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SENATE BILL NO. 26
INTRODUCED BY COLE
BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE CLASSIFICATION AND TAXATION OF CERTAIN TRAILERS, CAMPERS, AND TRUCK TOPPERS; IMPOSING A FEE IN LIEU OF AD VALOREM TAXES ON ALL TRAILERS, POLE TRAILERS, AND SEMITRAILERS HAVING A DECLARED WEIGHT OF LESS THAN 26,000 POUNDS; EXEMPTING FROM PROPERTY TAXATION ALL CAMPERS AND TRUCK TOPPERS; AMENDING SECTIONS 7-1-2111, 15-6-138, 15-6-201, 61-1-129, 61-3-506, 61-3-509, 61-3-519, 61-3-521, 61-3-524, AND 61-3-535, MCA; AND PROVIDING EFFECTIVE DATES."

STATEMENT OF INTENT

A statement of intent is required for this bill because 61-3-506 gives rulemaking authority to the department of justice to adopt rules for the determination of the fees for certain trailers, pole trailers, and semitrailers. The legislature intends that the rules adopted by the department address the procedures for determining the date of manufacture for trailers, pole trailers, and semitrailers that do not have a designated model year and for determining the weight of the trailer.

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

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

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

- (a) first class--all counties having a taxable valuation of \$50 million or ~~over~~ more;
- (b) second class--all counties having a taxable valuation of ~~more than~~ \$30 million or more and less than \$50 million;
- (c) third class--all counties having a taxable valuation of ~~more than~~ \$20 million or more and less

1 than \$30 million;

2 (d) fourth class--all counties having a taxable valuation of ~~more than~~ \$15 million or more and less
3 than \$20 million;

4 (e) fifth class--all counties having a taxable valuation of ~~more than~~ \$10 million or more and less
5 than \$15 million;

6 (f) sixth class--all counties having a taxable valuation of ~~more than~~ \$5 million or more and less than
7 \$10 million;

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

9 (2) As used in this section, ~~taxable valuation~~ "taxable valuation" means the taxable value of taxable
10 property in the county as of the time of determination plus:

11 (a) that portion of the taxable value of the county on December 31, 1981, attributable to
12 automobiles and trucks having a rated capacity of three-quarters of a ton or less;

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

16 (c) that portion of the taxable value of the county on December 31, 1997, attributable to trailers,
17 pole trailers, and semitrailers with a declared weight of less than 26,000 pounds;

18 (d) the value provided by the department of revenue under 15-36-324(10); and

19 ~~(d)~~(e) 6% of the taxable value of the county on January 1 of each tax year."
20

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

22 **"15-6-138. Class eight property -- description -- taxable percentage.** (1) Class eight property
23 includes:

24 (a) all agricultural implements and equipment;

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

27 (c) all manufacturing machinery, fixtures, equipment, tools that are not exempt under
28 15-6-201(1)(r), and supplies except those included in class five;

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

1 ~~(e)~~ all goods and equipment that are intended for rent or lease, except goods and equipment that
2 are specifically included and taxed in another class;

3 ~~((e))~~ buses and trucks having a rated capacity of more than 1 ton, including those prorated under
4 15-24-102;

5 ~~(g)~~ ~~truck toppers weighing more than 300 pounds;~~

6 ~~(h)~~~~(f)~~ furniture, fixtures, and equipment, except that specifically included in another class, used in
7 commercial establishments as defined in this section;

8 ~~((g))~~ x-ray and medical and dental equipment;

9 ~~((h))~~ citizens' band radios and mobile telephones;

10 ~~((i))~~ radio and television broadcasting and transmitting equipment;

11 ~~((j))~~ cable television systems;

12 ~~((k))~~ coal and ore haulers;

13 ~~((l))~~ theater projectors and sound equipment; and

14 ~~(e)~~~~(m)~~ all other property that is not included in any other class in this part, except that property
15 that is subject to a fee in lieu of a property tax.

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

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

21 (4) Class eight property is taxed at:

22 ~~(a) 9% of its market value for tax years ending on or before December 31, 1995;~~

23 ~~(b) 8% of its market value for tax year 1996;~~

24 ~~(c) 7% of its market value for tax year 1997; and~~

25 ~~(d)~~~~(b)~~ 6% of its market value for tax years beginning after December 31, 1997."

26
27 **Section 3.** Section 15-6-201, MCA, is amended to read:

28 **"15-6-201. Exempt categories.** (1) The following categories of property are exempt from taxation:

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

30 (i) the United States, except:

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

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

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

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

6 (iv) municipal corporations;

7 (v) public libraries; and

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

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

12 (c) property used exclusively for agricultural and horticultural societies, for educational purposes,
13 and for nonprofit health care facilities, as defined in 50-5-101, licensed by the department of public health
14 and human services and organized under Title 35, chapter 2 or 3. A health care facility that is not licensed
15 by the department of public health and human services and organized under Title 35, chapter 2 or 3, is not
16 exempt.

17 (d) property that is:

18 (i) owned and held by an association or corporation organized under Title 35, chapter 2, 3, 20, or
19 21;

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

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

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

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

28 (g) public museums, art galleries, zoos, and observatories that are not used or held for private or
29 corporate profit;

30 (h) all household goods and furniture, including but not limited to clocks, musical instruments,

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

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

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

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

8 (l) all watercraft;

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

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

15 (o) (i) property that is owned and used by a corporation or association organized and operated
 16 exclusively for the care of persons with developmental disabilities, the mentally ill, or the vocationally
 17 handicapped, as defined in 18-5-101, and that is not operated for gain or profit; and

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

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

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

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

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

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

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

2 (t) a title plant owned by a title insurer or a title insurance producer, as those terms are defined in
3 33-25-105;

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

5 (v) all trailers as defined in 61-1-111, and semitrailers that have a licensed gross weight of 26,000
6 pounds or more or that are registered through a proportional registration agreement under 61-3-721 as
7 defined in 61-1-112, pole trailers as defined in 61-1-114, and travel trailers as defined in 61-1-131; For
8 purposes of this subsection (v), the terms "trailer" and "semitrailer" mean a vehicle with or without motive
9 power that is:

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

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

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

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

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

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

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

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

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

30 (ii) held for future display; or

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

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

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

6 (b) \$100,000 in the case of a multifamily residential dwelling or a nonresidential structure."
7

8 **Section 4.** Section 61-1-129, MCA, is amended to read:

9 "61-1-129. **Camper.** The term "camper" as used in 61-1-102, 61-3-524, and 61-3-525 includes
10 but is not limited to truck camper, chassis-mounted camper, ~~cab-over~~ cab-over, half ~~cab-over~~ cab-over, ~~non~~
11 ~~cab-over~~ noncab-over, telescopic, and telescopic ~~cab-over~~, but cab-over. The term does not include a truck
12 canopy cover or topper ~~weighing less than 300 pounds and having no accommodations attached.~~"
13

14 **Section 5.** Section 61-3-506, MCA, is amended to read:

15 "61-3-506. **Rules.** (1) The department of revenue shall adopt rules for the payment of property
16 taxes and the department of transportation shall adopt rules for the payment of new car taxes under the
17 provisions of 61-3-313 through 61-3-316, 61-3-501, and 61-3-520. The department of revenue may adopt
18 rules for the proration of taxes for the implementation and administration of 61-3-313 through 61-3-316,
19 61-3-501, and 61-3-520, but shall specifically provide that new car taxes ~~shall~~ must be for a 12-month
20 period.

21 (2) The department of justice may adopt rules for the determination of fees for trailers, pole trailers,
22 and semitrailers, including criteria for determining a trailer's age and weight."
23

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

25 "61-3-509. **Disposition of taxes.** (1) Except as provided in subsection (2), the county treasurer
26 shall, after deducting the district court fee, credit all taxes on motor vehicles and fees in lieu of tax on
27 motorcycles, motor homes, travel trailers, ~~and campers,~~ trailers, pole trailers, and semitrailers collected
28 under 61-3-504, 61-3-521, 61-3-527, and 61-3-537 to a motor vehicle suspense fund, and at some time
29 between March 1 and March 10 of each year and every 60 days after that date, the county treasurer shall
30 distribute the money in the motor vehicle suspense fund in the relative proportions required by the levies

1 for state, county, school district, and municipal purposes in the same manner as personal property taxes
2 are distributed.

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

9
10 **Section 7.** Section 61-3-519, MCA, is amended to read:

11 "**61-3-519. Grace period for registration and payment of tax or fee -- penalty for failure to pay tax**
12 **or fee.** (1) Unless the ~~tax or fee~~ in lieu of tax provided in 61-3-523 ~~and 61-3-524~~ for the year has been
13 paid, ~~upon the purchase of a new camper,~~ the purchaser of a new camper has 20 days from the date of
14 purchase to apply for the camper decal, as provided in 61-3-524, and to pay the ~~tax or to apply for the~~
15 ~~camper decal fee, or both~~ fee, as if the fee on the camper were being ~~taxed~~ imposed for the first time in
16 that registration year. The purchaser may operate or transport a camper on the highways of Montana
17 without a ~~tax-paid~~ decal during the 20-day period if the operator of the camper or of the vehicle upon which
18 the camper is transported has in ~~his~~ the operator's possession a 20-day certificate issued by a dealer, if the
19 camper was purchased from a dealer, or a vehicle purchase certificate issued pursuant to 61-3-317 or other
20 evidence of purchase of the camper.

21 (2) A purchaser who fails to make application and pay the ~~tax~~ fee within the time provided in
22 subsection (1) is subject to a penalty of \$10, which must be collected by the county treasurer when the
23 tax is paid and must be in addition to the fees otherwise provided by law."

24
25 **Section 8.** Section 61-3-521, MCA, is amended to read:

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

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

1 **Section 9.** Section 61-3-524, MCA, is amended to read:

2 "**61-3-524. ~~Tax paid decal~~ Decal required on camper -- application for decal -- application fee --**
3 **~~issuance — disposition of fee.~~** (1) A camper, subject to ~~taxation in Montana~~ the fee in lieu of tax imposed
4 under 61-3-521, may not be operated by a person on the public highways or streets in this state unless
5 there is displayed in a conspicuous place on the camper a decal as visual proof that the ~~tax~~ fee has been
6 paid on the camper for the current year.

7 (2) Application for the issuance of the decal must be made to the county treasurer in the county
8 of the owner's residence, accompanied by an application fee of \$1, ~~upon~~ on a form ~~to be~~ furnished by the
9 department ~~of revenue for this purpose~~, which may be obtained at the county treasurer's office, ~~and which~~
10 The form must provide for substantially the following information:

11 (a) name of owner;

12 (b) address;

13 (c) name of manufacturer;

14 (d) model number;

15 (e) make;

16 (f) year of manufacture;

17 ~~(g) statement evidencing payment of the property tax; and~~

18 ~~(h)(g)~~ such other information ~~as~~ that the department may require.

19 (3) (a) The county treasurer shall sign the application and transmit the application to the
20 department ~~of justice~~.

21 (b) Upon receipt of the application in approved form and payment of the fee in lieu of tax by the
22 applicant, the county treasurer shall issue to the applicant a numbered decal in the style and design
23 prescribed by the department ~~of revenue~~ and of a different color than the preceding year."
24

25 **NEW SECTION. Section 10. Schedule of fees for trailers -- exception.** (1) Except as provided in
26 subsection (4), the owner of a trailer, pole trailer, or semitrailer that has a declared weight of less than
27 26,000 pounds shall pay the fee imposed pursuant to 61-3-521. The fee is based on the age and declared
28 weight of the trailer or semitrailer according to the following schedule:

29 Age (in years)	Declared Weight (in pounds)		
30	0-6,000	6,001-16,000	16,001-25,999

1	Less than 5 years old	\$16	\$55	\$74
2	5 years old and less			
3	than 10 years old	11	32	41
4	10 years old and older	6	17	23

5 (2) The age of a trailer, pole trailer, or semitrailer is determined by subtracting the manufacturer's
6 designated model year from the current calendar year. For trailers, pole trailers, and semitrailers that do not
7 have a designated model year, the department shall determine a year of manufacture.

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

10 (4) This section does not apply to a trailer, pole trailer, or semitrailer that has a declared weight of
11 less than 26,000 pounds and that is registered through a proportional registration agreement under
12 61-3-721.

13

14 **Section 11.** Section 61-3-535, MCA, is amended to read:

15 **"61-3-535. Vehicle reregistration by mail -- renewal cards and reregistration notice by mail.** (1)
16 Except as provided in subsection (2), an owner of the following types of motor vehicles may reregister by
17 mail:

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

19 (b) motorcycles, trailers, pole trailers, semitrailers, travel trailers, campers, and motor homes
20 subject to a fee in lieu of tax under 61-3-521 and 61-3-527.

21 (2) The option to reregister by mail need only be made available for vehicles, motor homes, and
22 travel trailers that are registered at the close of the expiring registration period in the name of the applicant
23 for reregistration and only if the value, age, length, or other criteria used to determine the tax or fee is
24 available to the department.

25 (3) The department shall develop a procedure to facilitate the reregistration by mail of the vehicles
26 listed in subsection (1). The mail reregistration procedure developed by the department must include a
27 procedure to facilitate automated handling of mail reregistration or recertification.

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

1 (5) The department shall adopt rules to implement the mail reregistration and decal application
2 procedure."

3
4 **NEW SECTION. Section 12. Codification instruction.** [Section 10] is intended to be codified as
5 an integral part of Title 61, chapter 3, part 5, and the provisions of Title 61, chapter 3, part 5, apply to
6 [section 10].

7
8 **NEW SECTION. Section 13. Effective dates -- rulemaking.** (1) Except for the purposes of
9 subsection (2), [this act] is effective January 1, 1998.

10 (2) For the purposes of promulgating administrative rules under 61-3-506, [section 5 and this
11 section] are effective on passage and approval.

12 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0026, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act generally revising the classification and taxation of certain trailers, campers, and truck toppers; imposing a fee in lieu of ad valorem taxes on all trailers, pole trailers, and semitrailers having a declared weight of less than 26,000 pounds; exempting from property taxation all campers and truck toppers.

ASSUMPTIONS:

1. The Department of Justice, Motor Vehicle Division would need to complete computer programming changes to accommodate the effects of this bill. Costs for approximately 80 hours of programming time are estimated at \$1,600 in fiscal 1998.
2. During the 1995 Legislative Session, the Department of Revenue assisted the Department of Justice in determining a flat fee schedule for trailers, pole trailers, and semitrailers in a manner that resulted in statewide revenue-neutrality for these types of vehicles. That same fee schedule is provided for in the introduced version of this bill and is assumed to still be revenue-neutral.
3. Because revenue from the flat fee schedule is to be distributed on the basis of mills applied to personal property within each taxing jurisdiction, revenue to state and local government accounts will also be revenue-neutral on a statewide basis.
4. The proposal will not materially affect Department of Revenue expenditures.

FISCAL IMPACT:

Department of Justice

Expenditures:

	<u>FY98</u> <u>Difference</u>	<u>FY99</u> <u>Difference</u>
Operating Expenses	<u>1,600</u>	<u>0</u>
Total	1,600	0

Funding:

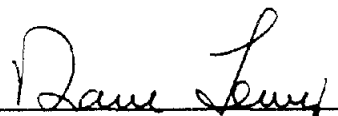
General Fund (01) 1,600


REVENUE IMPACT:

There is no impact on state tax collections under this proposal due to its revenue-neutrality on a statewide basis.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Although the statewide revenue impact from this proposal is revenue-neutral, the individual composition of trailer weights and ages within a taxing jurisdiction may or may not provide for revenue-neutrality for individual taxing jurisdictions.

 1-7-97
 DAVE LEWIS, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

 1/7/97
 MACK COLE, PRIMARY SPONSOR DATE
 Fiscal Note for SB0026, as introduced

APPROVED BY COM
ON TAXATION

1 SENATE BILL NO. 26

2 INTRODUCED BY COLE

3 BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE CLASSIFICATION AND TAXATION
6 OF CERTAIN TRAILERS, CAMPERS, AND TRUCK TOPPERS; IMPOSING A FEE IN LIEU OF AD VALOREM
7 TAXES ON ALL TRAILERS, POLE TRAILERS, AND SEMITRAILERS HAVING A DECLARED WEIGHT OF LESS
8 THAN 26,000 POUNDS; EXEMPTING FROM PROPERTY TAXATION ALL CAMPERS AND TRUCK TOPPERS;
9 AMENDING SECTIONS 7-1-2111, 15-6-138, 15-6-201, 61-1-129, 61-3-506, 61-3-509, 61-3-519,
10 61-3-521, 61-3-524, AND 61-3-535, MCA; AND PROVIDING EFFECTIVE DATES."

11
12 STATEMENT OF INTENT

13 A statement of intent is required for this bill because 61-3-506 gives rulemaking authority to the
14 department of justice to adopt rules for the ~~determination~~ ADMINISTRATION of the fees for certain trailers,
15 pole trailers, and semitrailers. The legislature intends that the rules adopted by the department address the
16 procedures for determining the date of manufacture for trailers, pole trailers, and semitrailers that do not
17 have a designated model year and for determining the weight of the trailer.

18
19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
2021 **Section 1.** Section 7-1-2111, MCA, is amended to read:

22 **"7-1-2111. Classification of counties.** (1) For the purpose of regulating the compensation and
23 salaries of all county officers, not otherwise provided for, and for fixing the penalties of officers' bonds,
24 the counties of this state must be classified according to the taxable valuation of the property in the
25 counties upon which the tax levy is made, except for vehicles subject to taxation under 61-3-504(2), as
26 follows:

27 (a) first class--all counties having a taxable valuation of \$50 million or ~~ever~~ more;28 (b) second class--all counties having a taxable valuation of ~~more than~~ \$30 million or more and less
29 than \$50 million;30 (c) third class--all counties having a taxable valuation of ~~more than~~ \$20 million or more and less

1 than \$30 million;

2 (d) fourth class--all counties having a taxable valuation of ~~more than~~ \$15 million or more and less
3 than \$20 million;

4 (e) fifth class--all counties having a taxable valuation of ~~more than~~ \$10 million or more and less
5 than \$15 million;

6 (f) sixth class--all counties having a taxable valuation of ~~more than~~ \$5 million or more and less than
7 \$10 million;

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

9 (2) As used in this section, ~~taxable valuation~~ "taxable valuation" means the taxable value of taxable
10 property in the county as of the time of determination plus:

11 (a) that portion of the taxable value of the county on December 31, 1981, attributable to
12 automobiles and trucks having a rated capacity of three-quarters of a ton or less;

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

16 (c) that portion of the taxable value of the county on December 31, 1997, attributable to trailers,
17 pole trailers, and semitrailers with a declared weight of less than 26,000 pounds;

18 (d) the value provided by the department of revenue under 15-36-324(10); and

19 ~~(d)~~(e) 6% of the taxable value of the county on January 1 of each tax year."
20

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

22 **"15-6-138. Class eight property -- description -- taxable percentage.** (1) Class eight property
23 includes:

24 (a) all agricultural implements and equipment;

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

27 (c) all manufacturing machinery, fixtures, equipment, tools that are not exempt under
28 15-6-201(1)(r), and supplies except those included in class five;

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

1 ~~(e)~~ all goods and equipment that are intended for rent or lease, except goods and equipment that
2 are specifically included and taxed in another class;

3 ~~((e))~~ buses and trucks having a rated capacity of more than 1 ton, including those prorated under
4 15-24-102;

5 ~~(g)~~ ~~truck toppers weighing more than 300 pounds;~~

6 ~~(h)~~~~(f)~~ furniture, fixtures, and equipment, except that specifically included in another class, used in
7 commercial establishments as defined in this section;

8 ~~((g))~~ x-ray and medical and dental equipment;

9 ~~((h))~~ citizens' band radios and mobile telephones;

10 ~~((i))~~ radio and television broadcasting and transmitting equipment;

11 ~~((j))~~ cable television systems;

12 ~~((k))~~ coal and ore haulers;

13 ~~((l))~~ theater projectors and sound equipment; and

14 ~~(e)~~~~(m)~~ all other property that is not included in any other class in this part, except that property
15 that is subject to a fee in lieu of a property tax.

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

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

21 (4) Class eight property is taxed at:

22 ~~(a) 9% of its market value for tax years ending on or before December 31, 1995;~~

23 ~~(b) 8% of its market value for tax year 1996;~~

24 ~~(e)~~ 7% of its market value for tax year 1997; and

25 ~~((b))~~ 6% of its market value for tax years beginning after December 31, 1997."

26

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

28 "**15-6-201. Exempt categories.** (1) The following categories of property are exempt from taxation:

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

30 (i) the United States, except:

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

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

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

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

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

8 (l) all watercraft;

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

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

15 (o) (i) property that is owned and used by a corporation or association organized and operated
 16 exclusively for the care of persons with developmental disabilities, the mentally ill, or the vocationally
 17 handicapped, as defined in 18-5-101, and that is not operated for gain or profit; and

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

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

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

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

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

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

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

2 (t) a title plant owned by a title insurer or a title insurance producer, as those terms are defined in
3 33-25-105;

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

5 (v) all trailers as defined in 61-1-111, and semitrailers that have a licensed gross weight of 26,000
6 pounds or more or that are registered through a proportional registration agreement under 61-3-721 as
7 defined in 61-1-112, pole trailers as defined in 61-1-114, and travel trailers as defined in 61-1-131; For
8 purposes of this subsection (v), the terms "trailer" and "semitrailer" mean a vehicle with or without motive
9 power that is:

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

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

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

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

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

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

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

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

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

30 (ii) held for future display; or

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

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

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

6 (b) \$100,000 in the case of a multifamily residential dwelling or a nonresidential structure."
7

8 **Section 4.** Section 61-1-129, MCA, is amended to read:

9 "**61-1-129. Camper.** The term "camper" as used in 61-1-102, 61-3-524, and 61-3-525 includes
10 but is not limited to truck camper, chassis-mounted camper, ~~cab-over cab-over~~, half ~~cab-over cab-over~~, ~~non~~
11 ~~cab-over noncab-over~~, telescopic, and telescopic ~~cab-over~~, but cab-over. The term does not include a truck
12 canopy cover or topper ~~weighing less than 300 pounds and having no accommodations attached.~~"
13

14 **Section 5.** Section 61-3-506, MCA, is amended to read:

15 "**61-3-506. Rules.** (1) The department of revenue shall adopt rules for the payment of property
16 taxes and the department of transportation shall adopt rules for the payment of new car taxes under the
17 provisions of 61-3-313 through 61-3-316, 61-3-501, and 61-3-520. The department of revenue may adopt
18 rules for the proration of taxes for the implementation and administration of 61-3-313 through 61-3-316,
19 61-3-501, and 61-3-520, but shall specifically provide that new car taxes ~~shall~~ must be for a 12-month
20 period.

21 (2) The department of justice may adopt rules for the determination ADMINISTRATION of fees for
22 trailers, pole trailers, and semitrailers, including criteria for determining a trailer's age and weight."
23

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

25 "**61-3-509. Disposition of taxes.** (1) Except as provided in subsection (2), the county treasurer
26 shall, after deducting the district court fee, credit all taxes on motor vehicles and fees in lieu of tax on
27 motorcycles, motor homes, travel trailers, ~~and campers~~, trailers, pole trailers, and semitrailers collected
28 under 61-3-504, 61-3-521, 61-3-527, and 61-3-537 to a motor vehicle suspense fund, and at some time
29 between March 1 and March 10 of each year and every 60 days after that date, the county treasurer shall
30 distribute the money in the motor vehicle suspense fund in the relative proportions required by the levies

1 for state, county, school district, and municipal purposes in the same manner as personal property taxes
2 are distributed.

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

9

10 **Section 7.** Section 61-3-519, MCA, is amended to read:

11 **"61-3-519. Grace period for registration and payment of tax or fee -- penalty for failure to pay tax**
12 **or fee.** (1) Unless the ~~tax or fee~~ in lieu of tax provided in 61-3-523 ~~and 61-3-524~~ for the year has been
13 paid, ~~upon the purchase of a new camper,~~ the purchaser of a new camper has 20 days from the date of
14 purchase ~~to apply for the camper decal, as provided in 61-3-524, and to pay the tax or to apply for the~~
15 ~~camper decal fee, or both fee,~~ as if the fee on the camper were being ~~taxed~~ imposed for the first time in
16 that registration year. The purchaser may operate or transport a camper on the highways of Montana
17 without a ~~tax-paid~~ decal during the 20-day period if the operator of the camper or of the vehicle upon which
18 the camper is transported has in ~~his~~ the operator's possession a 20-day certificate issued by a dealer, if the
19 camper was purchased from a dealer, or a vehicle purchase certificate issued pursuant to 61-3-317 or other
20 evidence of purchase of the camper.

21 (2) A purchaser who fails to make application and pay the ~~tax~~ fee within the time provided in
22 subsection (1) is subject to a penalty of \$10, which must be collected by the county treasurer when the
23 tax is paid and must be in addition to the fees otherwise provided by law."

24

25 **Section 8.** Section 61-3-521, MCA, is amended to read:

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

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

1 **Section 9.** Section 61-3-524, MCA, is amended to read:

2 "**61-3-524. ~~Tax paid decal~~ Decal required on camper -- application for decal -- application fee --**
3 **issuance — ~~disposition of fee.~~** (1) A camper, subject to ~~taxation in Montana~~ the fee in lieu of tax imposed
4 under 61-3-521, may not be operated by a person on the public highways or streets in this state unless
5 there is displayed in a conspicuous place on the camper a decal as visual proof that the ~~tax~~ fee has been
6 paid on the camper for the current year.

7 (2) Application for the issuance of the decal must be made to the county treasurer in the county
8 of the owner's residence, accompanied by an application fee of \$1, ~~upon~~ on a form ~~to be~~ furnished by the
9 department ~~of revenue for this purpose~~, which may be obtained at the county treasurer's office, ~~and which~~
10 The form must provide for substantially the following information:

11 (a) name of owner;

12 (b) address;

13 (c) name of manufacturer;

14 (d) model number;

15 (e) make;

16 (f) year of manufacture;

17 ~~(g) statement evidencing payment of the property tax; and~~

18 ~~(h)(g)~~ such other information as that the department may require.

19 (3) (a) The county treasurer shall sign the application and transmit the application to the
20 department ~~of justice~~.

21 (b) Upon receipt of the application in approved form and payment of the fee in lieu of tax by the
22 applicant, the county treasurer shall issue to the applicant a numbered decal in the style and design
23 prescribed by the department ~~of revenue~~ and of a different color than the preceding year."

24
25 **NEW SECTION. Section 10. Schedule of fees for trailers -- exception.** (1) Except as provided in
26 subsection (4), the owner of a trailer, pole trailer, or semitrailer that has a declared weight of less than
27 26,000 pounds shall pay the fee imposed pursuant to 61-3-521. The fee is based on the age and declared
28 weight of the trailer or semitrailer according to the following schedule:

29 Age (in years)	30 Declared Weight (in pounds)		
	0-6,000	6,001-16,000	16,001-25,999

1	Less than 5 years old	\$16	\$55	\$74
2	5 years old and less			
3	than 10 years old	11	32	41
4	10 years old and older	6	17	23

5 (2) The age of a trailer, pole trailer, or semitrailer is determined by subtracting the manufacturer's
 6 designated model year from the current calendar year. For trailers, pole trailers, and semitrailers that do not
 7 have a designated model year, the department shall determine a year of manufacture.

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

10 (4) This section does not apply to a trailer, pole trailer, or semitrailer that has a declared weight of
 11 less than 26,000 pounds and that is registered through a proportional registration agreement under
 12 61-3-721.

13

14 **Section 11.** Section 61-3-535, MCA, is amended to read:

15 **"61-3-535. Vehicle reregistration by mail -- renewal cards and reregistration notice by mail.** (1)
 16 Except as provided in subsection (2), an owner of the following types of motor vehicles may reregister by
 17 mail:

- 18 (a) light vehicles, quadricycles, and other vehicles subject to tax under 61-3-504(2); and
- 19 (b) motorcycles, trailers, pole trailers, semitrailers, travel trailers, campers, and motor homes
 20 subject to a fee in lieu of tax under 61-3-521 and 61-3-527.

21 (2) The option to reregister by mail need only be made available for vehicles, motor homes, and
 22 travel trailers that are registered at the close of the expiring registration period in the name of the applicant
 23 for reregistration and only if the value, age, length, or other criteria used to determine the tax or fee is
 24 available to the department.

25 (3) The department shall develop a procedure to facilitate the reregistration by mail of the vehicles
 26 listed in subsection (1). The mail reregistration procedure developed by the department must include a
 27 procedure to facilitate automated handling of mail reregistration or recertification.

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

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SENATE BILL NO. 26
INTRODUCED BY COLE
BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE CLASSIFICATION AND TAXATION OF CERTAIN TRAILERS, CAMPERS, AND TRUCK TOPPERS; IMPOSING A FEE IN LIEU OF AD VALOREM TAXES ON ALL TRAILERS, POLE TRAILERS, AND SEMITRAILERS HAVING A DECLARED WEIGHT OF LESS THAN 26,000 POUNDS; EXEMPTING FROM PROPERTY TAXATION ALL CAMPERS AND TRUCK TOPPERS; AMENDING SECTIONS 7-1-2111, 15-6-138, 15-6-201, 61-1-129, 61-3-506, 61-3-509, 61-3-519, 61-3-521, 61-3-524, AND 61-3-535, MCA; AND PROVIDING EFFECTIVE DATES."

STATEMENT OF INTENT

A statement of intent is required for this bill because 61-3-506 gives rulemaking authority to the department of justice to adopt rules for the ~~determination~~ ADMINISTRATION of the fees for certain trailers, pole trailers, and semitrailers. The legislature intends that the rules adopted by the department address the procedures for determining the date of manufacture for trailers, pole trailers, and semitrailers that do not have a designated model year and for determining the weight of the trailer.

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

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

APPROVED BY COM
ON TAXATION

1 SENATE BILL NO. 26

2 INTRODUCED BY COLE

3 BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE CLASSIFICATION AND TAXATION
6 OF CERTAIN TRAILERS, CAMPERS, AND TRUCK TOPPERS; IMPOSING A FEE IN LIEU OF AD VALOREM
7 TAXES ON ALL TRAILERS, POLE TRAILERS, AND SEMITRAILERS HAVING A DECLARED WEIGHT OF LESS
8 THAN 26,000 POUNDS; EXEMPTING FROM PROPERTY TAXATION ALL CAMPERS AND TRUCK TOPPERS;
9 AMENDING SECTIONS 7-1-2111, 15-6-138, 15-6-201, 61-1-129, 61-3-506, 61-3-509, 61-3-519,
10 61-3-521, 61-3-524, AND 61-3-535, MCA; AND PROVIDING EFFECTIVE DATES."

11
12 STATEMENT OF INTENT

13 A statement of intent is required for this bill because 61-3-506 gives rulemaking authority to the
14 department of justice to adopt rules for the ~~determination~~ ADMINISTRATION of the fees for certain trailers,
15 pole trailers, and semitrailers. The legislature intends that the rules adopted by the department address the
16 procedures for determining the date of manufacture for trailers, pole trailers, and semitrailers that do not
17 have a designated model year and for determining the weight of the trailer.

18
19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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

1 SENATE BILL NO. 26

2 INTRODUCED BY COLE

3 BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE CLASSIFICATION AND TAXATION
6 OF CERTAIN TRAILERS, CAMPERS, AND TRUCK TOPPERS; IMPOSING A FEE IN LIEU OF AD VALOREM
7 TAXES ON ALL TRAILERS, POLE TRAILERS, AND SEMITRAILERS HAVING A DECLARED WEIGHT OF LESS
8 THAN 26,000 POUNDS; EXEMPTING FROM PROPERTY TAXATION ALL CAMPERS AND TRUCK TOPPERS;
9 AMENDING SECTIONS 7-1-2111, 15-6-138, 15-6-201, 61-1-129, 61-3-506, 61-3-509, 61-3-519,
10 61-3-521, 61-3-524, AND 61-3-535, MCA; AND PROVIDING EFFECTIVE DATES."

11
12 STATEMENT OF INTENT

13 A statement of intent is required for this bill because 61-3-506 gives rulemaking authority to the
14 department of justice to adopt rules for the ~~determination~~ ADMINISTRATION of the fees for certain trailers,
15 pole trailers, and semitrailers. The legislature intends that the rules adopted by the department address the
16 procedures for determining the date of manufacture for trailers, pole trailers, and semitrailers that do not
17 have a designated model year and for determining the weight of the trailer.

18
19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:20
21 **Section 1.** Section 7-1-2111, MCA, is amended to read:

22 **"7-1-2111. Classification of counties.** (1) For the purpose of regulating the compensation and
23 salaries of all county officers, not otherwise provided for, and for fixing the penalties of officers' bonds,
24 the counties of this state must be classified according to the taxable valuation of the property in the
25 counties upon which the tax levy is made, except for vehicles subject to taxation under 61-3-504(2), as
26 follows:

27 (a) first class--all counties having a taxable valuation of \$50 million or ~~over~~ more;28 (b) second class--all counties having a taxable valuation of ~~more than~~ \$30 million or more and less
29 than \$50 million;30 (c) third class--all counties having a taxable valuation of ~~more than~~ \$20 million or more and less

1 than \$30 million;

2 (d) fourth class--all counties having a taxable valuation of ~~more than~~ \$15 million or more and less
3 than \$20 million;

4 (e) fifth class--all counties having a taxable valuation of ~~more than~~ \$10 million or more and less
5 than \$15 million;

6 (f) sixth class--all counties having a taxable valuation of ~~more than~~ \$5 million or more and less than
7 \$10 million;

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

9 (2) As used in this section, ~~taxable valuation~~ "taxable valuation" means the taxable value of taxable
10 property in the county as of the time of determination plus:

11 (a) that portion of the taxable value of the county on December 31, 1981, attributable to
12 automobiles and trucks having a rated capacity of three-quarters of a ton or less;

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

16 (c) that portion of the taxable value of the county on December 31, 1997, attributable to trailers,
17 pole trailers, and semitrailers with a declared weight of less than 26,000 pounds;

18 (d) the value provided by the department of revenue under 15-36-324(10); and

19 ~~(d)~~(e) 6% of the taxable value of the county on January 1 of each tax year."
20

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

22 "**15-6-138. Class eight property -- description -- taxable percentage.** (1) Class eight property
23 includes:

24 (a) all agricultural implements and equipment;

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

27 (c) all manufacturing machinery, fixtures, equipment, tools that are not exempt under
28 15-6-201(1)(r), and supplies except those included in class five;

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

1 ~~(e)~~ all goods and equipment that are intended for rent or lease, except goods and equipment that
 2 are specifically included and taxed in another class;

3 ~~##(e)~~ buses and trucks having a rated capacity of more than 1 ton, including those prorated under
 4 15-24-102;

5 ~~(g)~~ ~~truck toppers weighing more than 300 pounds;~~

6 ~~##(f)~~ furniture, fixtures, and equipment, except that specifically included in another class, used in
 7 commercial establishments as defined in this section;

8 ~~##(g)~~ x-ray and medical and dental equipment;

9 ~~##(h)~~ citizens' band radios and mobile telephones;

10 ~~##(i)~~ radio and television broadcasting and transmitting equipment;

11 ~~##(j)~~ cable television systems;

12 ~~##(k)~~ coal and ore haulers;

13 ~~##(l)~~ theater projectors and sound equipment; and

14 ~~(m)~~ all other property that is not included in any other class in this part, except that property
 15 that is subject to a fee in lieu of a property tax.

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

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

21 (4) Class eight property is taxed at:

22 ~~(a) 9% of its market value for tax years ending on or before December 31, 1996;~~

23 ~~(b) 8% of its market value for tax year 1996;~~

24 ~~(c) 7% of its market value for tax year 1997; and~~

25 ~~(d) (b) 6% of its market value for tax years beginning after December 31, 1997."~~

26
 27 **Section 3.** Section 15-6-201, MCA, is amended to read:

28 "**15-6-201. Exempt categories.** (1) The following categories of property are exempt from taxation:

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

30 (i) the United States, except:

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

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

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

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

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

8 (l) all watercraft;

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

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

15 (o) (i) property that is owned and used by a corporation or association organized and operated
 16 exclusively for the care of persons with developmental disabilities, the mentally ill, or the vocationally
 17 handicapped, as defined in 18-5-101, and that is not operated for gain or profit; and

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

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

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

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

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

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

- 1 (s) harness, saddlery, and other tack equipment;
- 2 (t) a title plant owned by a title insurer or a title insurance producer, as those terms are defined in
3 33-25-105;
- 4 (u) timber as defined in 15-44-102;
- 5 (v) all trailers ~~as defined in 61-1-111, and semitrailers that have a licensed gross weight of 26,000~~
6 ~~pounds or more or that are registered through a proportional registration agreement under 61-3-721 as~~
7 ~~defined in 61-1-112, pole trailers as defined in 61-1-114, and travel trailers as defined in 61-1-131; For~~
8 ~~purposes of this subsection (v), the terms "trailer" and "semitrailer" mean a vehicle with or without motive~~
9 ~~power that is:~~
- 10 (i) ~~designed and used only for carrying property;~~
- 11 (ii) ~~designed and used to be drawn by a motor vehicle; and~~
- 12 (iii) ~~either constructed so that no part of its weight rests upon the towing vehicle or constructed~~
13 ~~so that some part of its weight and the weight of its load rests upon or is carried by another vehicle.~~
- 14 (w) all vehicles registered under 61-3-456.
- 15 (2) (a) For the purposes of subsection (1)(e), the term "institutions of purely public charity" includes
16 any organization that meets the following requirements:
- 17 (i) The organization qualifies as a tax-exempt organization under the provisions of section 501(c)(3),
18 Internal Revenue Code, as amended.
- 19 (ii) The organization accomplishes its activities through absolute gratuity or grants. However, the
20 organization may solicit or raise funds by the sale of merchandise, memberships, or tickets to public
21 performances or entertainment or by other similar types of fundraising activities.
- 22 (b) For the purposes of subsection (1)(g), the term "public museums, art galleries, zoos, and
23 observatories" means governmental entities or nonprofit organizations whose principal purpose is to hold
24 property for public display or for use as a museum, art gallery, zoo, or observatory. The exempt property
25 includes all real and personal property reasonably necessary for use in connection with the public display
26 or observatory use. Unless the property is leased for a profit to a governmental entity or nonprofit
27 organization by an individual or for-profit organization, real and personal property owned by other persons
28 is exempt if it is:
- 29 (i) actually used by the governmental entity or nonprofit organization as a part of its public display;
- 30 (ii) held for future display; or

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

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

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

6 (b) \$100,000 in the case of a multifamily residential dwelling or a nonresidential structure."
7

8 **Section 4.** Section 61-1-129, MCA, is amended to read:

9 "61-1-129. **Camper.** The term "camper" as used in 61-1-102, 61-3-524, and 61-3-525 includes
10 but is not limited to truck camper, chassis-mounted camper, ~~cab-over~~ cab-over, half ~~cab-over~~ cab-over, ~~non~~
11 ~~cab-over~~ noncab-over, telescopic, and telescopic ~~cab-over~~, but cab-over. The term does not include a truck
12 canopy cover or topper ~~weighing less than 300 pounds and having no accommodations attached.~~"
13

14 **Section 5.** Section 61-3-506, MCA, is amended to read:

15 "61-3-506. **Rules.** (1) The department of revenue shall adopt rules for the payment of property
16 taxes and the department of transportation shall adopt rules for the payment of new car taxes under the
17 provisions of 61-3-313 through 61-3-316, 61-3-501, and 61-3-520. The department of revenue may adopt
18 rules for the proration of taxes for the implementation and administration of 61-3-313 through 61-3-316,
19 61-3-501, and 61-3-520, but shall specifically provide that new car taxes ~~shall~~ must be for a 12-month
20 period.

21 (2) The department of justice may adopt rules for the determination ADMINISTRATION of fees for
22 trailers, pole trailers, and semitrailers, including criteria for determining a trailer's age and weight."
23

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

25 "61-3-509. **Disposition of taxes.** (1) Except as provided in subsection (2), the county treasurer
26 shall, after deducting the district court fee, credit all taxes on motor vehicles and fees in lieu of tax on
27 motorcycles, motor homes, travel trailers, ~~and campers, trailers, pole trailers, and semitrailers~~ collected
28 under 61-3-504, 61-3-521, 61-3-527, and 61-3-537 to a motor vehicle suspense fund, and at some time
29 between March 1 and March 10 of each year and every 60 days after that date, the county treasurer shall
30 distribute the money in the motor vehicle suspense fund in the relative proportions required by the levies

1 for state, county, school district, and municipal purposes in the same manner as personal property taxes
2 are distributed.

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

9

10 **Section 7.** Section 61-3-519, MCA, is amended to read:

11 **"61-3-519. Grace period for registration and payment of tax or fee -- penalty for failure to pay tax**
12 **or fee.** (1) Unless the ~~tax or fee~~ in lieu of tax provided in 61-3-523 ~~and 61-3-524~~ for the year has been
13 paid, ~~upon the purchase of a new camper,~~ the purchaser of a new camper has 20 days from the date of
14 purchase to apply for the camper decal, as provided in 61-3-524, and to pay the tax or to apply for the
15 ~~camper decal fee, or both fee,~~ as if the fee on the camper were being ~~taxed~~ imposed for the first time in
16 that registration year. The purchaser may operate or transport a camper on the highways of Montana
17 without a ~~tax-paid~~ decal during the 20-day period if the operator of the camper or of the vehicle upon which
18 the camper is transported has in ~~his~~ the operator's possession a 20-day certificate issued by a dealer, if the
19 camper was purchased from a dealer, or a vehicle purchase certificate issued pursuant to 61-3-317 or other
20 evidence of purchase of the camper.

21 (2) A purchaser who fails to make application and pay the ~~tax~~ fee within the time provided in
22 subsection (1) is subject to a penalty of \$10, which must be collected by the county treasurer when the
23 tax is paid and must be in addition to the fees otherwise provided by law."

24

25 **Section 8.** Section 61-3-521, MCA, is amended to read:

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

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

1 Section 9. Section 61-3-524, MCA, is amended to read:

2 "61-3-524. ~~Tax paid decal~~ Decal required on camper -- application for decal -- application fee --
3 issuance ~~—disposition of fee.~~ (1) A camper, subject to ~~taxation in Montana~~ the fee in lieu of tax imposed
4 under 61-3-521, may not be operated by a person on the public highways or streets in this state unless
5 there is displayed in a conspicuous place on the camper a decal as visual proof that the ~~tax~~ fee has been
6 paid on the camper for the current year.

7 (2) Application for the issuance of the decal must be made to the county treasurer in the county
8 of the owner's residence, accompanied by an application fee of \$1, ~~upon~~ on a form ~~to be~~ furnished by the
9 department ~~of revenue for this purpose~~, which may be obtained at the county treasurer's office, ~~and which~~
10 The form must provide for substantially the following information:

11 (a) name of owner;

12 (b) address;

13 (c) name of manufacturer;

14 (d) model number;

15 (e) make;

16 (f) year of manufacture;

17 ~~(g) statement evidencing payment of the property tax; and~~

18 ~~(h)~~ (g) such other information ~~as~~ that the department may require.

19 (3) (a) The county treasurer shall sign the application and transmit the application to the
20 department ~~of justice~~.

21 (b) Upon receipt of the application in approved form and payment of the fee in lieu of tax by the
22 applicant, the county treasurer shall issue to the applicant a numbered decal in the style and design
23 prescribed by the department ~~of revenue~~ and of a different color than the preceding year."
24

25 **NEW SECTION. Section 10. Schedule of fees for trailers -- exception.** (1) Except as provided in
26 subsection (4), the owner of a trailer, pole trailer, or semitrailer that has a declared weight of less than
27 26,000 pounds shall pay the fee imposed pursuant to 61-3-521. The fee is based on the age and declared
28 weight of the trailer or semitrailer according to the following schedule:

29 Age (in years)	Declared Weight (in pounds)		
30	0-6,000	6,001-16,000	16,001-25,999

1	Less than 5 years old	\$16	\$55	\$74
2	5 years old and less			
3	than 10 years old	11	32	41
4	10 years old and older	6	17	23

5 (2) The age of a trailer, pole trailer, or semitrailer is determined by subtracting the manufacturer's
6 designated model year from the current calendar year. For trailers, pole trailers, and semitrailers that do not
7 have a designated model year, the department shall determine a year of manufacture.

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

10 (4) This section does not apply to a trailer, pole trailer, or semitrailer that has a declared weight of
11 less than 26,000 pounds and that is registered through a proportional registration agreement under
12 61-3-721.

13

14 **Section 11.** Section 61-3-535, MCA, is amended to read:

15 **"61-3-535. Vehicle reregistration by mail -- renewal cards and reregistration notice by mail.** (1)
16 Except as provided in subsection (2), an owner of the following types of motor vehicles may reregister by
17 mail:

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

19 (b) motorcycles, trailers, pole trailers, semitrailers, travel trailers, campers, and motor homes
20 subject to a fee in lieu of tax under 61-3-521 and 61-3-527.

21 (2) The option to reregister by mail need only be made available for vehicles, motor homes, and
22 travel trailers that are registered at the close of the expiring registration period in the name of the applicant
23 for reregistration and only if the value, age, length, or other criteria used to determine the tax or fee is
24 available to the department.

25 (3) The department shall develop a procedure to facilitate the reregistration by mail of the vehicles
26 listed in subsection (1). The mail reregistration procedure developed by the department must include a
27 procedure to facilitate automated handling of mail reregistration or recertification.

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

