or f.o.b. port of entry list price, during the first quarter~~  
9 ~~of the year or for a registration period other than a calendar year or calendar quarter;~~

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

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

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

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

15 ~~(4) The new car sales tax on vehicles subject to the provisions of 61-3-313 through 61-3-316 is~~  
16 ~~1 1/2% of the f.o.b. factory list price or f.o.b. port of entry list price regardless of the month in which the~~  
17 ~~new vehicle is purchased.~~

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

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

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

25 ~~(8) A motor vehicle may not be registered or licensed unless the application for registration is~~  
26 ~~accompanied by a statement of origin that is furnished by the dealer selling the vehicle and that shows that~~  
27 ~~the vehicle has not previously been registered or owned, except as otherwise provided in this section, by~~  
28 ~~any person, firm, corporation, or association other than a new motor vehicle dealer holding a franchise or~~  
29 ~~distribution agreement from a new car manufacturer, distributor, or importer.~~

30 ~~(9) (a) Motor vehicles operating exclusively for transportation of persons for hire within the limits~~

1 ~~of incorporated cities or towns and within 15 miles from the limits are exempt from the provisions of~~  
 2 ~~subsection (1).~~

3 ~~(b) Motor vehicles brought or driven into Montana by nonresident, migratory, bona fide agricultural~~  
 4 ~~workers who are temporarily employed in agricultural work in this state, when those motor vehicles are~~  
 5 ~~used exclusively for transportation of agricultural workers, are also exempt from the provisions of~~  
 6 ~~subsection (1).~~

7 ~~(c) Vehicles lawfully displaying a licensed dealer's plate as provided in 61-4-103 are exempt from~~  
 8 ~~the provisions of subsection (1):~~

9 ~~(i) when moving to or from a dealer's place of business when unloaded or loaded with dealer's~~  
 10 ~~property only; and~~

11 ~~(ii) in the case of vehicles having a gross loaded weight of less than 24,000 pounds, while being~~  
 12 ~~demonstrated in the course of the dealer's business.~~

13 ~~(d) Motor vehicles owned or controlled by a special district, as defined in 18-8-202, are exempt~~  
 14 ~~from subsection (1).~~

15 ~~(e) A vehicle registered under 61-3-456 is exempt from the provisions of subsection (1)."~~

16

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

18 ~~"61-3-504. Computation of tax. (1) The amount of taxes on a motor vehicle, other than an~~  
 19 ~~automobile, truck having a rated capacity of 1 ton or less, motorcycle, quadricycle, motor home, travel~~  
 20 ~~trailer, camper, or mobile home, is computed and determined by the county treasurer on the basis of the~~  
 21 ~~levy of the year preceding the current year of application for registration or reregistration.~~

22 ~~(2) The amount of tax on an automobile or truck having a rated capacity of 1 ton or less, except~~  
 23 ~~for vehicles registered under 61-3-456 or owned by disabled veterans qualifying for special license plates~~  
 24 ~~under 61-3-332(10)(c)(i)(A) or 61-3-426(2), and on a quadricycle is 2% of the value determined under~~  
 25 ~~61-3-503.~~

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

28 ~~(4) For all taxable motor vehicles, the amount of tax is entered on the application form in a space~~  
 29 ~~provided for that purpose."~~

30



1 ~~NEW SECTION. Section 5. Repealer. Section 61-3-456, MCA, is repealed.~~

2

3 **SECTION 1. SECTION 61-3-456, MCA, IS AMENDED TO READ:**

4 "61-3-456. Registration of motor vehicle owned and operated by Montana resident on active  
5 military duty stationed outside Montana. (1) ~~An~~ As an incentive for military service, an owner of a motor  
6 vehicle who is a Montana resident ~~on~~ who entered active military duty from Montana and who is stationed  
7 outside Montana may file with the department an application for the registration of the motor vehicle. The  
8 application must be sworn to before an officer authorized to administer oaths. The application must state:

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

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

12 (c) that the vehicle is owned and operated by a Montana resident who meets the qualifications of  
13 subsection (1) and is on active military duty and stationed outside Montana.

14 (2) The registration fee for a motor vehicle registered under subsection (1) is as provided in  
15 61-3-311 and 61-3-321.

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

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

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

19 (c) any of the fees provided in part 5 of this chapter."  
20

21 **NEW SECTION. Section 2. Applicability.** [This act] does not apply to military registrations under  
22 61-3-456 that were issued by the department of revenue prior to [the effective date of this act]. ~~All military~~  
23 MILITARY registrations issued under 61-3-456 prior to [the effective date of this act] THAT NO LONGER  
24 QUALIFY expire December 31, 1997.

25

26 **NEW SECTION. Section 3. Effective date.** [This act] is effective on passage and approval.

27

-END-

## 1 HOUSE BILL NO. 554

2 INTRODUCED BY SIMPKINS, MESAROS, RYAN, CHRISTIAENS, GALVIN, COBB, WYATT, KOTTEL,  
3 SCHMIDT, DEBRUYCKER, CLARK, DOHERTY, WILSON, FRANKLIN

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE PROVISIONS THAT ALLOW CERTAIN  
6 PERSONS CLAIMING MONTANA RESIDENCY WHO ARE ON ACTIVE MILITARY DUTY AND LIVING  
7 OUTSIDE OF MONTANA TO PURCHASE LICENSE PLATES AND REGISTER A MOTOR VEHICLE FOR THE  
8 COST OF REGISTRATION ALONE; AMENDING ~~SECTIONS 15-6-201, 61-3-303, 61-3-502, AND 61-3-504,~~  
9 ~~MCA; REPEALING SECTION 61-3-456, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND FOR~~  
10 ~~APPLICABILITY."~~

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

13  
14 ~~Section 1. Section 15-6-201, MCA, is amended to read:~~

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

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

17 ~~(i) the United States, except:~~

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

20 ~~(B) as provided in 15-24-1103;~~

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

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

23 ~~(iv) municipal corporations;~~

24 ~~(v) public libraries; and~~

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

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

29 ~~(c) property used exclusively for agricultural and horticultural societies, for educational purposes,~~  
30 ~~and for nonprofit health care facilities, as defined in 50-5-101, licensed by the department of public health~~

1 ~~and human services and organized under Title 35, chapter 2 or 3. A health care facility that is not licensed~~  
2 ~~by the department of public health and human services and organized under Title 35, chapter 2 or 3, is not~~  
3 ~~exempt.~~

4 ~~(d) property that is:~~

5 ~~(i) owned and held by an association or corporation organized under Title 35, chapter 2, 3, 20, or~~  
6 ~~21;~~

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

9 ~~(iii) not maintained and operated for private or corporate profit;~~

10 ~~(e) property owned or property that is leased from a federal, state, or local governmental entity by~~  
11 ~~institutions of purely public charity if the property is directly used for purely public charitable purposes;~~

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

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

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

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

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

22 ~~(k) motor homes, travel trailers, and campers;~~

23 ~~(l) all watercraft;~~

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

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

30 ~~(o) property that is owned and used by a corporation or association organized and operated~~

~~1 exclusively for the care of persons with developmental disabilities, the mentally ill, or the vocationally  
2 handicapped, as defined in 18-5-101, and that is not operated for gain or profit and property owned and  
3 used by an organization owning and operating facilities that are for the care of the retired, aged, or  
4 chronically ill and that are not operated for gain or profit;~~

~~5 (p) all farm buildings with a market value of less than \$500 and all agricultural implements and  
6 machinery with a market value of less than \$100;~~

~~7 (q) property owned by a nonprofit corporation that is organized to provide facilities primarily for  
8 training and practice for or competition in international sports and athletic events and not held or used for  
9 private or corporate gain or profit. For purposes of this subsection (1)(q), "nonprofit corporation" means  
10 an organization exempt from taxation under section 501(c) of the Internal Revenue Code and incorporated  
11 and admitted under the Montana Nonprofit Corporation Act.~~

~~12 (r) the first \$15,000 or less of market value of tools owned by the taxpayer that are customarily  
13 hand-held and that are used to:~~

~~14 (i) construct, repair, and maintain improvements to real property; or~~

~~15 (ii) repair and maintain machinery, equipment, appliances, or other personal property;~~

~~16 (e) harness, saddlery, and other tack equipment;~~

~~17 (t) a title plant owned by a title insurer or a title insurance producer, as those terms are defined in  
18 33-26-106;~~

~~19 (u) timber, as defined in 15-44-102;~~

~~20 (v) all trailers and semitrailers that have a licensed gross weight of 26,000 pounds or more or that  
21 are registered through a proportional registration agreement under 61-3-721. For purposes of this  
22 subsection (1)(v), the terms "trailer" and "semitrailer" mean a vehicle with or without motive power that  
23 is:~~

~~24 (i) designed and used only for carrying property;~~

~~25 (ii) designed and used to be drawn by a motor vehicle; and~~

~~26 (iii) either constructed so that no part of its weight rests upon the towing vehicle or constructed  
27 so that some part of its weight and the weight of its load rests upon or is carried by another vehicle.~~

~~28 (w) all vehicles registered under 61-3-456.~~

~~29 (2) (a) For the purposes of subsection (1)(e), the term "institutions of purely public charity" includes  
30 any organization that meets the following requirements:~~

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

3 ~~(ii) The organization accomplishes its activities through absolute gratuity or grants. However, the~~  
4 ~~organization may solicit or raise funds by the sale of merchandise, memberships, or tickets to public~~  
5 ~~performances or entertainment or by other similar types of fundraising activities.~~

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

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

14 ~~(ii) held for future display; or~~

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

16 ~~(3) The following portions of the appraised value of a capital investment in a recognized nonfossil~~  
17 ~~form of energy generation or low emission wood or biomass combustion devices, as defined in 15-32-102,~~  
18 ~~are exempt from taxation for a period of 10 years following installation of the property:~~

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

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

21  
22 ~~Section 2. Section 61-3-303, MCA, is amended to read:~~

23 ~~"61-3-303. Application for registration. (1) Each owner of a motor vehicle operated or driven upon~~  
24 ~~the public highways of this state shall for each motor vehicle owned, except as otherwise provided in this~~  
25 ~~section, file or cause to be filed in the office of the county treasurer where the owner permanently resides~~  
26 ~~at the time of making the application or, if the vehicle is owned by a corporation or used primarily for~~  
27 ~~commercial purposes, in the taxing jurisdiction of the county where the vehicle is permanently assigned,~~  
28 ~~an application for registration or reregistration upon a blank form to be prepared and furnished by the~~  
29 ~~department. The application must contain:~~

30 ~~(a) the name and address of the owner, giving the county, school district, and town or city within~~

1 ~~whose corporate limits the motor vehicle is taxable, if taxable, or within whose corporate limits the owner's~~  
2 ~~residence is located if the motor vehicle is not taxable;~~

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

4 ~~(c) a description of the motor vehicle, including the make, year model, engine or serial number,~~  
5 ~~manufacturer's model or letter, gross weight, declared weight on all trucks for which the rated capacity is~~  
6 ~~1 ton or less, and type of body and, if a truck, rated capacity;~~

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

9 ~~(e) other information that the department may require.~~

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

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

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

15 ~~(i)(a) the personal property taxes assessed against the vehicle for the current year of registration~~  
16 ~~and the immediately previous year; or~~

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

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

21 ~~(a) the current year; and~~

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

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

27

28 ~~Section 3. Section 61-3-502, MCA, is amended to read:~~

29 ~~"61-3-502. Sales tax on new motor vehicles — exemptions. (1) In consideration of the right to use~~  
30 ~~the highways of the state, there is imposed a tax upon all sales of new motor vehicles, excluding trailers,~~

1 ~~semitrailers, and housetrailers, for which a license is sought and an original application for title is made. The~~  
2 ~~tax must be paid by the purchaser when the purchaser applies for an original Montana license through the~~  
3 ~~county treasurer. For purposes of this section, "new motor vehicle" means a new motor vehicle for which~~  
4 ~~original registration is sought or a motor vehicle previously furnished without charge by a dealer to a school~~  
5 ~~district for use in a state-approved traffic education program, whether or not titled by the dealer or the~~  
6 ~~school district, and for which original registration is sought.~~

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

8 ~~(a) 1 1/2% of the f.o.b. factory list price or f.o.b. port of entry list price, during the first quarter~~  
9 ~~of the year or for a registration period other than a calendar year or calendar quarter;~~

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

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

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

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

15 ~~(4) The new car sales tax on vehicles subject to the provisions of 61-3-313 through 61-3-316 is~~  
16 ~~1 1/2% of the f.o.b. factory list price or f.o.b. port of entry list price regardless of the month in which the~~  
17 ~~new vehicle is purchased.~~

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

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

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

25 ~~(8) A motor vehicle may not be registered or licensed unless the application for registration is~~  
26 ~~accompanied by a statement of origin that is furnished by the dealer selling the vehicle and that shows that~~  
27 ~~the vehicle has not previously been registered or owned, except as otherwise provided in this section, by~~  
28 ~~any person, firm, corporation, or association other than a new motor vehicle dealer holding a franchise or~~  
29 ~~distribution agreement from a new car manufacturer, distributor, or importer.~~

30 ~~(9) (a) Motor vehicles operating exclusively for transportation of persons for hire within the limits~~

1 ~~of incorporated cities or towns and within 15 miles from the limits are exempt from the provisions of~~  
 2 ~~subsection (1).~~

3 ~~(b) Motor vehicles brought or driven into Montana by nonresident, migratory, bona fide agricultural~~  
 4 ~~workers who are temporarily employed in agricultural work in this state, when these motor vehicles are~~  
 5 ~~used exclusively for transportation of agricultural workers, are also exempt from the provisions of~~  
 6 ~~subsection (1).~~

7 ~~(c) Vehicles lawfully displaying a licensed dealer's plate as provided in 61-4-103 are exempt from~~  
 8 ~~the provisions of subsection (1):~~

9 ~~(i) when moving to or from a dealer's place of business when unloaded or loaded with dealer's~~  
 10 ~~property only; and~~

11 ~~(ii) in the case of vehicles having a gross loaded weight of less than 24,000 pounds, while being~~  
 12 ~~demonstrated in the course of the dealer's business.~~

13 ~~(d) Motor vehicles owned or controlled by a special district, as defined in 18-8-202, are exempt~~  
 14 ~~from subsection (1).~~

15 ~~(e) A vehicle registered under 61-3-456 is exempt from the provisions of subsection (1)."~~

16  
 17 **Section 4.** ~~Section 61-3-504, MCA, is amended to read:~~

18 ~~"61-3-504. Computation of tax. (1) The amount of taxes on a motor vehicle, other than an~~  
 19 ~~automobile, truck having a rated capacity of 1 ton or less, motorcycle, quadricycle, motor home, travel~~  
 20 ~~trailer, camper, or mobile home, is computed and determined by the county treasurer on the basis of the~~  
 21 ~~levy of the year preceding the current year of application for registration or reregistration.~~

22 ~~(2) The amount of tax on an automobile or truck having a rated capacity of 1 ton or less, except~~  
 23 ~~for vehicles registered under 61-3-456 or owned by disabled veterans qualifying for special license plates~~  
 24 ~~under 61-3-332(10)(c)(i)(A) or 61-3-426(2), and on a quadricycle is 2% of the value determined under~~  
 25 ~~61-3-503.~~

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

28 ~~(4) For all taxable motor vehicles, the amount of tax is entered on the application form in a space~~  
 29 ~~provided for that purpose."~~

30



1 ~~NEW SECTION. Section 5. Repealer. Section 61-3-456, MCA, is repealed.~~

2

3 **SECTION 1. SECTION 61-3-456, MCA, IS AMENDED TO READ:**

4 **"61-3-456. Registration of motor vehicle owned and operated by Montana resident on active**  
 5 **military duty stationed outside Montana. (1) ~~As~~ As an incentive for military service, an owner of a motor**  
 6 **vehicle who is a Montana resident ~~on~~ who entered active military duty from Montana and who is stationed**  
 7 **outside Montana may file with the department an application for the registration of the motor vehicle. The**  
 8 **application must be sworn to before an officer authorized to administer oaths. The application must state:**

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

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

12 (c) that the vehicle is owned and operated by a Montana resident who meets the qualifications of  
 13 subsection (1) and is on active military duty and stationed outside Montana.

14 (2) The registration fee for a motor vehicle registered under subsection (1) is as provided in  
 15 61-3-311 and 61-3-321.

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

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

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

19 (c) any of the fees provided in part 5 of this chapter."  
 20

21 **NEW SECTION. Section 2. Applicability.** [This act] does not apply to military registrations under  
 22 61-3-456 that were issued by the department of ~~revenue~~ JUSTICE prior to [the effective date of this act].  
 23 ~~All military~~ MILITARY registrations issued under 61-3-456 prior to [the effective date of this act] THAT NO  
 24 LONGER QUALIFY expire December 31, 1997.

25

26 **NEW SECTION. Section 3. Effective date.** [This act] is effective on passage and approval.

27

-END-

## HOUSE BILL NO. 554

INTRODUCED BY SIMPKINS, MESAROS, RYAN, CHRISTIAENS, GALVIN, COBB, WYATT, KOTTEL,  
SCHMIDT, DEBRUYCKER, CLARK, DOHERTY, WILSON, FRANKLIN

A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE PROVISIONS THAT ALLOW CERTAIN  
PERSONS CLAIMING MONTANA RESIDENCY WHO ARE ON ACTIVE MILITARY DUTY AND LIVING  
OUTSIDE OF MONTANA TO PURCHASE LICENSE PLATES AND REGISTER A MOTOR VEHICLE FOR THE  
COST OF REGISTRATION ALONE; AMENDING ~~SECTIONS 15-6-201, 61-3-303, 61-3-502, AND 61-3-504,~~  
~~MCA; REPEALING~~ SECTION 61-3-456, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND FOR  
APPLICABILITY."

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

~~Section 1. Section 15-6-201, MCA, is amended to read:~~

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

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

~~(i) the United States, except:~~

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

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

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

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

~~(iv) municipal corporations;~~

~~(v) public libraries; and~~

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

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

~~(c) property used exclusively for agricultural and horticultural societies, for educational purposes,  
and for nonprofit health care facilities, as defined in 50-5-101, licensed by the department of public health~~

1 ~~and human services and organized under Title 35, chapter 2 or 3. A health care facility that is not licensed~~  
2 ~~by the department of public health and human services and organized under Title 35, chapter 2 or 3, is not~~  
3 ~~exempt.~~

4 ~~(d) property that is:~~

5 ~~(i) owned and held by an association or corporation organized under Title 35, chapter 2, 3, 20, or~~  
6 ~~21;~~

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

9 ~~(iii) not maintained and operated for private or corporate profit;~~

10 ~~(e) property owned or property that is leased from a federal, state, or local governmental entity by~~  
11 ~~institutions of purely public charity if the property is directly used for purely public charitable purposes;~~

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

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

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

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

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

22 ~~(k) motor homes, travel trailers, and campers;~~

23 ~~(l) all watercraft;~~

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

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

30 ~~(o) property that is owned and used by a corporation or association organized and operated~~

1 ~~exclusively for the care of persons with developmental disabilities, the mentally ill, or the vocationally~~  
 2 ~~handicapped, as defined in 18-5-101, and that is not operated for gain or profit and property owned and~~  
 3 ~~used by an organization owning and operating facilities that are for the care of the retired, aged, or~~  
 4 ~~chronically ill and that are not operated for gain or profit;~~

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

7 ~~(q) property owned by a nonprofit corporation that is organized to provide facilities primarily for~~  
 8 ~~training and practice for or competition in international sports and athletic events and not held or used for~~  
 9 ~~private or corporate gain or profit. For purposes of this subsection (1)(q), "nonprofit corporation" means~~  
 10 ~~an organization exempt from taxation under section 501(c) of the Internal Revenue Code and incorporated~~  
 11 ~~and admitted under the Montana Nonprofit Corporation Act.~~

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

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

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

16 ~~(c) harness, saddlery, and other tack equipment;~~

17 ~~(t) a title plant owned by a title insurer or a title insurance producer, as those terms are defined in~~  
 18 ~~33-25-105;~~

19 ~~(u) timber, as defined in 15-44-102;~~

20 ~~(v) all trailers and semitrailers that have a licensed gross weight of 26,000 pounds or more or that~~  
 21 ~~are registered through a proportional registration agreement under 61-3-721. For purposes of this~~  
 22 ~~subsection (1)(v), the terms "trailer" and "semitrailer" mean a vehicle with or without motive power that~~  
 23 ~~is:~~

24 ~~(i) designed and used only for carrying property;~~

25 ~~(ii) designed and used to be drawn by a motor vehicle; and~~

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

28 ~~(w) all vehicles registered under 61-3-456.~~

29 ~~(2) (a) For the purposes of subsection (1)(e), the term "institutions of purely public charity" includes~~  
 30 ~~any organization that meets the following requirements:~~

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

3 ~~(ii) The organization accomplishes its activities through absolute gratuity or grants. However, the~~  
 4 ~~organization may solicit or raise funds by the sale of merchandise, memberships, or tickets to public~~  
 5 ~~performances or entertainment or by other similar types of fundraising activities.~~

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

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

14 ~~(ii) held for future display; or~~

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

16 ~~(3) The following portions of the appraised value of a capital investment in a recognized nonfossil~~  
 17 ~~form of energy generation or low emission wood or biomass combustion devices, as defined in 15-32-102,~~  
 18 ~~are exempt from taxation for a period of 10 years following installation of the property:~~

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

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

21  
 22 ~~Section 2. Section 61-3-303, MCA, is amended to read:~~

23 ~~"61-3-303. Application for registration. (1) Each owner of a motor vehicle operated or driven upon~~  
 24 ~~the public highways of this state shall for each motor vehicle owned, except as otherwise provided in this~~  
 25 ~~section, file or cause to be filed in the office of the county treasurer where the owner permanently resides~~  
 26 ~~at the time of making the application or, if the vehicle is owned by a corporation or used primarily for~~  
 27 ~~commercial purposes, in the taxing jurisdiction of the county where the vehicle is permanently assigned,~~  
 28 ~~an application for registration or reregistration upon a blank form to be prepared and furnished by the~~  
 29 ~~department. The application must contain:~~

30 ~~(a) the name and address of the owner, giving the county, school district, and town or city within~~

1 ~~whose corporate limits the motor vehicle is taxable, if taxable, or within whose corporate limits the owner's~~  
 2 ~~residence is located if the motor vehicle is not taxable;~~

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

4 ~~(c) a description of the motor vehicle, including the make, year model, engine or serial number,~~  
 5 ~~manufacturer's model or letter, gross weight, declared weight on all trucks for which the rated capacity is~~  
 6 ~~1 ton or less, and type of body and, if a truck, rated capacity;~~

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

9 ~~(e) other information that the department may require.~~

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

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

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

15 ~~(i)(a) the personal property taxes assessed against the vehicle for the current year of registration~~  
 16 ~~and the immediately previous year; or~~

17 ~~(iii)(b) the new motor vehicle sales tax against the vehicle for the current year of registration.~~

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

21 ~~(a) the current year; and~~

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

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

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 28 ~~Section 3. Section 61-3-502, MCA, is amended to read:~~

29 ~~"61-3-502. Sales tax on new motor vehicles—exemptions. (1) In consideration of the right to use~~  
 30 ~~the highways of the state, there is imposed a tax upon all sales of new motor vehicles, excluding trailers,~~

1 ~~semitrailers, and housetrailers, for which a licence is sought and an original application for title is made. The~~  
2 ~~tax must be paid by the purchaser when the purchaser applies for an original Montana license through the~~  
3 ~~county treasurer. For purposes of this section, "new motor vehicle" means a new motor vehicle for which~~  
4 ~~original registration is sought or a motor vehicle previously furnished without charge by a dealer to a school~~  
5 ~~district for use in a state approved traffic education program, whether or not titled by the dealer or the~~  
6 ~~school district, and for which original registration is sought.~~

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

8 ~~(a) 1 1/2% of the f.o.b. factory list price or f.o.b. port of entry list price, during the first quarter~~  
9 ~~of the year or for a registration period other than a calendar year or calendar quarter;~~

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

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

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

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

15 ~~(4) The new car sales tax on vehicles subject to the provisions of 61-3-313 through 61-3-316 is~~  
16 ~~1 1/2% of the f.o.b. factory list price or f.o.b. port of entry list price regardless of the month in which the~~  
17 ~~new vehicle is purchased.~~

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

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

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

25 ~~(8) A motor vehicle may not be registered or licensed unless the application for registration is~~  
26 ~~accompanied by a statement of origin that is furnished by the dealer selling the vehicle and that shows that~~  
27 ~~the vehicle has not previously been registered or owned, except as otherwise provided in this section, by~~  
28 ~~any person, firm, corporation, or association other than a new motor vehicle dealer holding a franchise or~~  
29 ~~distribution agreement from a new car manufacturer, distributor, or importer.~~

30 ~~(9) (a) Motor vehicles operating exclusively for transportation of persons for hire within the limits~~

1 of incorporated cities or towns and within 15 miles from the limits are exempt from the provisions of  
2 subsection (1).

3 (b) Motor vehicles brought or driven into Montana by nonresident, migratory, bona fide agricultural  
4 workers who are temporarily employed in agricultural work in this state, when those motor vehicles are  
5 used exclusively for transportation of agricultural workers, are also exempt from the provisions of  
6 subsection (1).

7 (c) Vehicles lawfully displaying a licensed dealer's plate as provided in 61-4-103 are exempt from  
8 the provisions of subsection (1):

9 (i) when moving to or from a dealer's place of business when unloaded or loaded with dealer's  
10 property only; and

11 (ii) in the case of vehicles having a gross loaded weight of less than 24,000 pounds, while being  
12 demonstrated in the course of the dealer's business.

13 (d) Motor vehicles owned or controlled by a special district, as defined in 18-8-202, are exempt  
14 from subsection (1).

15 (e) A vehicle registered under 61-3-456 is exempt from the provisions of subsection (1)."

16  
17 **Section 4.** Section 61-3-504, MCA, is amended to read:

18 **"61-3-504. Computation of tax.** (1) The amount of taxes on a motor vehicle, other than an  
19 automobile, truck having a rated capacity of 1 ton or less, motorcycle, quadricycle, motor home, travel  
20 trailer, camper, or mobile home, is computed and determined by the county treasurer on the basis of the  
21 levy of the year preceding the current year of application for registration or reregistration.

22 (2) The amount of tax on an automobile or truck having a rated capacity of 1 ton or less, except  
23 for vehicles registered under 61-3-456 or owned by disabled veterans qualifying for special license plates  
24 under 61-3-332(10)(c)(i)(A) or 61-3-426(2), and on a quadricycle is 2% of the value determined under  
25 61-3-503.

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

28 (4) For all taxable motor vehicles, the amount of tax is entered on the application form in a space  
29 provided for that purpose."

30



1 ~~NEW SECTION. Section 5. Repealer. Section 61-3-456, MCA, is repealed.~~

2

3 SECTION 1. SECTION 61-3-456, MCA, IS AMENDED TO READ:

4 "61-3-456. **Registration of motor vehicle owned and operated by Montana resident on active**  
5 **military duty stationed outside Montana.** (1) ~~An~~ As an incentive for military service, an owner of a motor  
6 vehicle who is a Montana resident ~~on~~ who entered active military duty from Montana and who is stationed  
7 outside Montana may file with the department an application for the registration of the motor vehicle. The  
8 application must be sworn to before an officer authorized to administer oaths. The application must state:

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

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

12 (c) that the vehicle is owned and operated by a Montana resident who meets the qualifications of  
13 subsection (1) and is on active military duty and stationed outside Montana.

14 (2) The registration fee for a motor vehicle registered under subsection (1) is as provided in  
15 61-3-311 and 61-3-321.

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

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

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

19 (c) any of the fees provided in part 5 of this chapter."  
20

21 NEW SECTION. Section 2. Applicability. [This act] does not apply to military registrations under  
22 61-3-456 that were issued by the department of ~~revenue~~ JUSTICE prior to [the effective date of this act].  
23 All military MILITARY registrations issued under 61-3-456 ~~prior to [the effective date of this act]~~ THAT NO  
24 LONGER QUALIFY expire December 31, 1997.

25

26 NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval.

27

-END-