

1 SENATE BILL NO. 57

2 INTRODUCED BY WATERMAN

3 BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE CLASSIFICATION, VALUATION,
6 AND TAXATION OF MOTOR VEHICLES; TAXING AUTOMOBILES, TRUCKS HAVING A MANUFACTURER'S
7 RATED CAPACITY OF 1 TON OR LESS, VANS, AND SPORT UTILITY VEHICLES AT 2 PERCENT OF THE
8 DEPRECIATED VALUE OF THE MANUFACTURER'S SUGGESTED RETAIL PRICE; EXEMPTING FROM
9 PROPERTY TAXATION BUSES, TRUCKS HAVING A MANUFACTURER'S RATED CAPACITY OF MORE
10 THAN 1 TON, TRUCK TRACTORS, AND PERSONAL PROPERTY ATTACHED TO THESE EXEMPT VEHICLES;
11 IMPOSING A FEE IN LIEU OF PROPERTY TAXES ON BUSES, TRUCKS HAVING A MANUFACTURER'S
12 RATED CAPACITY OF MORE THAN 1 TON, AND TRUCK TRACTORS; PROVIDING FOR THE PRORATION
13 OF THE FEE IN LIEU OF TAX; CLARIFYING THAT SPECIAL MOBILE EQUIPMENT IS SUBJECT TO
14 PROPERTY TAX; REPLACING THE TAX ON QUADRICYCLES WITH A FEE IN LIEU OF TAX; AMENDING
15 SECTIONS 7-1-2111, 15-6-138, 15-6-201, 15-8-111, 15-8-201, 15-8-202, 15-16-202, 15-50-207;
16 20-9-141, 20-9-331, 20-9-333, 20-9-360, 20-9-501, 20-10-144, 20-10-146, 61-3-101, 61-3-208,
17 61-3-303, 61-3-456, 61-3-501, 61-3-503, 61-3-504, 61-3-506, 61-3-507, 61-3-509, 61-3-527, 61-3-535,
18 61-3-537, 61-3-701, AND 61-12-402, MCA; REPEALING SECTIONS 15-24-101, 15-24-102, 15-24-103,
19 15-24-104, 15-24-105, AND 15-24-2501, MCA; AND PROVIDING EFFECTIVE DATES AND AN
20 APPLICABILITY DATE."

21
22 STATEMENT OF INTENT

23 A statement of intent is required for this bill because 61-3-506 gives rulemaking authority to the
24 department of justice to implement the new methods for the valuation and taxation of light motor vehicles
25 and for the imposition of fees in lieu of tax on buses and trucks. The rules adopted by the department may
26 contain criteria for determining the manufacturer's suggested retail price, an alternative valuation when the
27 manufacturer's suggested retail price is unavailable, the date of manufacture for vehicles not commercially
28 manufactured for consumer purchase, and the age and rated capacity of buses and trucks.

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

- 1 (1) the methods for determining the valuation of light motor vehicles for taxation purposes;
- 2 (2) the assessment and collection of taxes and fees on motor vehicles and buses and trucks;
- 3 (3) the methods for determining the manufacturer's suggested retail price for the valuation of motor
- 4 vehicles;
- 5 (4) the procedures for establishing an equitable alternative value for vehicles that do not have a
- 6 published manufacturer's suggested retail price; and
- 7 (5) the procedures for determining the age and manufacturer's rated capacity for buses and trucks.

8

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

10

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

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

- 17 (a) first class--all counties having a taxable valuation of \$50 million or ever more;
- 18 (b) second class--all counties having a taxable valuation of ~~more than~~ \$30 million or more and less
- 19 than \$50 million;
- 20 (c) third class--all counties having a taxable valuation of ~~more than~~ \$20 million or more and less
- 21 than \$30 million;
- 22 (d) fourth class--all counties having a taxable valuation of ~~more than~~ \$15 million or more and less
- 23 than \$20 million;
- 24 (e) fifth class--all counties having a taxable valuation of ~~more than~~ \$10 million or more and less
- 25 than \$15 million;
- 26 (f) sixth class--all counties having a taxable valuation of ~~more than~~ \$5 million or more and less than
- 27 \$10 million;
- 28 (g) seventh class--all counties having a taxable valuation of less than \$5 million.

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

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

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

6 (c) that portion of the taxable value of the county on December 31, 1997, attributable to buses,
7 trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors;

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

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

10
11 **Section 2.** Section 15-6-138, MCA, is amended to read:

12 "15-6-138. **Class eight property -- description -- taxable percentage.** (1) Class eight property
13 includes:

14 (a) all agricultural implements and equipment;

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

17 (c) all manufacturing machinery, fixtures, equipment, tools that are not exempt under
18 15-6-201(1)(r), and supplies except those included in class five;

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

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

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

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

26 (g) special mobile equipment as defined in 61-1-104;

27 (h) furniture, fixtures, and equipment, except that specifically included in another class, used in
28 commercial establishments as defined in this section;

29 (i) x-ray and medical and dental equipment;

30 (j) citizens' band radios and mobile telephones;

- 1 (k) radio and television broadcasting and transmitting equipment;
 2 (l) cable television systems;
 3 (m) coal and ore haulers;
 4 (n) theater projectors and sound equipment; and
 5 (o) all other property not included in any other class in this part, except that property subject to
 6 a fee in lieu of a property tax.

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

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

12 (4) Class eight property is taxed at:

- 13 (a) 9% of its market value for tax years ending on or before December 31, 1995;
 14 (b) 8% of its market value for tax year 1996;
 15 (c) 7% of its market value for tax year 1997; and
 16 (d) 6% of its market value for tax years beginning after December 31, 1997."

17
 18 **Section 3.** Section 15-6-201, MCA, is amended to read:
 19 **"15-6-201. Exempt categories.** (1) The following categories of property are exempt from taxation:
 20 (a) except as provided in 15-24-1203, the property of:
 21 (i) the United States, except:
 22 (A) if congress passes legislation that allows the state to tax property owned by the federal
 23 government or an agency created by congress; or
 24 (B) as provided in 15-24-1103;
 25 (ii) the state, counties, cities, towns, and school districts;
 26 (iii) irrigation districts organized under the laws of Montana and not operating for profit;
 27 (iv) municipal corporations;
 28 (v) public libraries; and
 29 (vi) rural fire districts and other entities providing fire protection under Title 7, chapter 33;
 30 (b) buildings, with land they occupy and furnishings in the buildings, owned by a church and used

1 for actual religious worship or for residences of the clergy, together with adjacent land reasonably
2 necessary for convenient use of the buildings;

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

8 (d) property that is:

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

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

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

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

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

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

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

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

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

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

27 (l) all watercraft;

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

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

4 (o) property that is owned and used by a corporation or association organized and operated
5 exclusively for the care of persons with developmental disabilities, the mentally ill, or the vocationally
6 handicapped as defined in 18-5-101 and that is not operated for gain or profit and property owned and used
7 by an organization owning and operating facilities that are for the care of the retired, aged, or chronically
8 ill and that are not operated for gain or profit;

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

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

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

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

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

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

21 (t) a title plant owned by a title insurer or a title insurance producer, as those terms are defined in
22 33-25-105;

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

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

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

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

30 (iii) either constructed so that no part of its weight rests upon the towing vehicle or constructed

1 so that some part of its weight and the weight of its load rests upon or is carried by another vehicle.

2 (w) all vehicles registered under 61-3-456;

3 (x) (i) buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors,
4 including buses, trucks, and truck tractors apportioned under Title 61, chapter 3, part 7; and

5 (ii) personal property that is attached to a bus, truck, or truck tractor that is exempt under
6 subsection (1)(x)(i); and

7 (y) motorcycles and quadricycles.

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

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

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

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

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

23 (ii) held for future display; or

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

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

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

29 (b) \$100,000 in the case of a multifamily residential dwelling or a nonresidential structure."
30

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

2 **"15-8-111. Assessment -- market value standard -- exceptions.** (1) All taxable property must be
3 assessed at 100% of its market value except as otherwise provided.

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

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

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

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

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

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

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

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

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

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

28 (a) Properties in 15-6-131, under class one, are assessed at 100% of the annual net proceeds after
29 deducting the expenses specified and allowed by 15-23-503 or, if applicable, as provided in 15-23-515,
30 15-23-516, 15-23-517, or 15-23-518.

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

2 (c) Properties in 15-6-133, under class three, are assessed at 100% of the productive capacity of
3 the lands when valued for agricultural purposes. All lands that meet the qualifications of 15-7-202 are
4 valued as agricultural lands for tax purposes.

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

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

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

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

11 (c) the land is outside an incorporated city or town."
12

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

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

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

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

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

25 (c) watercraft;

26 (d) livestock;

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

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

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

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

2

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

4 "**15-8-202. Motor vehicle assessment by department of justice.** (1) ~~(a) The department shall, in~~
 5 ~~each year, ascertain and assess all motor vehicles, other than motor homes, travel trailers, and campers~~
 6 ~~or mobile homes, in each county subject to taxation as of January 1 or as of the anniversary registration~~
 7 ~~date of those vehicles as provided by law, subject to 61-3-313 through 61-3-316 and 61-3-501. The~~
 8 ~~assessment for department of justice shall assess all motor light vehicles, must be made subject to~~
 9 61-3-313 through 61-3-316 and 61-3-501, for taxation in accordance with 61-3-503.

10 (b) The department of justice shall determine the fee in lieu of tax for all buses, trucks having a
 11 manufacturer's rated capacity of more than 1 ton, and truck tractors in accordance with [sections 31 and
 12 32].

13 (c) The motor vehicles Taxes or fees in lieu of tax on motor vehicles under this subsection (1) must
 14 be assessed or imposed in each year ~~to~~ on the persons ~~by whom~~ who owned or claimed the motor vehicles
 15 or in whose possession or control ~~they were at midnight of January 1 or~~ the motor vehicle was on the
 16 anniversary registration date, ~~whichever is applicable.~~

17 (2) A tax or fee in lieu of tax may not be assessed or imposed against motor vehicles subject to
 18 taxation or to a fee in lieu of tax that constitute inventory of motor vehicle dealers as of January 1. These
 19 vehicles and all other motor vehicles subject to taxation or a fee in lieu of tax that are brought into the state
 20 ~~subsequent to~~ after January 1 as motor vehicle dealers' inventories must be assessed to their respective
 21 purchasers as of the dates the vehicles are registered by the purchasers.

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

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

26

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

28 "**15-16-202. Boats, snowmobiles, and motor vehicles -- payment of current and back taxes and**
 29 **fees.** (1) The fee in lieu of personal property taxes assessed against a boat for the year in which application
 30 for decals is made and the immediately previous year must be paid before license decals may be issued

1 pursuant to 23-2-515.

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

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

9 (4) The provisions of subsections (1) through (3) do not require payment of the immediately
10 previous year's taxes or fees if ~~such~~ the taxes or fees have already been paid."
11

12 **Section 8.** Section 15-50-207, MCA, is amended to read:

13 **"15-50-207. Credit against other taxes -- credit for personal property taxes and certain fees.** (1)
14 The additional license fees withheld or otherwise paid as provided ~~herein~~ in this chapter may be used as
15 a credit on the contractor's corporation license tax provided for in chapter 31 of this title or on the
16 contractor's income tax provided for in chapter 30, depending upon the type of tax the contractor is
17 required to pay under the laws of the state.

18 (2) Personal property taxes and the fee in lieu of tax on buses, trucks having a manufacturer's
19 rated capacity of more than 1 ton, or truck tractors as provided in [section 32] paid in Montana on any
20 personal property or vehicle of the contractor ~~which~~ that is used in the business of the contractor and is
21 located within this state may be credited against the license fees required under this chapter. However, in
22 computing the tax credit allowed by this section against the contractor's corporation license tax or income
23 tax, the ~~personal property~~ tax credit against the license fees ~~herein~~ required ~~shall~~ under this chapter may
24 not be considered as license fees paid for the purpose of ~~such~~ the income tax or corporation license tax
25 credit."
26

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

28 **"20-9-141. Computation of general fund net levy requirement by county superintendent.** (1) The
29 county superintendent shall compute the levy requirement for each district's general fund on the basis of
30 the following procedure:

- 1 (a) Determine the funding required for the district's final general fund budget less the sum of direct
2 state aid and the special education allowable cost payment for the district by totaling:
- 3 (i) the district's nonisolated school BASE budget requirement to be met by a district levy as
4 provided in 20-9-303; and
- 5 (ii) any general fund budget amount adopted by the trustees of the district under the provisions
6 of 20-9-308 and 20-9-353, including any additional funding for a general fund budget that exceeds the
7 maximum general fund budget.
- 8 (b) Determine the money available for the reduction of the property tax on the district for the
9 general fund by totaling:
- 10 (i) the general fund balance reappropriated, as established under the provisions of 20-9-104;
- 11 (ii) amounts received in the last fiscal year for which revenue reporting was required for each of
12 the following:
- 13 (A) tuition payments for out-of-district pupils under the provisions of 20-5-321 through 20-5-323;
- 14 (B) revenue from ~~property~~ taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504~~(2)~~,
15 61-3-521, 61-3-527, 61-3-537, section 32, and 67-3-204;
- 16 (C) oil and natural gas production taxes;
- 17 (D) interest earned by the investment of general fund cash in accordance with the provisions of
18 20-9-213(4);
- 19 (E) revenue from corporation license taxes collected from financial institutions under the provisions
20 of 15-31-702; and
- 21 (F) any other revenue received during the school fiscal year that may be used to finance the general
22 fund, excluding any guaranteed tax base aid; and
- 23 (iii) pursuant to subsection (4), anticipated revenue from coal gross proceeds under 15-23-703.
- 24 (c) Notwithstanding the provisions of subsection (2), subtract the money available to reduce the
25 property tax required to finance the general fund that has been determined in subsection (1)(b) from any
26 general fund budget amount adopted by the trustees of the district, up to the BASE budget amount, to
27 determine the general fund BASE budget levy requirement.
- 28 (d) Subtract any amount remaining after the determination in subsection (1)(c) from any additional
29 funding requirement to be met by an over-BASE budget amount, a district levy as provided in 20-9-303,
30 and any additional financing as provided in 20-9-353 to determine any additional general fund levy

1 requirements.

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

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

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

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

13 (4) For each school district, the department of revenue shall calculate and report to the county
14 superintendent the amount of revenue anticipated for the ensuing fiscal year from revenue from coal gross
15 proceeds under 15-23-703."

16

17 **Section 10.** Section 20-9-331, MCA, is amended to read:

18 **"20-9-331. Basic county tax and other revenues for county equalization of the elementary district**
19 **BASE funding program.** (1) The county commissioners of each county shall levy an annual basic tax of 33
20 mills on the dollar of the taxable value of all taxable property within the county, except for property subject
21 to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, [section 32], and
22 67-3-204, for the purposes of local and state BASE funding program support. The revenue collected from
23 this levy must be apportioned to the support of the elementary BASE funding programs of the school
24 districts in the county and to the state general fund in the following manner:

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

28 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is
29 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds
30 to the state treasurer for deposit to the state general fund immediately upon occurrence of a surplus

1 balance and each subsequent month thereafter, with any final remittance due no later than June 20 of the
2 fiscal year for which the levy has been set.

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

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

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

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

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

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

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

18 (g) oil and natural gas production taxes;

19 (h) anticipated local government severance tax payments for calendar year 1995 production as
20 provided in 15-36-325; and

21 (i) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,
22 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, section 32, and 67-3-204."

23

24 **Section 11.** Section 20-9-333, MCA, is amended to read:

25 **"20-9-333. Basic special levy and other revenue for county equalization of high school district**
26 **BASE funding program.** (1) The county commissioners of each county shall levy an annual basic special tax
27 for high schools of 22 mills on the dollar of the taxable value of all taxable property within the county,
28 except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-527,
29 61-3-537, section 32, and 67-3-204, for the purposes of local and state BASE funding program support.
30 The revenue collected from this levy must be apportioned to the support of the BASE funding programs of

1 high school districts in the county and to the state general fund in the following manner:

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

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

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

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

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

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

20 (d) oil and natural gas production taxes;

21 (e) anticipated local government severance tax payments for calendar year 1995 production as
22 provided in 15-36-325; and

23 (f) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,
24 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, section 32, and 67-3-204."

25

26 **Section 12.** Section 20-9-360, MCA, is amended to read:

27 "**20-9-360. State equalization aid levy.** (1) There is a levy of 40 mills imposed by the county
28 commissioners of each county on all taxable property within the state, except property for which a tax or
29 fee is required under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, section 32, and
30 67-3-204. Except as provided in subsection (2), proceeds of the levy must be remitted to the state treasurer

1 and must be deposited to the credit of the state general fund for state equalization aid to the public schools
2 of Montana.

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

13

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

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

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

30 (3) When the final retirement fund budget has been adopted, the county superintendent shall

1 establish the levy requirement by:

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

4 (i) any anticipated money that may be realized in the retirement fund during the ensuing school
5 fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,
6 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, section 32, and 67-3-204;

7 (ii) oil and natural gas production taxes;

8 (iii) anticipated local government severance tax payments for calendar year 1995 production as
9 provided in 15-36-325;

10 (iv) coal gross proceeds taxes under 15-23-703;

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

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

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

22 (4) The county superintendent shall:

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

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

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

30 (6) The net retirement fund levy requirement for a joint elementary district or a joint high school

1 district must be prorated to each county in which a part of the district is located in the same proportion as
 2 the district ANB of the joint district is distributed by pupil residence in each county. The county
 3 superintendents of the counties affected shall jointly determine the net retirement fund levy requirement
 4 for each county as provided in 20-9-151.

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

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

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

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

17

18 **Section 14.** Section 20-10-144, MCA, is amended to read:

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

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

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

29 (b) the total of all individual transportation per diem reimbursement rates for the district as
 30 determined from the contracts submitted by the district multiplied by the number of pupil-instruction days

1 scheduled for the ensuing school attendance year; plus

2 (c) any estimated costs for supervised home study or supervised correspondence study for the
3 ensuing school fiscal year; plus

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

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

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

13 (i) one-half is the budgeted state transportation reimbursement, except that the state transportation
14 reimbursement for the transportation of special education pupils under the provisions of 20-7-442 must be
15 50% of the schedule amount attributed to the transportation of special education pupils; and

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

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

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

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

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

30 (b) anticipated payments from other districts for providing school bus transportation services for

1 the district;

2 (c) anticipated payments from a parent or guardian for providing school bus transportation services
3 for a child;

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

6 (e) anticipated or reappropriated revenue from property taxes and fees imposed under 23-2-517,
7 23-2-803, 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, section 32, and 67-3-204;

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

9 (g) anticipated oil and natural gas production taxes;

10 (h) anticipated local government severance tax payments for calendar year 1995 production;

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

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

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

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

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

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

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

30

1 **Section 15.** Section 20-10-146, MCA, is amended to read:

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

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

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

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

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

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

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

22 (i) anticipated money that may be realized in the county transportation fund during the ensuing
23 school fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517,
24 23-2-803, 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, section 32, and 67-3-204;

25 (ii) oil and natural gas production taxes;

26 (iii) anticipated local government severance tax payments for calendar year 1995 production;

27 (iv) coal gross proceeds taxes under 15-23-703;

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

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

1 (vii) other revenue anticipated that may be realized in the county transportation fund during the
2 ensuing school fiscal year; and

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

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

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

12
13 **NEW SECTION.** **Section 16. Light vehicle.** "Light vehicle" means a motor vehicle commonly
14 referred to as an automobile, van, sport utility vehicle, or truck having a manufacturer's rated capacity of
15 1 ton or less.

16
17 **NEW SECTION.** **Section 17. Sport utility vehicle.** "Sport utility vehicle" means a light vehicle
18 designed to transport 10 or fewer persons that is constructed on a truck chassis or that has special features
19 for occasional off-road use. The term does not include trucks having a manufacturer's rated capacity of 1
20 ton or less.

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

23 **"61-3-101. Duties of department -- records.** (1) The department shall keep a record as specified
24 in this section of all motor vehicles, trailers, and semitrailers of every kind, ~~and~~ of certificates of registration
25 and ownership of those vehicles, and of all manufacturers and dealers in motor vehicles.

26 (2) The record must show the following:

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

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

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

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

13 ~~of the state~~ and register the vehicles and the vehicle owners as follows:

- 14 (a) under the distinctive license number assigned to the vehicle by the county treasurer;
- 15 (b) alphabetically under the name of the owner;
- 16 (c) numerically under make and identifying number of the vehicle; and
- 17 (d) ~~other~~ another index of registration as the department considers expedient.
- 18 (4) The department shall determine the amount of motor vehicle taxes and fees to be collected at
- 19 the time of registration for each light vehicle subject to tax under 61-3-503 and for each bus, truck having
- 20 a manufacturer's rated capacity of more than 1 ton, and truck tractors subject to a fee in lieu of tax under
- 21 [sections 31 and 32]. The county treasurer shall collect the taxes and fees on each motor vehicle at the
- 22 time of its registration.

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

24 maintained by electronic recording and storage media.

25 ~~(5)(6)~~ (6) In the case of dealers, the records must show the information contained in the application

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

27 assigned to the dealer.

28 ~~(6)(7)~~ (7) In order to prevent an accumulation of unneeded records and files, regardless of any other

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

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

1 ~~(7)~~(8) All records must be open to inspection during ~~all~~ reasonable business hours, and the
 2 department shall furnish any information from the records upon payment by the applicant of the cost of the
 3 information requested. Prior to providing the information, the department may require the applicant to
 4 provide identification. However, the department may, by rule, reasonably restrict disclosure of information
 5 on an owner or the owner's vehicle if the owner has requested in writing that the department not disclose
 6 the information."

7
 8 **Section 19.** Section 61-3-208, MCA, is amended to read:

9 "**61-3-208. Affidavit and bond for certificate.** (1) If an applicant for a ~~motor~~ vehicle certificate of
 10 title cannot provide the department with a certificate of title transferred to the applicant, the department
 11 may issue a certificate of title for the vehicle if the applicant furnishes an affidavit in a form prescribed by
 12 the department.

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

15 (a) the facts and circumstances through which the applicant acquired ownership and possession
 16 of the ~~motor~~ vehicle;

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

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

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

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

25 (a) in an amount equal to the average trade-in or wholesale value of the ~~motor~~ vehicle as
 26 determined ~~under the provisions of 61-3-503(1)(e)~~ by the applicable national appraisal guide for the vehicle
 27 as of January 1 for the year in which the application for certificate of title is made; When a national
 28 appraisal guide is not available for a vehicle, the department shall determine an alternative value for the
 29 vehicle.

30 (b) conditioned to indemnify a prior owner, lienholder, subsequent purchaser, secured creditor, or

1 encumbrancer of the motor vehicle, and any respective successors in interest, against expenses, losses,
 2 or damages caused by the issuance of the certificate or by a defect in or undisclosed security interest upon
 3 the right, title, and interest of the applicant in the motor vehicle; and

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

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

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

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

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

12
 13 **Section 20.** Section 61-3-303, MCA, is amended to read:

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

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

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

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

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

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

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

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

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

6 (i) the ~~personal property~~ motor vehicle taxes or fees in lieu of tax assessed or imposed against the
 7 vehicle for the current year of registration and the immediately previous year; or

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

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

12 (a) the current year; and

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

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

18
 19 **Section 21.** Section 61-3-456, MCA, is amended to read:

20 **"61-3-456. Registration of motor vehicle owned and operated by Montana resident on active**
 21 **military duty stationed outside Montana.** (1) An owner of a motor vehicle who is a Montana resident on
 22 active military duty and stationed outside Montana may file with the department an application for the
 23 registration of the motor vehicle. The application must be sworn to before an officer authorized to
 24 administer oaths. The application must state:

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

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

28 (c) that the vehicle is owned and operated by a Montana resident who is on active military duty
 29 and stationed outside Montana.

30 (2) The registration fee for a motor vehicle registered under subsection (1) is as provided in

1 61-3-311 and 61-3-321.

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

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

4 (b) assessment under 15-8-202 or 61-3-503 or the fee in lieu of tax under [section 32]; or

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

6

7 **Section 22.** Section 61-3-501, MCA, is amended to read:

8 "**61-3-501. When vehicle taxes and fees are due.** (1) ~~Property~~ Motor vehicle taxes, fees in lieu
9 of tax, new car taxes, and fees must be paid on the date of registration or reregistration of the vehicle.

10 (2) If the anniversary date for reregistration of a vehicle passes while the vehicle is owned and held
11 for sale by a licensed new or used car dealer, ~~property motor vehicle taxes or fees in lieu of tax~~ abate on
12 such the vehicle properly reported with the department of revenue county treasurer until the vehicle is sold
13 and thereafter. After the sale, the purchaser shall pay the pro rata balance of the taxes or fees in lieu of
14 tax due and owing on the vehicle.

15 (3) In the event that a vehicle's registration period is changed under 61-3-315, all taxes or fees
16 in lieu of tax and other fees due ~~thereon shall~~ must be prorated and paid from the last day of the old period
17 until the first day of the new period in which the vehicle ~~shall be~~ is registered. ~~Thereafter~~ The taxes or fees
18 in lieu of tax and other fees must be paid from the first day of the new period for a minimum period of 1
19 year. When the change is to a later registration period, taxes and fees ~~shall~~ must be prorated and paid
20 based on the same tax year as the original registration period. Thereafter, during the appropriate anniversary
21 registration period, each vehicle ~~shall~~ must again ~~register or reregister~~ be registered or reregistered and ~~shall~~
22 pay all taxes and fees ~~due thereon~~ must be paid for a 12-month period."

23

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

25 "**61-3-503. Assessment.** (1) Except as provided in 61-3-520 and subsection ~~(2)~~(4) of this section,
26 the following apply to the taxation of motor vehicles:

27 ~~(a) Except as provided in subsections (1)(c) through (1)(e), a person who files an application for~~
28 ~~registration or reregistration of a motor vehicle shall before filing the application with the county treasurer~~
29 ~~submit the application to the department of revenue. The department of revenue shall enter on the~~
30 ~~application in a space to be provided for that purpose the market value and taxable value of the vehicle as~~

1 of January 1 of the year for which the application for registration is made.

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

6 ~~(a) Vehicles subject to the provisions of 61-3-313 through 61-3-316 must be assessed as of the~~
 7 ~~first day of the registration period, using the average trade-in or wholesale value as of January 1 of the year~~
 8 ~~of assessment of the vehicle as contained in the most recent volume of the Mountain States Edition of the~~
 9 ~~National Automobile Dealers Association (N.A.D.A.) Official Used Car Guide, the National Edition of~~
 10 ~~N.A.D.A. Appraisal Guides Official Older Used Car Guide, or another nationally published used vehicle or~~
 11 ~~appraisal guide approved by the department of revenue or, for a vehicle that was never listed in any edition~~
 12 ~~of the preceding guides, the retail value of the vehicle as determined by the department of revenue, and~~
 13 ~~depreciated 10% a year until a value of \$500 is reached, not including additions or deductions for options~~
 14 ~~and mileage but including additions or deductions, whether or not one of the preceding guides is used, for~~
 15 ~~diesel engines; and a depreciated value of the manufacturer's suggested retail price as determined in~~
 16 ~~subsection (2).~~

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

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

21 ~~(i) \$250; or~~

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

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

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

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

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

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

(2) (a) Except as provided in subsections (2)(c) and (2)(d), the depreciated value for the taxation of light vehicles is computed by multiplying the manufacturer's suggested retail price by a percentage multiplier based on the type and age of the vehicle determined from the following table:

<u>Age of Vehicle</u> <u>(in years)</u>	<u>Type of Vehicle</u>			
	<u>Automobile</u>	<u>Truck</u>	<u>Van</u>	<u>Sport Utility</u>
<u>-1</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
<u>0</u>	<u>90</u>	<u>96</u>	<u>93</u>	<u>98</u>
<u>1</u>	<u>80</u>	<u>91</u>	<u>86</u>	<u>94</u>
<u>2</u>	<u>69</u>	<u>86</u>	<u>78</u>	<u>90</u>
<u>3</u>	<u>58</u>	<u>80</u>	<u>69</u>	<u>84</u>
<u>4</u>	<u>49</u>	<u>73</u>	<u>60</u>	<u>76</u>
<u>5</u>	<u>41</u>	<u>66</u>	<u>52</u>	<u>67</u>
<u>6</u>	<u>33</u>	<u>57</u>	<u>45</u>	<u>57</u>
<u>7</u>	<u>26</u>	<u>49</u>	<u>38</u>	<u>48</u>
<u>8</u>	<u>21</u>	<u>43</u>	<u>32</u>	<u>39</u>
<u>9</u>	<u>17</u>	<u>37</u>	<u>27</u>	<u>33</u>
<u>10</u>	<u>14</u>	<u>31</u>	<u>22</u>	<u>29</u>

1	<u>11</u>	<u>12</u>	<u>26</u>	<u>18</u>	<u>25</u>
2	<u>12</u>	<u>10</u>	<u>22</u>	<u>15</u>	<u>22</u>
3	<u>13</u>	<u>09</u>	<u>18</u>	<u>13</u>	<u>21</u>
4	<u>14</u>	<u>09</u>	<u>15</u>	<u>11</u>	<u>19</u>
5	<u>15</u>	<u>09</u>	<u>13</u>	<u>09</u>	<u>17</u>
6	<u>16</u>	<u>09</u>	<u>12</u>	<u>09</u>	<u>15</u>

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

9 (c) If the value of the vehicle determined under subsection (2)(a) is \$500 or less, the value of the
10 vehicle is \$500 and the value must remain at that amount as long as the vehicle is registered.

11 (d) The depreciated value of a light vehicle that is 17 years old or older is computed by depreciating
12 the value obtained for the vehicle at 16 years old as determined under subsection (2)(a) by 10% a year until
13 a minimum value of \$500 is attained. The value must remain at that amount as long as the vehicle is
14 registered.

15 (3) (a) For the purposes of this section, "manufacturer's suggested retail price" means the price
16 suggested by the manufacturer for each given type, style, or model of light vehicle produced and first made
17 available for retail sale by the manufacturer.

18 (b) The manufacturer's suggested retail price is based on standard equipment of a vehicle and does
19 not contain price additions or deductions for optional accessories.

20 (c) When a manufacturer's suggested retail price is unavailable for a motor vehicle, the department
21 shall determine an alternative valuation for the vehicle.

22 ~~(2)~~(4) The provisions of subsections ~~(1)(a)~~ (1) through ~~(1)(g)~~ (3) do not apply to buses, trucks
23 having a manufacturer's rated capacity of more than 1 ton, truck tractors, motorcycles, motor homes,
24 quadricycles, travel trailers, campers, or mobile homes as defined in 15-1-101(1)."

25
26 **Section 24.** Section 61-3-504, MCA, is amended to read:

27 **"61-3-504. Computation of tax.** (1) ~~The amount of taxes on a motor light vehicle, other than an~~
28 ~~automobile, truck having a rated capacity of 1 ton or less, motorcycle, quadricycle, motor home, travel~~
29 ~~trailer, camper, or mobile home, is computed and determined by the county treasurer on the basis of the~~
30 ~~levy of the year preceding the current year of application for registration or reregistration.~~

1 ~~(2) The amount of tax on an automobile or truck having a rated capacity of 1 ton or less, except~~
 2 ~~for vehicles registered under 61-3-456 or owned by disabled veterans qualifying for special license plates~~
 3 ~~under 61-3-332(10)(c)(i)(A) or 61-3-426(2), and on a quadricycle is 2% of the value determined under~~
 4 ~~61-3-503.~~

5 ~~(3)(2) The amount of tax on fleet vehicles subject to the provisions of 61-3-318 is 1% of the value~~
 6 ~~determined under 61-3-503.~~

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

9
 10 **Section 25.** Section 61-3-506, MCA, is amended to read:

11 **"61-3-506. Rules.** (1) The department of revenue shall adopt rules for the payment of property
 12 taxes and the department of transportation shall adopt rules for the payment of new car taxes under the
 13 provisions of 61-3-313 through 61-3-316, 61-3-501, and 61-3-520. The department of revenue may adopt
 14 rules for the proration of taxes for the implementation and administration of 61-3-313 through 61-3-316,
 15 61-3-501, and 61-3-520, but shall specifically provide that new car taxes shall be for a 12-month period

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

17 (a) for the assessment and collection of taxes and fees on light vehicles; and

18 (b) for the imposition and collection of fees in lieu of tax on buses, trucks having a manufacturer's
 19 rated capacity of more than 1 ton, and truck tractors, including criteria for determining the vehicle's age
 20 and manufacturer's rated capacity."

21
 22 **Section 26.** Section 61-3-507, MCA, is amended to read:

23 **"61-3-507. Exemption.** ~~(1) A motor vehicle subject to anniversary date registration as provided~~
 24 ~~in 61-3-313 through 61-3-316 is exempt from the provisions of 61-3-503(1)(b).~~

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

27
 28 **Section 27.** Section 61-3-509, MCA, is amended to read:

29 **"61-3-509. Disposition of taxes.** (1) Except as provided in subsection (2), the county treasurer
 30 shall, after deducting the district court fee, credit all taxes on motor vehicles and fees in lieu of tax on

1 motorcycles, quadricycles, motor homes, travel trailers, ~~and campers~~, buses, trucks having a
 2 manufacturer's rated capacity of more than 1 ton, and truck tractors collected under 61-3-504, 61-3-521,
 3 61-3-527, ~~and 61-3-537~~, and [section 32] to a motor vehicle suspense fund, ~~and at~~. At some time between
 4 March 1 and March 10 of each year and every 60 days after that date, the county treasurer shall distribute
 5 the money in the motor vehicle suspense fund in the relative proportions required by the levies for state,
 6 county, school district, and municipal purposes in the same manner as personal property taxes are
 7 distributed.

8 (2) The county treasurer shall deduct as a district court fee 7% of the amount of the 2% tax
 9 collected on ~~an automobile or truck having a rated capacity of 1 ton or less~~ light vehicles. The county
 10 treasurer shall credit the fee for district courts to a separate suspense account and shall forward the amount
 11 in the account to the state treasurer at the time that the county treasurer distributes money from the motor
 12 vehicle suspense fund. The state treasurer shall credit amounts received under this subsection to the
 13 general fund to be used for purposes of state funding of ~~the~~ district court expenses as provided in
 14 3-5-901."

15

16 **Section 28.** Section 61-3-527, MCA, is amended to read:

17 "**61-3-527. Fee in lieu of tax for motorcycles and quadricycles -- schedule of fees.** (1) (a) There
 18 is a fee in lieu of property tax imposed on motorcycles and quadricycles. The fee is in addition to annual
 19 registration fees.

20 (b) The fee imposed by subsection (1)(a) ~~need~~ is not required to be paid by a dealer for motorcycles
 21 or quadricycles that constitute inventory of the dealership.

22 (2) The owner of a motorcycle or quadricycle shall pay a fee based on the age of the motorcycle
 23 or quadricycle and the size of the engine, as follows:

24 (a) The fee schedule for a motorcycle or quadricycle with an engine that measures from 1 cubic
 25 centimeter to 600 cubic centimeters is as follows:

- 26 (i) less than 2 years old, \$30;
- 27 (ii) 2 years old and less than 5 years old, \$25;
- 28 (iii) 5 years old and less than 11 years old, \$15; and
- 29 (iv) 11 years old and older, \$10.

30 (b) The fee schedule for a motorcycle or quadricycle with an engine that measures from 601 cubic

1 centimeters to 1,000 cubic centimeters is as follows:

2 (i) less than 2 years old, \$70;

3 (ii) 2 years old and less than 5 years old, \$55;

4 (iii) 5 years old and less than 11 years old, \$40; and

5 (iv) 11 years old and older, \$30.

6 (c) The fee schedule for a motorcycle or quadricycle with an engine that measures 1,001 cubic
7 centimeters and larger is as follows:

8 (i) less than 2 years old, \$110;

9 (ii) 2 years old and less than 5 years old, \$90;

10 (iii) 5 years old and less than 11 years old, \$65; and

11 (iv) 11 years old and older, \$40.

12 (d) The age of a motorcycle or quadricycle is determined by subtracting the manufacturer's
13 designated model year from the current calendar year."

14

15 **Section 29.** Section 61-3-535, MCA, is amended to read:

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

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

20 ~~(b) motorcycles, travel trailers, campers, and motor homes subject to a fee in lieu of tax under~~
21 ~~61-3-521 and 61-3-527.~~

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

27 ~~(3)(2) The department shall develop a procedure to facilitate the reregistration by mail of the~~
28 ~~vehicles listed in subsection (1). The~~ Any mail reregistration procedure developed by the department must
29 include a procedure to facilitate automated handling of mail reregistration or recertification-

30 ~~(4) The procedure implemented by the department to permit reregistration or camper decal~~

1 ~~application by mail must~~ and must provide for a written reminder notice by mail to a vehicle owner of the
2 requirement to reregister the owner's vehicle with the county treasurer or to apply for the annual camper
3 decal.

4 ~~(5)(3)~~ The department shall adopt rules to implement the mail reregistration and decal application
5 procedure."

6

7 **Section 30.** Section 61-3-537, MCA, is amended to read:

8 **"61-3-537. (Temporary) Local option vehicle tax.** (1) A county may impose a local vehicle tax on
9 vehicles subject to a ~~property~~ tax under 61-3-504~~(2)~~ at a rate of up to 0.5% of the value determined under
10 61-3-503, in addition to the tax imposed under 61-3-504~~(2)~~.

11 (2) A local vehicle tax is payable at the same time and in the same manner as the tax imposed
12 under 61-3-504~~(2)~~. The first priority of the local vehicle tax is for district court funding, and the tax is
13 distributed as follows:

14 (a) 50% to the county; and

15 (b) the remaining 50% to the county and the incorporated cities and towns within the county,
16 apportioned on the basis of population. The distribution to a city or town is determined by multiplying the
17 amount of money available by the ratio of the population of the city or town to the total county population.
18 The distribution to the county is determined by multiplying the amount of money available by the ratio of
19 the population of unincorporated areas within the county to the total county population.

20 (3) The governing body of a county may impose, revise, or revoke a local vehicle tax by adopting
21 a resolution before July 1, after conducting a public hearing on the proposed resolution. The resolution may
22 provide for the distribution of the local vehicle tax. (Terminates June 30, 2005--sec. 2, 3, Ch. 217, L.
23 1995.)

24 **61-3-537. (Effective July 1, 2005) Local option vehicle tax.** (1) A county may impose a local
25 vehicle tax on vehicles subject to a ~~property~~ tax under 61-3-504~~(2)~~ at a rate of up to 0.5% of the value
26 determined under 61-3-503, in addition to the tax imposed under 61-3-504~~(2)~~.

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

30 (3) The governing body of a county may impose, revise, or revoke a local vehicle tax by adopting

1 a resolution before July 1, after conducting a public hearing on the proposed resolution."
 2

3 **NEW SECTION. Section 31. Definitions.** As used in [section 32] and this section, unless the
 4 context requires otherwise, the following definitions apply:

- 5 (1) "Bus" has the same meaning as provided in 61-1-115.
- 6 (2) "Manufacturer's rated gross combined weight" means the manufacturer's published weight of
 7 the allowable load for a truck tractor and trailer combined and includes the weight of the truck tractor and
 8 the trailer.
- 9 (3) "Manufacturer's rated gross vehicle weight" means the manufacturer's published weight of the
 10 allowable load for a truck and includes the weight of the truck.
- 11 (4) "Truck" means a motor vehicle designed to carry an entire load. The truck may consist of a
 12 chassis and body or a chassis-cab and body or it may be of unitized construction so that the body and cab
 13 appear to be a single unit.
- 14 (5) "Truck tractor" has the same meaning as provided in 61-1-108.

15
 16 **NEW SECTION. Section 32. Schedule of fees for buses, motor vehicles having rated capacity of
 17 more than 1 ton, and truck tractors -- proration.** (1) (a) There is a fee in lieu of property tax imposed on
 18 buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors. The fee is in
 19 addition to annual registration fees.

20 (b) The fee imposed by subsection (1)(a) is not required to be paid by a dealer of buses, trucks, or
 21 truck tractors that constitute inventory of the dealership.

22 (2) Subject to the conditions of subsection (4), the owner of a bus, truck with a manufacturer's
 23 rated capacity of more than 1 ton, or truck tractor shall pay a fee in lieu of tax based on the age and
 24 manufacturer's rated capacity of the vehicle according to the following schedule:

25 <u>Age of Vehicle</u>	26 <u>Rated Capacity (in pounds)</u>			
	27 (in years)	16,999 or less	17,000-26,999	27,000-54,999
28 1 or less	\$234	\$334	\$568	\$750
29 2	218	300	500	600
30 3	200	268	440	532
30 4	184	234	368	484

1	5	166	218	320	390
2	6	150	200	268	334
3	7	132	182	234	294
4	8	116	166	200	250
5	9	100	150	184	218
6	10	82	116	158	184
7	11-12	66	100	134	152
8	13-14	56	74	104	122
9	15-16	50	60	76	94
10	17-18	36	52	58	72
11	19-20	26	38	44	52
12	21 or more	20	24	32	40

13 (3) The age of the vehicle is determined by subtracting the manufacturer's model year of the vehicle
14 from the calendar year for which the fee in lieu of tax is due.

15 (4) (a) The manufacturer's rated capacity for a bus or truck with a manufacturer's rated capacity
16 of more than 1 ton is the manufacturer's rated gross vehicle weight.

17 (b) The manufacturer's rated capacity for a truck tractor is the manufacturer's rated gross combined
18 weight.

19 (5) The fee in lieu of tax on a vehicle subject to this section that is brought or driven into this state
20 by a nonresident person for hire, compensation, or profit must be prorated according to the ratio that the
21 remaining number of months in the year bears to the total number of months in the year.

22 (6) (a) The fee in lieu of tax on a vehicle subject to this section that is registered in the state for the
23 first time must be prorated as provided in subsection (5).

24 (b) The fee in lieu of tax on a vehicle subject to this section that is reregistered in the state is for
25 a full year.

26 (7) The fee in lieu of tax may not be refunded.

27

28 **NEW SECTION. Section 33. Assessment of proportionally registered interstate motor vehicle fleets**
29 **-- payment of tax or fee in lieu of tax required for registration.** (1) (a) Except as provided in subsection (2),
30 the department of transportation shall determine the fee for the purpose of imposing the fee in lieu of tax

1 as provided in [sections 31 and 32] on buses, trucks having a manufacturer's rated capacity of more than
2 1 ton, and truck tractors, in interstate motor vehicle fleets that are proportionally registered under the
3 provisions of 61-3-711 through 61-3-733. The fee must be apportioned on the ratio of total miles traveled
4 to in-state miles traveled as prescribed by 61-3-721. The fee in lieu of tax on interstate motor vehicle fleets
5 is imposed upon application for proportional registration and must be paid by the persons who own or claim
6 the fleet or in whose possession or control the fleet is at the time of the application.

7 (b) With respect to an original application for a fleet that has a situs in Montana for the purpose
8 of the fee in lieu of tax under this part or any other provision of the laws of Montana, the fee in lieu of tax
9 on fleet vehicles must be prorated according to the ratio that the remaining number of months in the year
10 bears to the total number of months in the year.

11 (2) For the purpose of taxation, the department of transportation shall assess light vehicles, as
12 defined in [section 16], that are part of an interstate motor vehicle fleet as follows:

13 (a) The value of each vehicle is determined in the same manner as provided in 61-3-503.

14 (b) The value determined under subsection (2)(a) multiplied by the percent of miles traveled in
15 Montana, as prescribed by 61-3-721, is the market value.

16 (c) The sum of the market value of all vehicles subject to tax under this subsection (2) multiplied
17 by 2% is the tax for the entire fleet.

18 (d) With respect to an original application for a fleet that has a situs in Montana for the purpose
19 of taxation under this part or any other provision of the laws of Montana, the taxes on taxable vehicles are
20 determined as provided in subsection (2)(b).

21 (e) Vehicles taxed as part of a fleet under this subsection (2) are not subject to the local option tax
22 imposed under 61-3-537.

23 (3) With respect to a renewal application for a fleet, taxable vehicles are assessed and taxed for
24 a full year and for all other vehicles the fee in lieu of tax is imposed for a full year.

25 (4) Vehicles contained in a fleet for which current taxes or fees, or both, have been assessed and
26 paid may not be assessed or charged fees under this section upon presentation to the department of proof
27 of payment of taxes, fees, or both for the current registration year. The payment of fleet vehicle taxes, fees
28 in lieu of tax, and license fees is a condition precedent to proportional registration or reregistration of an
29 interstate motor vehicle fleet.

30 (5) All taxes and fees collected on motor vehicle fleets under this chapter must be deposited and

1 distributed as provided in [section 35].

2

3 **NEW SECTION. Section 34. Situs in state of proportionally registered fleets -- collection of taxes**
4 **and fees.** (1) For the purposes of this part, any vehicle previously registered or that has had application for
5 registration made under the provisions of 61-3-711 through 61-3-733 has a situs in Montana for the
6 purposes of taxation or the fee in lieu of tax.

7 (2) The department of transportation shall collect the fleet vehicle taxes, the fees in lieu of tax, and
8 license fees prescribed in this part.

9

10 **NEW SECTION. Section 35. Deposit and distribution of taxes and fees on proportionally registered**
11 **fleets.** The taxes, fees in lieu of tax, and license fees collected under this part must be deposited with the
12 state treasurer for distribution to the general fund of each county on the following basis:

13 (1) for fleet vehicle taxes and fees in lieu of tax, according to the ratio of the taxable valuation of
14 each county to the total state taxable valuation; and

15 (2) for fleet vehicle license fees, according to the ratio of vehicle license fees, other than fees
16 derived from interstate motor vehicle fleets, collected in each county to the sum of all fleet vehicle fees
17 collected in all the counties.

18

19 **Section 36.** Section 61-3-701, MCA, is amended to read:

20 **"61-3-701. Foreign vehicles used in gainful occupation to be registered -- reciprocity.** (1) Before
21 ~~any~~ a foreign licensed motor vehicle may be operated on the highways of this state for hire, compensation,
22 or profit or before the owner ~~and/or~~ or user ~~thereof~~ of the vehicle uses the vehicle if ~~such~~ the owner ~~and/or~~
23 or user is engaged in gainful occupation or business enterprise in the state, including highway work, the
24 owner of the vehicle shall ~~make application~~ apply to a county treasurer for registration upon an application
25 form furnished by the department. Upon satisfactory evidence of ownership submitted to the county
26 treasurer and the payment of ~~property~~ motor vehicle taxes or fees in lieu of taxes, if appropriate, as required
27 by 15-8-201, 15-8-202, 15-24-301, 61-3-504, ~~or~~ 61-3-537, or [section 32], the treasurer shall accept the
28 application for registration and shall collect the regular license fee required for the vehicle.

29 (2) ~~The~~ Upon payment of the fees or taxes, the treasurer shall ~~thereupon~~ issue to the applicant a
30 copy of the certificate entitled "Owner's Certificate of Registration and Payment Receipt" and forward a

1 duplicate copy of the certificate to the department. The treasurer shall at the same time issue to the
 2 applicant the proper license plates or other identification markers, which ~~shall~~ must at all times be displayed
 3 upon the vehicle when operated or driven upon roads and highways of this state during the effective period
 4 ~~of the life~~ of the license.

5 (3) The registration receipt ~~shall~~ does not constitute evidence of ownership but ~~shall~~ must be used
 6 only for registration purposes. ~~No~~ A Montana certificate of ownership ~~shall~~ may not be issued for this type
 7 of registration.

8 (4) This section is not applicable to ~~any~~ a vehicle covered by a valid and existing reciprocal
 9 agreement or declaration entered into under the provisions of the laws of Montana."
 10

11 **Section 37.** Section 61-12-402, MCA, is amended to read:

12 **"61-12-402. Notice to owner.** (1) Within 72 hours after ~~any~~ a vehicle is removed and held by or
 13 at the direction of the Montana highway patrol, the highway patrol shall notify the sheriff of the county in
 14 which the vehicle was located at the time it was taken into custody ~~and~~ of the place where the vehicle is
 15 being held. In addition, the Montana highway patrol shall furnish the sheriff:

16 (a) a complete description of the vehicle, including year, make, model, serial number, and license
 17 number if available;

18 (b) any costs incurred to that date in the removal, storage, and custody of the vehicle; and

19 (c) any available information concerning its ownership.

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

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

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

1 county where the motor vehicle was abandoned is sufficient to meet all requirements of notice pursuant
 2 to this part. The notice by publication ~~can~~ may contain multiple listings of abandoned vehicles. The notice
 3 must be provided in the same manner as prescribed in 25-13-701(1)(b).

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

10 (6) A vehicle found by law enforcement officials to be a junk vehicle, as defined by 75-10-501,
 11 and ~~certified as having an appraised~~ that has a value of \$500 or less, as determined by the department of
 12 ~~revenue~~, may be directly submitted for disposal in accordance with the provisions of ~~part 5 of chapter 10,~~
 13 Title 75, chapter 10, part 5, upon a release given by the sheriff or the city police. In the release, the sheriff
 14 or the city police shall include a description of the vehicle, including year, make, model, serial number, and
 15 license number if available. A release provided by the sheriff or the city police under this section must be
 16 transmitted to the motor vehicle wrecking facility and must be considered by that facility to meet the
 17 requirements for records under 75-10-512 and 75-10-513. Vehicles described in this section may be
 18 submitted for disposal without notice and without a required holding period."
 19

20 **NEW SECTION. Section 38. Codification instruction.** (1) [Sections 16 and 17] are intended to be
 21 codified as an integral part of Title 61, chapter 1, part 1, and the provisions of Title 61, chapter 1, part 1,
 22 apply to [sections 16 and 17].

23 (2) [Sections 31 and 32] are intended to be codified as an integral part of Title 61, chapter 3, part
 24 5, and the provisions of Title 61, chapter 3, part 5, apply to [sections 31 and 32].

25 (3) [Sections 33 through 35] are intended to be codified as an integral part of Title 61, chapter 3,
 26 part 7, and the provisions of Title 61, chapter 3, part 7, apply to [sections 33 through 35].
 27

28 **NEW SECTION. Section 39. Repealer.** Sections 15-24-101, 15-24-102, 15-24-103, 15-24-104,
 29 15-24-105, and 15-24-2501, MCA, are repealed.
 30

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0057, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act generally revising the classification, valuation, and taxation of motor vehicles; taxing automobiles, trucks having a manufacturer's rated capacity of 1 ton or less, vans, and sport utility vehicles at 2 percent of the depreciated value of the manufacturer's suggested retail price; exempting from property taxation buses, trucks having a manufacturer's rated capacity of more than 1 ton, truck tractors, and personal property attached to these exempt vehicles; imposing a fee in lieu of property taxes on buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors; providing for the proration of the fee in lieu of tax; clarifying that special mobile equipment is subject to property tax; replacing the tax on quadricycles with a fee in lieu of tax; and providing effective dates and an applicability date.

ASSUMPTIONS:

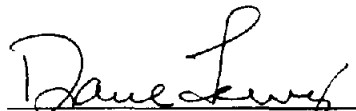
DEPARTMENT OF JUSTICE:

1. To comply with this bill the Department of Justice (DOJ), Motor Vehicle Division would require 2.00 FTE temporary part-time (grade 9) July through December 1997 reduced to 1.00 FTE permanent full-time (grade 9) effective January 1998 for the balance of fiscal 1998 and all of fiscal 1999. Personal services costs would be \$34,296 in fiscal 1998 and \$21,964 in fiscal 1999 to set up and maintain the necessary database.
2. DOJ operating expenditures are estimated to be \$66,890 in fiscal 1998 and \$43,660 in fiscal 1999 for the following: \$35,000 in fiscal 1998 and \$12,100 in fiscal 1999 for the purchase of certain essential valuation, GVWR and MSRP files; \$1,000 for printing forms; \$1,900 for office supplies, utilities and postage; \$18,000 for a toll-free telephone line accessible by the counties for problem resolution; \$8,000 for books and reference materials to be provided to the counties; \$990 in fiscal 1998 and \$660 in fiscal 1999 for mainframe access lines; \$2,000 for computer processing time.
3. Additional one-time operating expenditures in fiscal 1998 would total \$6,800 including an estimated \$5,100 for 256 hours of computer programming time, \$300 for computer and telephone wiring costs and \$1,400 for mainframe access computer cards. Computer programming costs could be much higher if the software and data received are not in an easy link format to the vin which would require considerable program manipulation.
4. Equipment costs in fiscal 1998 would include \$6,000 for two computers and \$3,000 for desks, chairs, files and phones.

DEPARTMENT OF REVENUE:

5. This bill is effective January 1, 1998, and applies to tax years beginning after December 31, 1997.
6. Under current law, the taxable valuation rate for Class 8 personal property is reduced to 8% in tax year 1996; 7% in tax year 1997; and 6% in tax year 1998.
7. Under the proposed law, administration of taxes on light cars and trucks, and heavy trucks, is transferred from the Department of Revenue to the Departments of Justice and Transportation.
8. The proposed depreciation schedules tied to MSRP for light vehicles; and the flat fee schedule proposed for heavy trucks, are revenue-neutral statewide. The TY1998 proposed flat fee schedule for heavy trucks takes the reduction in the class 8 taxable valuation rate into account.

(Continued)

 1-9-97
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 1-10-97
MIGNON WATERMAN, PRIMARY SPONSOR DATE

Fiscal Note for SB0057, as introduced

SB 57

9. Statewide revenue-neutrality results in revenue-neutrality for state property tax accounts (101 state mills).
10. Detailed impacts of this proposal can be found in the summary report of the Revenue Oversight Committee titled "Motor Vehicle Taxation and Other Issues Before the Revenue Oversight Committee", December, 1996.
11. Because motor vehicle valuations no longer will be based on the average wholesale or trade-in values found in N.A.D.A. guides, the Department of Revenue will be able to drop its subscription to this service, resulting in reduced administrative expense of about \$10,000 per year.
12. This bill does not impact any Department of Revenue revenues.

DEPARTMENT OF TRANSPORTATION:

13. The flat tax was developed to be revenue neutral, and mirror property tax reduction which was passed by the 1995 Legislature. Therefore, there is no fiscal impact.

FISCAL IMPACT:

Department of Justice:

	<u>FY98</u>	<u>FY99</u>
<u>Expenditures:</u>	<u>Difference</u>	<u>Difference</u>
FTE	1.50	1.00
Personal Services	34,296	21,964
Operating Expenses	73,690	43,660
Equipment	9,000	0
Total	<u>116,986</u>	<u>65,624</u>

Funding:

General Fund (01)	116,986	65,624
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Department of Revenue:

Expenditures:

Operating Expenses	(10,000)	(10,000)
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Funding:

General Fund (01)	(10,000)	(10,000)
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Net Impact (Cost):

General Fund (01)	(106,986)	(55,624)
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EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Although the statewide revenue impact from this proposal approximates revenue-neutrality, the individual composition of vehicle types within a taxing jurisdiction may or may not provide for revenue-neutrality for individual taxing jurisdictions. Detailed impacts that this proposal has on local government revenues, by county, may be found in the summary report of the Revenue Oversight Committee titled "Motor Vehicle Taxation and Other Issues Before the Revenue Oversight Committee", December, 1996.

APPROVED BY COM
ON TAXATION

1 SENATE BILL NO. 57

2 INTRODUCED BY WATERMAN, CHRISTIAENS, FOSTER, COLE, GAGE, STANG, HARRINGTON,

3 TROPILA, REAM, M. HANSON, HIBBARD, ANDERSON

4 BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

5
6 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE CLASSIFICATION, VALUATION,
7 AND TAXATION OF MOTOR VEHICLES; TAXING AUTOMOBILES, TRUCKS HAVING A MANUFACTURER'S
8 RATED CAPACITY OF 1 TON OR LESS, VANS, AND SPORT UTILITY VEHICLES AT 2 PERCENT OF THE
9 DEPRECIATED VALUE OF THE MANUFACTURER'S SUGGESTED RETAIL PRICE; EXEMPTING FROM
10 PROPERTY TAXATION BUSES, TRUCKS HAVING A MANUFACTURER'S RATED CAPACITY OF MORE
11 THAN 1 TON, TRUCK TRACTORS, AND PERSONAL PROPERTY ATTACHED TO THESE EXEMPT VEHICLES;
12 IMPOSING A FEE IN LIEU OF PROPERTY TAXES ON BUSES, TRUCKS HAVING A MANUFACTURER'S
13 RATED CAPACITY OF MORE THAN 1 TON, AND TRUCK TRACTORS; PROVIDING FOR THE PRORATION
14 OF THE FEE IN LIEU OF TAX; CLARIFYING THAT SPECIAL MOBILE EQUIPMENT IS SUBJECT TO
15 PROPERTY TAX; REPLACING THE TAX ON QUADRICYCLES WITH A FEE IN LIEU OF TAX; AMENDING
16 SECTIONS 7-1-2111, 15-6-138, 15-6-201, 15-8-111, 15-8-201, 15-8-202, 15-16-202, 15-50-207;
17 20-9-141, 20-9-331, 20-9-333, 20-9-360, 20-9-501, 20-10-144, 20-10-146, 61-3-101, 61-3-208,
18 61-3-303, 61-3-456, 61-3-501, 61-3-503, 61-3-504, 61-3-506, 61-3-507, 61-3-509, 61-3-520, 61-3-527,
19 61-3-535, 61-3-537, 61-3-701, AND 61-12-402, MCA; REPEALING SECTIONS 15-24-101, 15-24-102,
20 15-24-103, 15-24-104, 15-24-105, AND 15-24-2501, MCA; AND PROVIDING EFFECTIVE DATES AND
21 AN APPLICABILITY DATE."

22
23 STATEMENT OF INTENT

24 A statement of intent is required for this bill because 61-3-506 gives rulemaking authority to the
25 department of justice to implement the new methods for the valuation and taxation of light motor vehicles
26 and for the imposition of fees in lieu of tax on buses and trucks. The rules adopted by the department may
27 contain criteria for determining the manufacturer's suggested retail price, an alternative valuation when the
28 manufacturer's suggested retail price is unavailable, the date of manufacture for vehicles not commercially
29 manufactured for consumer purchase, and the age and rated capacity of buses and trucks.

30 The legislature contemplates that the rules adopted by the department should address, at a

1 minimum, the following:

- 2 (1) the methods for determining the valuation of light motor vehicles for taxation purposes;
- 3 (2) the assessment and collection of taxes and fees on motor vehicles and buses and trucks;
- 4 (3) the methods for determining the manufacturer's suggested retail price for the valuation of motor
- 5 vehicles;
- 6 (4) the procedures for establishing an equitable alternative value for vehicles that do not have a
- 7 published manufacturer's suggested retail price; and
- 8 (5) the procedures for determining the age and manufacturer's rated capacity for buses and trucks.

9

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

11

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

13 **"7-1-2111. Classification of counties.** (1) For the purpose of regulating the compensation and

14 salaries of all county officers, not otherwise provided for, and for fixing the penalties of officers' bonds,

15 the counties of this state must be classified according to the taxable valuation of the property in the

16 counties upon which the tax levy is made, except for vehicles subject to taxation under 61-3-504(2), as

17 follows:

- 18 (a) first class--all counties having a taxable valuation of \$50 million or ~~over~~ more;
 - 19 (b) second class--all counties having a taxable valuation of ~~more than~~ \$30 million or more and less
 - 20 than \$50 million;
 - 21 (c) third class--all counties having a taxable valuation of ~~more than~~ \$20 million or more and less
 - 22 than \$30 million;
 - 23 (d) fourth class--all counties having a taxable valuation of ~~more than~~ \$15 million or more and less
 - 24 than \$20 million;
 - 25 (e) fifth class--all counties having a taxable valuation of ~~more than~~ \$10 million or more and less
 - 26 than \$15 million;
 - 27 (f) sixth class--all counties having a taxable valuation of ~~more than~~ \$5 million or more and less than
 - 28 \$10 million;
 - 29 (g) seventh class--all counties having a taxable valuation of less than \$5 million.
- 30 (2) As used in this section, taxable valuation means the taxable value of taxable property in the

1 county as of the time of determination plus:

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

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

7 (c) that portion of the taxable value of the county on December 31, 1997, attributable to buses,
8 trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors;

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

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

11

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

13 **"15-6-138. Class eight property -- description -- taxable percentage.** (1) Class eight property
14 includes:

15 (a) all agricultural implements and equipment;

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

18 (c) all manufacturing machinery, fixtures, equipment, tools that are not exempt under
19 15-6-201(1)(r), and supplies except those included in class five;

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

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

24 (f) ~~buses and trucks having a rated capacity of more than 1 ton, including those prorated under~~
25 ~~15-24-102;~~

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

27 (g) special mobile equipment as defined in 61-1-104;

28 (h) furniture, fixtures, and equipment, except that specifically included in another class, used in
29 commercial establishments as defined in this section;

30 (i) x-ray and medical and dental equipment;

- 1 (j) citizens' band radios and mobile telephones;
2 (k) radio and television broadcasting and transmitting equipment;
3 (l) cable television systems;
4 (m) coal and ore haulers;
5 (n) theater projectors and sound equipment; and
6 (o) all other property not included in any other class in this part, except that property subject to
7 a fee in lieu of a property tax.

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

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

13 (4) Class eight property is taxed at:

- 14 (a) 9% of its market value for tax years ending on or before December 31, 1995;
15 (b) 8% of its market value for tax year 1996;
16 (c) 7% of its market value for tax year 1997; and
17 (d) 6% of its market value for tax years beginning after December 31, 1997."

18

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

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

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

22 (i) the United States, except:

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

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

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

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

28 (iv) municipal corporations;

29 (v) public libraries; and

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

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

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

9 (d) property that is:

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

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

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

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

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

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

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

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

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

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

28 (l) all watercraft;

29 (m) motor vehicles, land, fixtures, buildings, and improvements owned by a cooperative association
30 or nonprofit corporation organized to furnish potable water to its members or customers for uses other than

1 the irrigation of agricultural land;

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

5 (o) property that is owned and used by a corporation or association organized and operated
6 exclusively for the care of persons with developmental disabilities, the mentally ill, or the vocationally
7 handicapped as defined in 18-5-101 and that is not operated for gain or profit and property owned and used
8 by an organization owning and operating facilities that are for the care of the retired, aged, or chronically
9 ill and that are not operated for gain or profit;

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

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

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

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

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

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

22 (t) a title plant owned by a title insurer or a title insurance producer, as those terms are defined in
23 33-25-105;

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

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

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

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

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

3 (w) all vehicles registered under 61-3-456;

4 (x) (i) buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors,
5 including buses, trucks, and truck tractors apportioned under Title 61, chapter 3, part 7; and

6 (ii) personal property that is attached to a bus, truck, or truck tractor that is exempt under
7 subsection (1)(x)(i); and

8 (y) motorcycles and quadricycles.

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

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

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

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

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

24 (ii) held for future display; or

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

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

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

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

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

2 **"15-8-111. Assessment -- market value standard -- exceptions.** (1) All taxable property must be
3 assessed at 100% of its market value except as otherwise provided.

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

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

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

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

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

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

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

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

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

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

28 (a) Properties in 15-6-131, under class one, are assessed at 100% of the annual net proceeds after
29 deducting the expenses specified and allowed by 15-23-503 or, if applicable, as provided in 15-23-515,
30 15-23-516, 15-23-517, or 15-23-518.

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

2 (c) Properties in 15-6-133, under class three, are assessed at 100% of the productive capacity of
3 the lands when valued for agricultural purposes. All lands that meet the qualifications of 15-7-202 are
4 valued as agricultural lands for tax purposes.

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

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

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

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

11 (c) the land is outside an incorporated city or town.”

12

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

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

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

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

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

25 (c) watercraft;

26 (d) livestock;

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

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

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

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

2

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

4 "**15-8-202. Motor vehicle assessment by department of justice.** (1) ~~(a) The department shall, in~~
 5 ~~each year, ascertain and assess all motor vehicles, other than motor homes, travel trailers, and campers~~
 6 ~~or mobile homes, in each county subject to taxation as of January 1 or as of the anniversary registration~~
 7 ~~date of these vehicles as provided by law, subject to 61-3-313 through 61-3-316 and 61-3-501. The~~
 8 ~~assessment for department of justice shall assess all motor light vehicles, must be made subject to~~
 9 ~~61-3-313 through 61-3-316 and 61-3-501, for taxation in accordance with 61-3-503.~~

10 (b) The department of justice shall determine the fee in lieu of tax for all buses, trucks having a
 11 manufacturer's rated capacity of more than 1 ton, and truck tractors in accordance with [sections 34 32
 12 and 32 33].

13 (c) The motor vehicles Taxes or fees in lieu of tax on motor vehicles under this subsection (1) must
 14 be assessed or imposed in each year to on the persons by whom who owned or claimed the motor vehicles
 15 or in whose possession or control they were at midnight of January 1 or the motor vehicle was on the
 16 anniversary registration date, whichever is applicable.

17 (2) A tax or fee in lieu of tax may not be assessed or imposed against motor vehicles subject to
 18 taxation or to a fee in lieu of tax that constitute inventory of motor vehicle dealers as of January 1. These
 19 vehicles and all other motor vehicles subject to taxation or a fee in lieu of tax that are brought into the state
 20 ~~subsequent to~~ after January 1 as motor vehicle dealers' inventories must be assessed to their respective
 21 purchasers as of the dates the vehicles are registered by the purchasers.

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

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

26

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

28 "**15-16-202. Boats, snowmobiles, and motor vehicles -- payment of current and back taxes and**
 29 **fees.** (1) The fee in lieu of personal property taxes assessed against a boat for the year in which application
 30 for decals is made and the immediately previous year must be paid before license decals may be issued

1 pursuant to 23-2-515.

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

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

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

11

12 **Section 8.** Section 15-50-207, MCA, is amended to read:

13 **"15-50-207. Credit against other taxes -- credit for personal property taxes and certain fees.** (1)
14 The additional license fees withheld or otherwise paid as provided ~~herein~~ in this chapter may be used as
15 a credit on the contractor's corporation license tax provided for in chapter 31 of this title or on the
16 contractor's income tax provided for in chapter 30, depending upon the type of tax the contractor is
17 required to pay under the laws of the state.

18 (2) Personal property taxes and the fee in lieu of tax on buses, trucks having a manufacturer's
19 rated capacity of more than 1 ton, or truck tractors as provided in [section ~~32~~ 33] paid in Montana on any
20 personal property or vehicle of the contractor ~~which~~ that is used in the business of the contractor and is
21 located within this state may be credited against the license fees required under this chapter. However, in
22 computing the tax credit allowed by this section against the contractor's corporation license tax or income
23 tax, the ~~personal property~~ tax credit against the license fees ~~herein~~ required ~~shall~~ under this chapter may
24 not be considered as license fees paid for the purpose of ~~such~~ the income tax or corporation license tax
25 credit."

26

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

28 **"20-9-141. Computation of general fund net levy requirement by county superintendent.** (1) The
29 county superintendent shall compute the levy requirement for each district's general fund on the basis of
30 the following procedure:

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

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

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

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

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

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

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

14 (B) revenue from ~~property~~ taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504(2),
15 61-3-521, 61-3-527, 61-3-537, section 32 33, and 67-3-204;

16 (C) oil and natural gas production taxes;

17 (D) interest earned by the investment of general fund cash in accordance with the provisions of
18 20-9-213(4);

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

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

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

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

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

1 requirements.

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

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

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

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

13 (4) For each school district, the department of revenue shall calculate and report to the county
14 superintendent the amount of revenue anticipated for the ensuing fiscal year from revenue from coal gross
15 proceeds under 15-23-703."

16

17 **Section 10.** Section 20-9-331, MCA, is amended to read:

18 **"20-9-331. Basic county tax and other revenues for county equalization of the elementary district**
19 **BASE funding program.** (1) The county commissioners of each county shall levy an annual basic tax of 33
20 mills on the dollar of the taxable value of all taxable property within the county, except for property subject
21 to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, [section 32 33],
22 and 67-3-204, for the purposes of local and state BASE funding program support. The revenue collected
23 from this levy must be apportioned to the support of the elementary BASE funding programs of the school
24 districts in the county and to the state general fund in the following manner:

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

28 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is
29 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds
30 to the state treasurer for deposit to the state general fund immediately upon occurrence of a surplus

1 balance and each subsequent month thereafter, with any final remittance due no later than June 20 of the
2 fiscal year for which the levy has been set.

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

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

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

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

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

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

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

18 (g) oil and natural gas production taxes;

19 (h) anticipated local government severance tax payments for calendar year 1995 production as
20 provided in 15-36-325; and

21 (i) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,
22 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, section 32 33, and 67-3-204."

23

24 **Section 11.** Section 20-9-333, MCA, is amended to read:

25 **"20-9-333. Basic special levy and other revenue for county equalization of high school district**
26 **BASE funding program.** (1) The county commissioners of each county shall levy an annual basic special tax
27 for high schools of 22 mills on the dollar of the taxable value of all taxable property within the county,
28 except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-527,
29 61-3-537, section 32 33, and 67-3-204, for the purposes of local and state BASE funding program
30 support. The revenue collected from this levy must be apportioned to the support of the BASE funding

1 programs of high school districts in the county and to the state general fund in the following manner:

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

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

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

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

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

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

20 (d) oil and natural gas production taxes;

21 (e) anticipated local government severance tax payments for calendar year 1995 production as
22 provided in 15-36-325; and

23 (f) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,
24 61-3-504~~(2)~~, 61-3-521, 61-3-527, 61-3-537, [section 32 33], and 67-3-204."

25

26 **Section 12.** Section 20-9-360, MCA, is amended to read:

27 "20-9-360. **State equalization aid levy.** (1) There is a levy of 40 mills imposed by the county
28 commissioners of each county on all taxable property within the state, except property for which a tax or
29 fee is required under 23-2-517, 23-2-803, 61-3-504~~(2)~~, 61-3-521, 61-3-527, 61-3-537, [section 32 33],
30 and 67-3-204. Except as provided in subsection (2), proceeds of the levy must be remitted to the state

1 treasurer and must be deposited to the credit of the state general fund for state equalization aid to the
2 public schools of Montana.

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

13

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

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

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

30 (3) When the final retirement fund budget has been adopted, the county superintendent shall

1 establish the levy requirement by:

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

4 (i) any anticipated money that may be realized in the retirement fund during the ensuing school
5 fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,
6 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, section 32 33, and 67-3-204;

7 (ii) oil and natural gas production taxes;

8 (iii) anticipated local government severance tax payments for calendar year 1995 production as
9 provided in 15-36-325;

10 (iv) coal gross proceeds taxes under 15-23-703;

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

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

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

22 (4) The county superintendent shall:

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

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

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

30 (6) The net retirement fund levy requirement for a joint elementary district or a joint high school

1 district must be prorated to each county in which a part of the district is located in the same proportion as
 2 the district ANB of the joint district is distributed by pupil residence in each county. The county
 3 superintendents of the counties affected shall jointly determine the net retirement fund levy requirement
 4 for each county as provided in 20-9-151.

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

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

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

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

17
 18 **Section 14.** Section 20-10-144, MCA, is amended to read:

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

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

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

29 (b) the total of all individual transportation per diem reimbursement rates for the district as
 30 determined from the contracts submitted by the district multiplied by the number of pupil-instruction days

1 scheduled for the ensuing school attendance year; plus

2 (c) any estimated costs for supervised home study or supervised correspondence study for the
3 ensuing school fiscal year; plus

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

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

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

13 (i) one-half is the budgeted state transportation reimbursement, except that the state transportation
14 reimbursement for the transportation of special education pupils under the provisions of 20-7-442 must be
15 50% of the schedule amount attributed to the transportation of special education pupils; and

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

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

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

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

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

30 (b) anticipated payments from other districts for providing school bus transportation services for

1 the district;

2 (c) anticipated payments from a parent or guardian for providing school bus transportation services
3 for a child;

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

6 (e) anticipated or reappropriated revenue from property taxes and fees imposed under 23-2-517,
7 23-2-803, 61-3-504~~(2)~~, 61-3-521, 61-3-527, 61-3-537, section 32-33, and 67-3-204;

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

9 (g) anticipated oil and natural gas production taxes;

10 (h) anticipated local government severance tax payments for calendar year 1995 production;

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

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

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

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

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

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

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

30

1 **Section 15.** Section 20-10-146, MCA, is amended to read:

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

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

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

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

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

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

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

22 (i) anticipated money that may be realized in the county transportation fund during the ensuing
23 school fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517,
24 23-2-803, 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, [section ~~32~~ 33], and 67-3-204;

25 (ii) oil and natural gas production taxes;

26 (iii) anticipated local government severance tax payments for calendar year 1995 production;

27 (iv) coal gross proceeds taxes under 15-23-703;

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

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

1 (vii) other revenue anticipated that may be realized in the county transportation fund during the
2 ensuing school fiscal year; and

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

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

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

12
13 **NEW SECTION. Section 16. Light vehicle.** "Light vehicle" means a motor vehicle commonly
14 referred to as an automobile, van, sport utility vehicle, or truck having a manufacturer's rated capacity of
15 1 ton or less.

16
17 **NEW SECTION. Section 17. Sport utility vehicle.** "Sport utility vehicle" means a light vehicle
18 designed to transport 10 or fewer persons that is constructed on a truck chassis or that has special features
19 for occasional off-road use. The term does not include trucks having a manufacturer's rated capacity of 1
20 ton or less.

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

23 **"61-3-101. Duties of department -- records.** (1) The department shall keep a record as specified
24 in this section of all motor vehicles, trailers, and semitrailers of every kind, ~~and~~ of certificates of registration
25 and ownership of those vehicles, and of all manufacturers and dealers in motor vehicles.

26 (2) The record must show the following:

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

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

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

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

13 ~~of the state~~ and register the vehicles and the vehicle owners as follows:

- 14 (a) under the distinctive license number assigned to the vehicle by the county treasurer;
- 15 (b) alphabetically under the name of the owner;
- 16 (c) numerically under make and identifying number of the vehicle; and
- 17 (d) ~~either~~ another index of registration as the department considers expedient.

18 (4) The department shall determine the amount of motor vehicle taxes and fees to be collected at

19 the time of registration for each light vehicle subject to tax under 61-3-503 and for each bus, truck having

20 a manufacturer's rated capacity of more than 1 ton, and truck tractors subject to a fee in lieu of tax under

21 [sections ~~31~~ 32 and ~~32~~ 33]. The county treasurer shall collect the taxes and fees on each motor vehicle

22 at the time of its registration.

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

24 maintained by electronic recording and storage media.

25 (5)(6) In the case of dealers, the records must show the information contained in the application

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

27 assigned to the dealer.

28 (6)(7) In order to prevent an accumulation of unneeded records and files, regardless of any other

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

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

1 ~~(7)~~(8) All records must be open to inspection during ~~at~~ reasonable business hours, and the
 2 department shall furnish any information from the records upon payment by the applicant of the cost of the
 3 information requested. Prior to providing the information, the department may require the applicant to
 4 provide identification. However, the department may, by rule, reasonably restrict disclosure of information
 5 on an owner or the owner's vehicle if the owner has requested in writing that the department not disclose
 6 the information."

7
 8 **Section 19.** Section 61-3-208, MCA, is amended to read:

9 "**61-3-208. Affidavit and bond for certificate.** (1) If an applicant for a ~~motor~~ vehicle certificate of
 10 title cannot provide the department with a certificate of title transferred to the applicant, the department
 11 may issue a certificate of title for the vehicle if the applicant furnishes an affidavit in a form prescribed by
 12 the department.

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

15 (a) the facts and circumstances through which the applicant acquired ownership and possession
 16 of the ~~motor~~ vehicle;

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

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

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

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

25 (a) in an amount equal to the average trade-in or wholesale value of the ~~motor~~ vehicle as
 26 determined ~~under the provisions of 61-3-503(1)(c)~~ by the applicable national appraisal guide for the vehicle
 27 as of January 1 for the year in which the application for certificate of title is made. When a national
 28 appraisal guide is not available for a vehicle, the department shall determine an alternative value for the
 29 vehicle.

30 (b) conditioned to indemnify a prior owner, lienholder, subsequent purchaser, secured creditor, or

1 encumbrancer of the motor vehicle, and any respective successors in interest, against expenses, losses,
2 or damages caused by the issuance of the certificate or by a defect in or undisclosed security interest upon
3 the right, title, and interest of the applicant in the motor vehicle; and

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

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

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

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

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

12
13 **Section 20.** Section 61-3-303, MCA, is amended to read:

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

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

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

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

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

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

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

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

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

6 (i) the ~~personal property~~ motor vehicle taxes or fees in lieu of tax assessed or imposed against the
7 vehicle for the current year of registration and the immediately previous year; or

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

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

12 (a) the current year; and

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

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

18
19 **Section 21.** Section 61-3-456, MCA, is amended to read:

20 **"61-3-456. Registration of motor vehicle owned and operated by Montana resident on active**
21 **military duty stationed outside Montana.** (1) An owner of a motor vehicle who is a Montana resident on
22 active military duty and stationed outside Montana may file with the department an application for the
23 registration of the motor vehicle. The application must be sworn to before an officer authorized to
24 administer oaths. The application must state:

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

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

28 (c) that the vehicle is owned and operated by a Montana resident who is on active military duty
29 and stationed outside Montana.

30 (2) The registration fee for a motor vehicle registered under subsection (1) is as provided in

1 61-3-311 and 61-3-321.

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

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

4 (b) assessment under 15-8-202 or 61-3-503 or the fee in lieu of tax under [section 32 33]; or

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

6

7 **Section 22.** Section 61-3-501, MCA, is amended to read:

8 "**61-3-501. When vehicle taxes and fees are due.** (1) ~~Property~~ Motor vehicle taxes, fees in lieu
9 of tax, new car taxes, and fees must be paid on the date of registration or reregistration of the vehicle.

10 (2) If the anniversary date for reregistration of a vehicle passes while the vehicle is owned and held
11 for sale by a licensed new or used car dealer, ~~property motor vehicle taxes or fees in lieu of tax~~ abate on
12 such the vehicle properly reported with the ~~department of revenue~~ county treasurer until the vehicle is sold
13 ~~and thereafter. After the sale,~~ the purchaser shall pay the pro rata balance of the taxes or fees in lieu of
14 tax due and owing on the vehicle.

15 (3) In the event that a vehicle's registration period is changed under 61-3-315, all taxes or fees
16 in lieu of tax and other fees due ~~thereon shall~~ must be prorated and paid from the last day of the old period
17 until the first day of the new period in which the vehicle ~~shall be~~ is registered. ~~Thereafter~~ The taxes or fees
18 in lieu of tax and other fees must be paid from the first day of the new period for a minimum period of 1
19 year. When the change is to a later registration period, taxes and fees ~~shall~~ must be prorated and paid
20 based on the same tax year as the original registration period. Thereafter, during the appropriate anniversary
21 registration period, each vehicle ~~shall~~ must again ~~register or reregister~~ be registered or reregistered and ~~shall~~
22 ~~pay all taxes and fees due thereon~~ must be paid for a 12-month period."

23

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

25 "**61-3-503. Assessment.** (1) Except as provided in 61-3-520 and subsection ~~(2)~~(4) of this section,
26 the following apply to the taxation of motor vehicles:

27 ~~(a) Except as provided in subsections (1)(c) through (1)(e), a person who files an application for~~
28 ~~registration or reregistration of a motor vehicle shall before filing the application with the county treasurer~~
29 ~~submit the application to the department of revenue. The department of revenue shall enter on the~~
30 ~~application in a space to be provided for that purpose the market value and taxable value of the vehicle as~~

1 of January 1 of the year for which the application for registration is made.

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

6 ~~(c)(a) Vehicles subject to the provisions of 61-3-313 through 61-3-316 must be assessed as of the~~
 7 ~~first day of the registration period, using the average trade-in or wholesale value as of January 1 of the year~~
 8 ~~of assessment of the vehicle as contained in the most recent volume of the Mountain States Edition of the~~
 9 ~~National Automobile Dealers Association (N.A.D.A.) Official Used Car Guide, the National Edition of~~
 10 ~~N.A.D.A. Appraisal Guides Official Older Used Car Guide, or another nationally published used vehicle or~~
 11 ~~appraisal guide approved by the department of revenue or, for a vehicle that was never listed in any edition~~
 12 ~~of the preceding guides, the retail value of the vehicle as determined by the department of revenue, and~~
 13 ~~depreciated 10% a year until a value of \$500 is reached, not including additions or deductions for options~~
 14 ~~and mileage but including additions or deductions, whether or not one of the preceding guides is used, for~~
 15 ~~diesel engines; and a depreciated value of the manufacturer's suggested retail price as determined in~~
 16 ~~subsection (2).~~

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

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

21 ~~(i) \$250; or~~

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

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

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

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

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

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

14 (2) (a) Except as provided in subsections (2)(c) and (2)(d), the depreciated value for the taxation
 15 of light vehicles is computed by multiplying the manufacturer's suggested retail price by a percentage
 16 multiplier based on the type and age of the vehicle determined from the following table:

Age of Vehicle (in years)	Type of Vehicle			
	Automobile	Truck	Van	Sport Utility
<u>-1</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
<u>0</u>	<u>90</u>	<u>96</u>	<u>93</u>	<u>98</u>
<u>1</u>	<u>80</u>	<u>91</u>	<u>86</u>	<u>94</u>
<u>2</u>	<u>69</u>	<u>86</u>	<u>78</u>	<u>90</u>
<u>3</u>	<u>58</u>	<u>80</u>	<u>69</u>	<u>84</u>
<u>4</u>	<u>49</u>	<u>73</u>	<u>60</u>	<u>76</u>
<u>5</u>	<u>41</u>	<u>66</u>	<u>52</u>	<u>67</u>
<u>6</u>	<u>33</u>	<u>57</u>	<u>45</u>	<u>57</u>
<u>7</u>	<u>26</u>	<u>49</u>	<u>38</u>	<u>48</u>
<u>8</u>	<u>21</u>	<u>43</u>	<u>32</u>	<u>39</u>
<u>9</u>	<u>17</u>	<u>37</u>	<u>27</u>	<u>33</u>
<u>10</u>	<u>14</u>	<u>31</u>	<u>22</u>	<u>29</u>

1	<u>11</u>	<u>12</u>	<u>26</u>	<u>18</u>	<u>25</u>
2	<u>12</u>	<u>10</u>	<u>22</u>	<u>15</u>	<u>22</u>
3	<u>13</u>	<u>09</u>	<u>18</u>	<u>13</u>	<u>21</u>
4	<u>14</u>	<u>09</u>	<u>15</u>	<u>11</u>	<u>19</u>
5	<u>15</u>	<u>09</u>	<u>13</u>	<u>09</u>	<u>17</u>
6	<u>16</u>	<u>09</u>	<u>12</u>	<u>09</u>	<u>15</u>

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

9 (c) If the value of the vehicle determined under subsection (2)(a) is \$500 or less, the value of the
10 vehicle is \$500 and the value must remain at that amount as long as the vehicle is registered.

11 (d) The depreciated value of a light vehicle that is 17 years old or older is computed by depreciating
12 the value obtained for the vehicle at 16 years old as determined under subsection (2)(a) by 10% a year until
13 a minimum value of \$500 is attained. The value must remain at that amount as long as the vehicle is
14 registered.

15 (3) (a) For the purposes of this section, "manufacturer's suggested retail price" means the price
16 suggested by the manufacturer for each given type, style, or model of light vehicle produced and first made
17 available for retail sale by the manufacturer.

18 (b) The manufacturer's suggested retail price is based on standard equipment of a vehicle and does
19 not contain price additions or deductions for optional accessories.

20 (c) When a manufacturer's suggested retail price is unavailable for a motor vehicle, the department
21 shall determine an alternative valuation for the vehicle.

22 ~~(2)(4)~~ The provisions of subsections ~~(1)(a)~~ (1) through ~~(1)(g)~~ (3) do not apply to buses, trucks
23 having a manufacturer's rated capacity of more than 1 ton, truck tractors, motorcycles, motor homes,
24 quadricycles, travel trailers, campers, or mobile homes as defined in 15-1-101(1)."

25
26 **Section 24.** Section 61-3-504, MCA, is amended to read:

27 **"61-3-504. Computation of tax.** (1) The amount of taxes on a ~~motor light~~ vehicle, other than an
28 automobile, truck having a rated capacity of 1 ton or less, motorcycle, quadricycle, motor home, travel
29 trailer, camper, or mobile home, is computed and determined by the county treasurer on the basis of the
30 levy of the year preceding the current year of application for registration or reregistration.

1 ~~(2) The amount of tax on an automobile or truck having a rated capacity of 1 ton or less, except~~
 2 ~~for vehicles registered under 61-3-456 or owned by disabled veterans qualifying for special license plates~~
 3 ~~under 61-3-332(10)(c)(i)(A) or 61-3-426(2), and on a quadricycle is 2% of the value determined under~~
 4 ~~61-3-503.~~

5 ~~(3)(2) The amount of tax on fleet vehicles subject to the provisions of 61-3-318 is 1% of the value~~
 6 ~~determined under 61-3-503.~~

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

9

10 **Section 25.** Section 61-3-506, MCA, is amended to read:

11 ~~"61-3-506. Rules. (1) The department of revenue shall adopt rules for the payment of property~~
 12 ~~taxes and the department of transportation shall adopt rules for the payment of new car taxes under the~~
 13 ~~provisions of 61-3-313 through 61-3-316, 61-3-501, and 61-3-520. The department of revenue may adopt~~
 14 ~~rules for the proration of taxes for the implementation and administration of 61-3-313 through 61-3-316,~~
 15 ~~61-3-501, and 61-3-520, but shall specifically provide that new car taxes shall be for a 12-month period~~

16 ~~(2) The department of justice may adopt rules:~~

17 ~~(a) for the assessment and collection of taxes and fees on light vehicles, INCLUDING THE~~
 18 ~~PRORATION OF TAXES UNDER 61-3-520; and~~

19 ~~(b) for the imposition and collection of fees in lieu of tax, INCLUDING THE PRORATION OF FEES~~
 20 ~~IN LIEU OF TAX UNDER 61-3-520, on buses, trucks having a manufacturer's rated capacity of more than~~
 21 ~~1 ton, and truck tractors, including criteria for determining the vehicle's age and manufacturer's rated~~
 22 ~~capacity."~~

23

24 **Section 26.** Section 61-3-507, MCA, is amended to read:

25 ~~"61-3-507. Exemption. (1) A motor vehicle subject to anniversary date registration as provided~~
 26 ~~in 61-3-313 through 61-3-316 is exempt from the provisions of 61-3-503(1)(b).~~

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

29

30 **Section 27.** Section 61-3-509, MCA, is amended to read:

1 **"61-3-509. Disposition of taxes.** (1) Except as provided in subsection (2), the county treasurer
 2 shall, after deducting the district court fee, credit all taxes on motor vehicles and fees in lieu of tax on
 3 motorcycles, quadricycles, motor homes, travel trailers, ~~and~~ campers, buses, trucks having a
 4 manufacturer's rated capacity of more than 1 ton, and truck tractors collected under 61-3-504, 61-3-521,
 5 61-3-527, ~~and~~ 61-3-537, and [section ~~32~~ 33] to a motor vehicle suspense fund, ~~and at~~. At some time
 6 between March 1 and March 10 of each year and every 60 days after that date, the county treasurer shall
 7 distribute the money in the motor vehicle suspense fund in the relative proportions required by the levies
 8 for state, county, school district, and municipal purposes in the same manner as personal property taxes
 9 are distributed.

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

17

18 **SECTION 28. SECTION 61-3-520, MCA, IS AMENDED TO READ:**

19 **"61-3-520. Taxation of Taxes and fees on vehicles used exclusively in filming motion pictures or**
 20 **television commercials.** (1) A vehicle used exclusively in the filming of motion pictures or television
 21 commercials that has been in the state for a period exceeding 180 consecutive days in a calendar year ~~must~~
 22 ~~be assessed~~ is subject to assessment or a fee in lieu of tax as if the vehicle were not used exclusively for
 23 filming motion pictures or television commercials, but the assessment or fee in lieu of tax must be prorated
 24 as provided in subsection (2).

25 (2) The taxes assessed or the fees in lieu of tax imposed under subsection (1) must be prorated
 26 by dividing the number of days in excess of 180 consecutive days in the calendar year by 365.

27 (3) (a) Taxes on a vehicle imposed pursuant to this section must be collected as provided in Title
 28 15, chapter 16, part 1, for the collection of personal property taxes generally.

29 (b) Fees on a vehicle imposed pursuant to this section must be collected as provided in this
 30 chapter."

1 **Section 29.** Section 61-3-527, MCA, is amended to read:

2 **"61-3-527. Fee in lieu of tax for motorcycles and quadricycles -- schedule of fees.** (1) (a) There
3 is a fee in lieu of property tax imposed on motorcycles and quadricycles. The fee is in addition to annual
4 registration fees.

5 (b) The fee imposed by subsection (1)(a) ~~need~~ is not required to be paid by a dealer for motorcycles
6 or quadricycles that constitute inventory of the dealership.

7 (2) The owner of a motorcycle or quadricycle shall pay a fee based on the age of the motorcycle
8 or quadricycle and the size of the engine, as follows:

9 (a) The fee schedule for a motorcycle or quadricycle with an engine that measures from 1 cubic
10 centimeter to 600 cubic centimeters is as follows:

- 11 (i) less than 2 years old, \$30;
12 (ii) 2 years old and less than 5 years old, \$25;
13 (iii) 5 years old and less than 11 years old, \$15; and
14 (iv) 11 years old and older, \$10.

15 (b) The fee schedule for a motorcycle or quadricycle with an engine that measures from 601 cubic
16 centimeters to 1,000 cubic centimeters is as follows:

- 17 (i) less than 2 years old, \$70;
18 (ii) 2 years old and less than 5 years old, \$55;
19 (iii) 5 years old and less than 11 years old, \$40; and
20 (iv) 11 years old and older, \$30.

21 (c) The fee schedule for a motorcycle or quadricycle with an engine that measures 1,001 cubic
22 centimeters and larger is as follows:

- 23 (i) less than 2 years old, \$110;
24 (ii) 2 years old and less than 5 years old, \$90;
25 (iii) 5 years old and less than 11 years old, \$65; and
26 (iv) 11 years old and older, \$40.

27 (d) The age of a motorcycle or quadricycle is determined by subtracting the manufacturer's
28 designated model year from the current calendar year."

29

30 **Section 30.** Section 61-3-535, MCA, is amended to read:

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

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

5 ~~(b) motorcycles, travel trailers, campers, and motor homes subject to a fee in lieu of tax under~~
 6 ~~61-3-521 and 61-3-527.~~

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

12 ~~(3)(2) The department shall develop a procedure to facilitate the reregistration by mail of the~~
 13 ~~vehicles listed in subsection (1). The~~ Any mail reregistration procedure developed by the department must
 14 include a procedure to facilitate automated handling of mail reregistration or recertification.

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

19 ~~(5)(3) The department shall adopt rules to implement the mail reregistration and decal application~~
 20 ~~procedure."~~

21
 22 **Section 31.** Section 61-3-537, MCA, is amended to read:

23 **"61-3-537. (Temporary) Local option vehicle tax.** (1) A county may impose a local vehicle tax on
 24 vehicles subject to a ~~property~~ tax under 61-3-504(2) at a rate of up to 0.5% of the value determined under
 25 61-3-503, in addition to the tax imposed under 61-3-504(2).

26 (2) A local vehicle tax is payable at the same time and in the same manner as the tax imposed
 27 under 61-3-504(2). The first priority of the local vehicle tax is for district court funding, and the tax is
 28 distributed as follows:

29 (a) 50% to the county; and

30 (b) the remaining 50% to the county and the incorporated cities and towns within the county,

1 apportioned on the basis of population. The distribution to a city or town is determined by multiplying the
 2 amount of money available by the ratio of the population of the city or town to the total county population.
 3 The distribution to the county is determined by multiplying the amount of money available by the ratio of
 4 the population of unincorporated areas within the county to the total county population.

5 (3) The governing body of a county may impose, revise, or revoke a local vehicle tax by adopting
 6 a resolution before July 1, after conducting a public hearing on the proposed resolution. The resolution may
 7 provide for the distribution of the local vehicle tax. (Terminates June 30, 2005--sec. 2, 3, Ch. 217, L.
 8 1995.)

9 **61-3-537. (Effective July 1, 2005) Local option vehicle tax.** (1) A county may impose a local
 10 vehicle tax on vehicles subject to a ~~property~~ tax under 61-3-504(2) at a rate of up to 0.5% of the value
 11 determined under 61-3-503, in addition to the tax imposed under 61-3-504(2).

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

15 (3) The governing body of a county may impose, revise, or revoke a local vehicle tax by adopting
 16 a resolution before July 1, after conducting a public hearing on the proposed resolution."
 17

18 **NEW SECTION. Section 32. Definitions.** As used in [section ~~32~~ 33] and this section, unless the
 19 context requires otherwise, the following definitions apply:

20 (1) "Bus" has the same meaning as provided in 61-1-115.

21 (2) "Manufacturer's rated gross combined weight" means the manufacturer's published weight of
 22 the allowable load for a truck tractor and trailer combined and includes the weight of the truck tractor and
 23 the trailer.

24 (3) "Manufacturer's rated gross vehicle weight" means the manufacturer's published weight of the
 25 allowable load for a truck and includes the weight of the truck.

26 (4) "Truck" means a motor vehicle designed to carry an entire load. The truck may consist of a
 27 chassis and body or a chassis-cab and body or it may be of unitized construction so that the body and cab
 28 appear to be a single unit.

29 (5) "Truck tractor" has the same meaning as provided in 61-1-108.
 30

1 **NEW SECTION. Section 33. Schedule of fees for buses, motor vehicles having rated capacity of**
 2 **more than 1 ton, and truck tractors -- proration -- EXEMPTION.** (1) (a) There is a fee in lieu of property tax
 3 imposed on buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors.
 4 The fee is in addition to annual registration fees.

5 (b) The fee imposed by subsection (1)(a) is not required to be paid by a dealer of buses, trucks, or
 6 truck tractors that constitute inventory of the dealership.

7 (2) Subject to the conditions of subsection (4), the owner of a bus, truck with a manufacturer's
 8 rated capacity of more than 1 ton, or truck tractor shall pay a fee in lieu of tax based on the age and
 9 manufacturer's rated capacity of the vehicle according to the following schedule:

10 <u>Age of Vehicle</u>	11 <u>Rated Capacity (in pounds)</u>				
	12 (in years)	13 16,999 or less	14 17,000-26,999	15 27,000-54,999	16 55,000 or more
17 1 or less	18 \$234	19 \$334	20 \$568	21 \$750	
22 2	23 218	24 300	25 500	26 600	
27 3	28 200	29 268	30 440	31 532	
32 4	33 184	34 234	35 368	36 484	
37 5	38 166	39 218	40 320	41 390	
42 6	43 150	44 200	45 268	46 334	
47 7	48 132	49 182	50 234	51 294	
52 8	53 116	54 166	55 200	56 250	
57 9	58 100	59 150	60 184	61 218	
62 10	63 82	64 116	65 158	66 184	
67 11-12	68 66	69 100	70 134	71 152	
72 13-14	73 56	74 74	75 104	76 122	
77 15-16	78 50	79 60	80 76	81 94	
82 17-18	83 36	84 52	85 58	86 72	
87 19-20	88 26	89 38	90 44	91 52	
92 21 or more	93 20	94 24	95 32	96 40	

28 (3) The age of the vehicle is determined by subtracting the manufacturer's model year of the vehicle
 29 from the calendar year for which the fee in lieu of tax is due.

30 (4) (a) The manufacturer's rated capacity for a bus or truck with a manufacturer's rated capacity

1 of more than 1 ton is the manufacturer's rated gross vehicle weight.

2 (b) The manufacturer's rated capacity for a truck tractor is the manufacturer's rated gross combined
3 weight.

4 (5) A MOTOR VEHICLE BROUGHT INTO THE STATE OR OTHERWISE USED FOR THE EXCLUSIVE
5 PURPOSE OF FILMING MOTION PICTURES OR TELEVISION COMMERCIALS IS EXEMPT FROM THE FEE
6 IN LIEU OF TAX IF THE VEHICLE DOES NOT REMAIN IN THE STATE FOR A PERIOD IN EXCESS OF 180
7 CONSECUTIVE DAYS IN A CALENDAR YEAR.

8 ~~(5)(6)~~ The EXCEPT AS PROVIDED IN 61-3-520, THE fee in lieu of tax on a vehicle subject to this
9 section that is brought or driven into this state by a nonresident person for hire, compensation, or profit
10 must be prorated according to the ratio that the remaining number of months in the year bears to the total
11 number of months in the year.

12 ~~(6)(7)~~ (a) The fee in lieu of tax on a vehicle subject to this section that is registered in the state for
13 the first time must be prorated as provided in subsection ~~(5)~~ (6).

14 (b) The fee in lieu of tax on a vehicle subject to this section that is reregistered in the state is for
15 a full year.

16 ~~(7)(8)~~ The fee in lieu of tax may not be refunded.

17
18 **NEW SECTION. Section 34. Assessment of proportionally registered interstate motor vehicle fleets**
19 **-- payment of tax or fee in lieu of tax required for registration.** (1) (a) Except as provided in subsection (2),
20 the department of transportation shall determine the fee for the purpose of imposing the fee in lieu of tax
21 as provided in [sections ~~34~~ 32 and ~~32~~ 33] on buses, trucks having a manufacturer's rated capacity of more
22 than 1 ton, and truck tractors, in interstate motor vehicle fleets that are proportionally registered under the
23 provisions of 61-3-711 through 61-3-733. The fee must be apportioned on the ratio of total miles traveled
24 to in-state miles traveled as prescribed by 61-3-721. The fee in lieu of tax on interstate motor vehicle fleets
25 is imposed upon application for proportional registration and must be paid by the persons who own or claim
26 the fleet or in whose possession or control the fleet is at the time of the application.

27 (b) With respect to an original application for a fleet that has a situs in Montana for the purpose
28 of the fee in lieu of tax under this part or any other provision of the laws of Montana, the fee in lieu of tax
29 on fleet vehicles must be prorated according to the ratio that the remaining number of months in the year
30 bears to the total number of months in the year.

1 (2) For the purpose of taxation, the department of transportation shall assess light vehicles, as
2 defined in [section 16], that are part of an interstate motor vehicle fleet as follows:

3 (a) The value of each vehicle is determined in the same manner as provided in 61-3-503.

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

6 (c) The sum of the market value of all vehicles subject to tax under this subsection (2) multiplied
7 by 2% is the tax for the entire fleet.

8 (d) With respect to an original application for a fleet that has a situs in Montana for the purpose
9 of taxation under this part or any other provision of the laws of Montana, the taxes on taxable vehicles are
10 determined as provided in subsection (2)(b).

11 (e) Vehicles taxed as part of a fleet under this subsection (2) are not subject to the local option tax
12 imposed under 61-3-537.

13 (3) With respect to a renewal application for a fleet, taxable vehicles are assessed and taxed for
14 a full year and for all other vehicles the fee in lieu of tax is imposed for a full year.

15 (4) Vehicles contained in a fleet for which current taxes or fees, or both, have been assessed and
16 paid may not be assessed or charged fees under this section upon presentation to the department of proof
17 of payment of taxes, fees, or both for the current registration year. The payment of fleet vehicle taxes, fees
18 in lieu of tax, and license fees is a condition precedent to proportional registration or reregistration of an
19 interstate motor vehicle fleet.

20 (5) All taxes and fees collected on motor vehicle fleets under this chapter must be deposited and
21 distributed as provided in [section ~~35~~ 36].

22

23 **NEW SECTION. Section 35. Situs in state of proportionally registered fleets -- collection of taxes**
24 **and fees.** (1) For the purposes of this part, any vehicle previously registered or that has had application for
25 registration made under the provisions of 61-3-711 through 61-3-733 has a situs in Montana for the
26 purposes of taxation or the fee in lieu of tax.

27 (2) The department of transportation shall collect the fleet vehicle taxes, the fees in lieu of tax, and
28 license fees prescribed in this part.

29

30 **NEW SECTION. Section 36. Deposit and distribution of taxes and fees on proportionally registered**

1 **fleets.** The taxes, fees in lieu of tax, and license fees collected under this part must be deposited with the
 2 state treasurer for distribution to the general fund of each county on the following basis:

3 (1) for fleet vehicle taxes and fees in lieu of tax, according to the ratio of the taxable valuation of
 4 each county to the total state taxable valuation; and

5 (2) for fleet vehicle license fees, according to the ratio of vehicle license fees, other than fees
 6 derived from interstate motor vehicle fleets, collected in each county to the sum of all fleet vehicle fees
 7 collected in all the counties.

8

9 **Section 37.** Section 61-3-701, MCA, is amended to read:

10 "**61-3-701. Foreign vehicles used in gainful occupation to be registered -- reciprocity.** (1) Before
 11 ~~any~~ a foreign licensed motor vehicle may be operated on the highways of this state for hire, compensation,
 12 or profit or before the owner ~~and/or or user thereof of the vehicle~~ uses the vehicle if ~~such the~~ owner ~~and/or~~
 13 or user is engaged in gainful occupation or business enterprise in the state, including highway work, the
 14 owner of the vehicle shall ~~make application~~ apply to a county treasurer for registration upon an application
 15 form furnished by the department. Upon satisfactory evidence of ownership submitted to the county
 16 treasurer and the payment of ~~property motor vehicle taxes or fees in lieu of taxes~~, if appropriate, as required
 17 by 15-8-201, 15-8-202, 15-24-301, 61-3-504, ~~or~~ 61-3-537, or [section 32 33], the treasurer shall accept
 18 the application for registration and shall collect the regular license fee required for the vehicle.

19 (2) ~~The~~ Upon payment of the fees or taxes, the treasurer shall ~~thereupon~~ issue to the applicant a
 20 copy of the certificate entitled "Owner's Certificate of Registration and Payment Receipt" and forward a
 21 duplicate copy of the certificate to the department. The treasurer shall at the same time issue to the
 22 applicant the proper license plates or other identification markers, which ~~shall~~ must at all times be displayed
 23 upon the vehicle when operated or driven upon roads and highways of this state during the effective period
 24 ~~of the life~~ of the license.

25 (3) The registration receipt ~~shall~~ does not constitute evidence of ownership but ~~shall~~ must be used
 26 only for registration purposes. ~~No~~ A Montana certificate of ownership ~~shall~~ may not be issued for this type
 27 of registration.

28 (4) This section is not applicable to ~~any~~ a vehicle covered by a valid and existing reciprocal
 29 agreement or declaration entered into under the provisions of the laws of Montana."

30

1 **Section 38.** Section 61-12-402, MCA, is amended to read:

2 "**61-12-402. Notice to owner.** (1) Within 72 hours after ~~any~~ a vehicle is removed and held by or
3 at the direction of the Montana highway patrol, the highway patrol shall notify the sheriff of the county in
4 which the vehicle was located at the time it was taken into custody ~~and~~ of the place where the vehicle is
5 being held. In addition, the Montana highway patrol shall furnish the sheriff:

6 (a) a complete description of the vehicle, including year, make, model, serial number, and license
7 number if available;

8 (b) any costs incurred to that date in the removal, storage, and custody of the vehicle; and

9 (c) any available information concerning its ownership.

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

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

18 (4) If the identity of the last-registered owner cannot be determined, if the registration does not
19 contain an address for the owner, or if it is impossible to determine with reasonable certainty the identity
20 and addresses of all lienholders, notice by one publication in one newspaper of general circulation in the
21 county where the motor vehicle was abandoned is sufficient to meet all requirements of notice pursuant
22 to this part. The notice by publication ~~can~~ may contain multiple listings of abandoned vehicles. The notice
23 must be provided in the same manner as prescribed in 25-13-701(1)(b).

24 (5) If the abandoned vehicle is in the possession of a motor vehicle wrecking facility licensed under
25 75-10-511, the wrecking facility may make the required search to ascertain the name and address of the
26 owner, lienholder, or person entitled to possession of the vehicle and shall give the notices required in
27 subsections (2) through (4). The wrecking facility shall deliver to the sheriff or the city police a certificate
28 describing the efforts made to ascertain the name and address of the owner, lienholder, or person entitled
29 to possession of the vehicle and shall deliver to the sheriff or the city police proof of the notice given.

30 (6) A vehicle found by law enforcement officials to be a "junk vehicle", as defined by 75-10-501,

1 and ~~certified as having an appraised~~ that has a value of \$500 or less, as determined by the department of
2 ~~revenue~~, may be directly submitted for disposal in accordance with the provisions of ~~part 5 of chapter 10,~~
3 Title 75, chapter 10, part 5, upon a release given by the sheriff or the city police. In the release, the sheriff
4 or the city police shall include a description of the vehicle, including year, make, model, serial number, and
5 license number if available. A release provided by the sheriff or the city police under this section must be
6 transmitted to the motor vehicle wrecking facility and must be considered by that facility to meet the
7 requirements for records under 75-10-512 and 75-10-513. Vehicles described in this section may be
8 submitted for disposal without notice and without a required holding period."
9

10 **NEW SECTION. Section 39. Codification instruction.** (1) [Sections 16 and 17] are intended to be
11 codified as an integral part of Title 61, chapter 1, part 1, and the provisions of Title 61, chapter 1, part 1,
12 apply to [sections 16 and 17].

13 (2) [Sections ~~34~~ 32 and ~~32~~ 33] are intended to be codified as an integral part of Title 61, chapter
14 3, part 5, and the provisions of Title 61, chapter 3, part 5, apply to [sections ~~34~~ 32 and ~~32~~ 33].

15 (3) [Sections ~~33~~ 34 through ~~35~~ 36] are intended to be codified as an integral part of Title 61,
16 chapter 3, part 7, and the provisions of Title 61, chapter 3, part 7, apply to [sections ~~33~~ 34 through ~~35~~
17 36].
18

19 **NEW SECTION. Section 40. Repealer.** Sections 15-24-101, 15-24-102, 15-24-103, 15-24-104,
20 15-24-105, and 15-24-2501, MCA, are repealed.
21

22 **NEW SECTION. Section 41. Effective dates -- applicability -- rulemaking.** (1) Except for the
23 purposes of subsection (2), [this act] is effective January 1, 1998, and applies to tax years beginning after
24 December 31, 1997.

25 (2) For the purposes of promulgating administrative rules under 61-3-506, [section 25 and this
26 section] are effective on passage and approval.
27

-END-

1 SENATE BILL NO. 57

2 INTRODUCED BY WATERMAN, CHRISTIAENS, FOSTER, COLE, GAGE, STANG, HARRINGTON,

3 TROPILA, REAM, M. HANSON, HIBBARD, ANDERSON

4 BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

5
6 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE CLASSIFICATION, VALUATION,
7 AND TAXATION OF MOTOR VEHICLES; TAXING AUTOMOBILES, TRUCKS HAVING A MANUFACTURER'S
8 RATED CAPACITY OF 1 TON OR LESS, VANS, AND SPORT UTILITY VEHICLES AT 2 PERCENT OF THE
9 DEPRECIATED VALUE OF THE MANUFACTURER'S SUGGESTED RETAIL PRICE; EXEMPTING FROM
10 PROPERTY TAXATION BUSES, TRUCKS HAVING A MANUFACTURER'S RATED CAPACITY OF MORE
11 THAN 1 TON, TRUCK TRACTORS, AND PERSONAL PROPERTY ATTACHED TO THESE EXEMPT VEHICLES;
12 IMPOSING A FEE IN LIEU OF PROPERTY TAXES ON BUSES, TRUCKS HAVING A MANUFACTURER'S
13 RATED CAPACITY OF MORE THAN 1 TON, AND TRUCK TRACTORS; PROVIDING FOR THE PRORATION
14 OF THE FEE IN LIEU OF TAX; CLARIFYING THAT SPECIAL MOBILE EQUIPMENT IS SUBJECT TO
15 PROPERTY TAX; REPLACING THE TAX ON QUADRICYCLES WITH A FEE IN LIEU OF TAX; AMENDING
16 SECTIONS 7-1-2111, 15-6-138, 15-6-201, 15-8-111, 15-8-201, 15-8-202, 15-16-202, 15-50-207;
17 20-9-141, 20-9-331, 20-9-333, 20-9-360, 20-9-501, 20-10-144, 20-10-146, 61-3-101, 61-3-208,
18 61-3-303, 61-3-456, 61-3-501, 61-3-503, 61-3-504, 61-3-506, 61-3-507, 61-3-509, 61-3-520, 61-3-527,
19 61-3-535, 61-3-537, 61-3-701, AND 61-12-402, MCA; REPEALING SECTIONS 15-24-101, 15-24-102,
20 15-24-103, 15-24-104, 15-24-105, AND 15-24-2501, MCA; AND PROVIDING EFFECTIVE DATES AND
21 AN APPLICABILITY DATE."

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

1 SENATE BILL NO. 57

2 INTRODUCED BY WATERMAN, CHRISTIAENS, FOSTER, COLE, GAGE, STANG, HARRINGTON,

3 TROPILA, REAM, M. HANSON, HIBBARD, ANDERSON

4 BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

5
6 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE CLASSIFICATION, VALUATION,
7 AND TAXATION OF MOTOR VEHICLES; TAXING AUTOMOBILES, TRUCKS HAVING A MANUFACTURER'S
8 RATED CAPACITY OF 1 TON OR LESS, VANS, AND SPORT UTILITY VEHICLES AT 2 PERCENT OF THE
9 DEPRECIATED VALUE OF THE MANUFACTURER'S SUGGESTED RETAIL PRICE; EXEMPTING FROM
10 PROPERTY TAXATION BUSES, TRUCKS HAVING A MANUFACTURER'S RATED CAPACITY OF MORE
11 THAN 1 TON, TRUCK TRACTORS, AND PERSONAL PROPERTY ATTACHED TO THESE EXEMPT VEHICLES;
12 IMPOSING A FEE IN LIEU OF PROPERTY TAXES ON BUSES, TRUCKS HAVING A MANUFACTURER'S
13 RATED CAPACITY OF MORE THAN 1 TON, AND TRUCK TRACTORS; PROVIDING FOR THE PRORATION
14 OF THE FEE IN LIEU OF TAX; CLARIFYING THAT SPECIAL MOBILE EQUIPMENT IS SUBJECT TO
15 PROPERTY TAX; REPLACING THE TAX ON QUADRICYCLES WITH A FEE IN LIEU OF TAX; AMENDING
16 SECTIONS 7-1-2111, 15-6-138, 15-6-201, 15-8-111, 15-8-201, 15-8-202, 15-16-202, 15-50-207;
17 20-9-141, 20-9-331, 20-9-333, 20-9-360, 20-9-501, 20-10-144, 20-10-146, 61-3-101, 61-3-208,
18 61-3-303, 61-3-456, 61-3-501, 61-3-503, 61-3-504, 61-3-506, 61-3-507, 61-3-509, 61-3-520, 61-3-527,
19 61-3-535, 61-3-537, 61-3-701, AND 61-12-402, MCA; REPEALING SECTIONS 15-24-101, 15-24-102,
20 15-24-103, 15-24-104, 15-24-105, AND 15-24-2501, MCA; AND PROVIDING EFFECTIVE DATES AND
21 AN APPLICABILITY DATE."

**THERE ARE NO CHANGES IN THIS BILL AND IT WILL NOT BE
REPRINTED. PLEASE REFER TO SECOND READING COPY
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SENATE BILL NO. 57

INTRODUCED BY WATERMAN, CHRISTIAENS, FOSTER, COLE, GAGE, STANG, HARRINGTON,
TROPILA, REAM, M. HANSON, HIBBARD, ANDERSON
BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE CLASSIFICATION, VALUATION,
AND TAXATION OF CERTAIN MOTOR VEHICLES; ~~TAXING AUTOMOBILES, TRUCKS HAVING A
MANUFACTURER'S RATED CAPACITY OF 1 TON OR LESS, VANS, AND SPORT UTILITY VEHICLES AT
2 PERCENT OF THE DEPRECIATED VALUE OF THE MANUFACTURER'S SUGGESTED RETAIL PRICE;~~
EXEMPTING FROM PROPERTY TAXATION BUSES, TRUCKS HAVING A MANUFACTURER'S RATED
CAPACITY OF MORE THAN 1 TON, TRUCK TRACTORS, AND PERSONAL PROPERTY ATTACHED TO
THESE EXEMPT VEHICLES; IMPOSING A FEE IN LIEU OF PROPERTY TAXES ON BUSES, TRUCKS HAVING
A MANUFACTURER'S RATED CAPACITY OF MORE THAN 1 TON, AND TRUCK TRACTORS; PROVIDING
FOR THE PRORATION OF THE FEE IN LIEU OF TAX; CLARIFYING THAT SPECIAL MOBILE EQUIPMENT IS
SUBJECT TO PROPERTY TAX; REPLACING THE TAX ON QUADRICYCLES WITH A FEE IN LIEU OF TAX;
PROVIDING THAT A COUNTY TREASURER IS AN AGENT OF THE DEPARTMENT OF REVENUE FOR THE
PURPOSES OF ASSESSING CERTAIN MOTOR VEHICLES UPON APPLICATION FOR REGISTRATION OR
REREGISTRATION OF THE VEHICLE; PROVIDING FOR AN ANALYSIS OF ALTERNATIVE METHODS OF
CLASSIFICATION, VALUATION, AND TAXATION OF AUTOMOBILES AND TRUCKS HAVING A
MANUFACTURER'S RATED CAPACITY OF 1 TON OR LESS; AMENDING SECTIONS 7-1-2111, 15-6-138,
15-6-201, 15-8-111, ~~15-8-201~~, 15-8-202, 15-16-202, 15-50-207; 20-9-141, 20-9-331, 20-9-333,
20-9-360, 20-9-501, 20-10-144, 20-10-146, 61-3-101, 61-3-208, 61-3-303, 61-3-456, ~~61-3-501~~,
61-3-503, 61-3-504, 61-3-506, 61-3-507, 61-3-509, 61-3-520, 61-3-527, 61-3-535, 61-3-537, AND
61-3-701, ~~AND 61-12-402~~, MCA; REPEALING SECTIONS 15-24-101, 15-24-102, 15-24-103, 15-24-104,
15-24-105, AND 15-24-2501, MCA; AND PROVIDING EFFECTIVE DATES AND AN APPLICABILITY DATE."

STATEMENT OF INTENT

A statement of intent is required for this bill because 61-3-506 gives rulemaking authority to the
department of justice to implement the new methods for the ~~valuation and taxation of light motor vehicles~~
~~and for the~~ imposition of fees in lieu of tax on buses and trucks. The rules adopted by the department may

1 contain criteria for determining ~~the manufacturer's suggested retail price, an alternative valuation when the~~
2 ~~manufacturer's suggested retail price is unavailable, the date of manufacture for vehicles not commercially~~
3 ~~manufactured for consumer purchase, and the age and rated capacity of buses and trucks.~~

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

6 ~~(1) the methods for determining the valuation of light motor vehicles for taxation purposes;~~

7 ~~(2)(1) the assessment and collection of taxes and fees on motor vehicles and buses and trucks;~~

8 AND

9 ~~(3) the methods for determining the manufacturer's suggested retail price for the valuation of motor~~
10 ~~vehicles;~~

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

13 ~~(5)(2) the procedures for determining the age and manufacturer's rated capacity for buses and~~
14 ~~trucks.~~

15
16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

17
18 **Section 1.** Section 7-1-2111, MCA, is amended to read:

19 **"7-1-2111. Classification of counties.** (1) For the purpose of regulating the compensation and
20 salaries of all county officers, not otherwise provided for, and for fixing the penalties of officers' bonds,
21 the counties of this state must be classified according to the taxable valuation of the property in the
22 counties upon which the tax levy is made, except for vehicles subject to taxation under 61-3-504(2), as
23 follows:

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

25 (b) second class--all counties having a taxable valuation of ~~more than~~ \$30 million or more and less
26 than \$50 million;

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

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

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

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

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

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

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

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

13 (c) that portion of the taxable value of the county on December 31, 1997, attributable to buses,
14 trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors;

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

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

17

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

19 **"15-6-138. Class eight property -- description -- taxable percentage.** (1) Class eight property
20 includes:

21 (a) all agricultural implements and equipment;

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

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

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

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

30 (f) ~~buses and trucks having a rated capacity of more than 1 ton, including those prorated under~~

1 ~~15-24-102;~~

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

3 (g) special mobile equipment as defined in 61-1-104;

4 (h) furniture, fixtures, and equipment, except that specifically included in another class, used in
5 commercial establishments as defined in this section;

6 (i) x-ray and medical and dental equipment;

7 (j) citizens' band radios and mobile telephones;

8 (k) radio and television broadcasting and transmitting equipment;

9 (l) cable television systems;

10 (m) coal and ore haulers;

11 (n) theater projectors and sound equipment; and

12 (o) all other property not included in any other class in this part, except that property subject to
13 a fee in lieu of a property tax.

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

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

19 (4) Class eight property is taxed at:

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

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

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

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

24

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

26 "**15-6-201. Exempt categories.** (1) The following categories of property are exempt from taxation:

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

28 (i) the United States, except:

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

- 1 (B) as provided in 15-24-1103;
- 2 (ii) the state, counties, cities, towns, and school districts;
- 3 (iii) irrigation districts organized under the laws of Montana and not operating for profit;
- 4 (iv) municipal corporations;
- 5 (v) public libraries; and
- 6 (vi) rural fire districts and other entities providing fire protection under Title 7, chapter 33;
- 7 (b) buildings, with land they occupy and furnishings in the buildings, owned by a church and used
- 8 for actual religious worship or for residences of the clergy, together with adjacent land reasonably
- 9 necessary for convenient use of the buildings;
- 10 (c) property used exclusively for agricultural and horticultural societies, for educational purposes,
- 11 and for nonprofit health care facilities, as defined in 50-5-101, licensed by the department of public health
- 12 and human services and organized under Title 35, chapter 2 or 3. A health care facility that is not licensed
- 13 by the department of public health and human services and organized under Title 35, chapter 2 or 3, is not
- 14 exempt.
- 15 (d) property that is:
- 16 (i) owned and held by an association or corporation organized under Title 35, chapter 2, 3, 20, or
- 17 21;
- 18 (ii) devoted exclusively to use in connection with a cemetery or cemeteries for which a permanent
- 19 care and improvement fund has been established as provided for in Title 35, chapter 20, part 3; and
- 20 (iii) not maintained and operated for private or corporate profit;
- 21 (e) property owned or property that is leased from a federal, state, or local governmental entity by
- 22 institutions of purely public charity if the property is directly used for purely public charitable purposes;
- 23 (f) evidence of debt secured by mortgages of record upon real or personal property in the state of
- 24 Montana;
- 25 (g) public museums, art galleries, zoos, and observatories not used or held for private or corporate
- 26 profit;
- 27 (h) all household goods and furniture, including but not limited to clocks, musical instruments,
- 28 sewing machines, and wearing apparel of members of the family, used by the owner for personal and
- 29 domestic purposes or for furnishing or equipping the family residence;
- 30 (i) a truck canopy cover or topper weighing less than 300 pounds and having no accommodations

1 attached. This property is also exempt from taxation under 61-3-504~~(2)~~ and 61-3-537.

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

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

4 (l) all watercraft;

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

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

11 (o) property that is owned and used by a corporation or association organized and operated
12 exclusively for the care of persons with developmental disabilities, the mentally ill, or the vocationally
13 handicapped as defined in 18-5-101 and that is not operated for gain or profit and property owned and used
14 by an organization owning and operating facilities that are for the care of the retired, aged, or chronically
15 ill and that are not operated for gain or profit;

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

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

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

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

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

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

28 (t) a title plant owned by a title insurer or a title insurance producer, as those terms are defined in
29 33-25-105;

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

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

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

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

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

9 (w) all vehicles registered under 61-3-456;

10 (x) (i) buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors,
 11 including buses, trucks, and truck tractors apportioned under Title 61, chapter 3, part 7; and

12 (ii) personal property that is attached to a bus, truck, or truck tractor that is exempt under
 13 subsection (1)(x)(i); and

14 (y) motorcycles and quadricycles.

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 15-8-111, MCA, is amended to read:

9 **"15-8-111. Assessment -- market value standard -- exceptions.** (1) All taxable property must be
10 assessed at 100% of its market value except as otherwise provided.

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

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

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

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

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

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

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

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

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

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

5 (a) Properties in 15-6-131, under class one, are assessed at 100% of the annual net proceeds after
6 deducting the expenses specified and allowed by 15-23-503 or, if applicable, as provided in 15-23-515,
7 15-23-516, 15-23-517, or 15-23-518.

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

9 (c) Properties in 15-6-133, under class three, are assessed at 100% of the productive capacity of
10 the lands when valued for agricultural purposes. All lands that meet the qualifications of 15-7-202 are
11 valued as agricultural lands for tax purposes.

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

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

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

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

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

19
20 ~~Section 5. Section 15-8-201, MCA, is amended to read:~~

21 ~~"15-8-201. General assessment day. (1) The department shall, between January 1 and the second~~
22 ~~Monday of July in each year, ascertain the names of all taxable inhabitants and assess all property subject~~
23 ~~to taxation in each county. The department shall assess property to the person by whom it was owned or~~
24 ~~claimed or in whose possession or control it was at midnight of the preceding January 1. The department~~
25 ~~shall also ascertain and assess all mobile homes arriving in the county after midnight of the preceding~~
26 ~~January 1. A mistake in the name of the owner or supposed owner of real property does not invalidate the~~
27 ~~assessment.~~

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

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

1 ~~(b) motor homes, travel trailers, and campers;~~

2 ~~(c) watercraft;~~

3 ~~(d) livestock;~~

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

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

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

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

9
10 **Section 5.** Section 15-8-202, MCA, is amended to read:

11 **"15-8-202. Motor vehicle assessment by department of justice.** (1) ~~(a) The department shall, in~~
12 ~~each year, ascertain and assess all motor vehicles, other than motor homes, travel trailers, and campers~~
13 ~~or mobile homes, in each county subject to taxation as of January 1 or as of the anniversary registration~~
14 ~~date of those vehicles as provided by law, subject to 61-3-313 through 61-3-316 and 61-3-501. The~~
15 DEPARTMENT SHALL, IN EACH YEAR, ASCERTAIN AND ASSESS ALL MOTOR VEHICLES, OTHER THAN
16 MOTOR HOMES, TRAVEL TRAILERS, CAMPERS, OR MOBILE HOMES, AND BUSES AND TRUCKS HAVING
17 A RATED CAPACITY OF MORE THAN 1 TON IN EACH COUNTY SUBJECT TO TAXATION AS OF THE
18 ANNIVERSARY REGISTRATION DATE OF THOSE VEHICLES AS PROVIDED BY LAW, SUBJECT TO
19 61-3-313 THROUGH 61-3-316 AND 61-3-501. THE ASSESSMENT FOR ~~assessment for department of~~
20 justice shall ~~assess~~ all motor light MOTOR vehicles, ~~must be made subject to 61-3-313 through 61-3-316~~
21 and 61-3-501, for taxation MUST BE MADE in accordance with 61-3-503.

22 ~~(b) The department of justice shall determine the fee in lieu of tax for all buses, trucks having a~~
23 ~~manufacturer's rated capacity of more than 1 ton, and truck tractors in accordance with [sections 31-32~~
24 ~~and 32-33].~~

25 ~~(c) The motor vehicles Taxes or fees in lieu of tax on motor vehicles under this subsection (1) THE~~
26 MOTOR VEHICLES must be assessed ~~or imposed~~ in each year ~~to or TO~~ the persons ~~by whom~~ who owned
27 or claimed ~~the motor vehicles~~ or in whose possession or control ~~they were at midnight of January 1 or the~~
28 motor vehicle was VEHICLES WERE on the anniversary registration date, ~~whichever is applicable.~~

29 (2) A tax ~~or fee in lieu of tax~~ may not be assessed ~~or imposed~~ against motor vehicles subject to
30 taxation ~~or to a fee in lieu of tax~~ that constitute inventory of motor vehicle dealers as of January 1. These

1 vehicles and all other motor vehicles subject to taxation ~~or a fee in lieu of tax that are~~ brought into the state
 2 ~~subsequent to~~ after January 1 as motor vehicle dealers' inventories must be assessed to their respective
 3 purchasers as of the dates the vehicles are registered by the purchasers.

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

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

8

9 **Section 6.** Section 15-16-202, MCA, is amended to read:

10 **"15-16-202. Boats, snowmobiles, and motor vehicles -- payment of current and back taxes and**
 11 **fees.** (1) The fee in lieu of personal property taxes assessed against a boat for the year in which application
 12 for decals is made and the immediately previous year must be paid before license decals may be issued
 13 pursuant to 23-2-515.

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

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

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

23

24 **Section 7.** Section 15-50-207, MCA, is amended to read:

25 **"15-50-207. Credit against other taxes -- credit for personal property taxes and certain fees.** (1)
 26 The additional license fees withheld or otherwise paid as provided ~~herein~~ in this chapter may be used as
 27 a credit on the contractor's corporation license tax provided for in chapter 31 of this title or on the
 28 contractor's income tax provided for in chapter 30, depending upon the type of tax the contractor is
 29 required to pay under the laws of the state.

30 (2) Personal property taxes and the fee in lieu of tax on buses, trucks having a manufacturer's

1 rated capacity of more than 1 ton, or truck tractors as provided in [section ~~32 33~~ 29] paid in Montana on
 2 any personal property or vehicle of the contractor ~~which that~~ is used in the business of the contractor and
 3 is located within this state may be credited against the license fees required under this chapter. However,
 4 in computing the tax credit allowed by this section against the contractor's corporation license tax or
 5 income tax, the ~~personal property~~ tax credit against the license fees ~~herein~~ required ~~shall~~ under this chapter
 6 may not be considered as license fees paid for the purpose of ~~such the~~ income tax or corporation license
 7 tax credit."

8
 9 **Section 8.** Section 20-9-141, MCA, is amended to read:

10 **"20-9-141. Computation of general fund net levy requirement by county superintendent.** (1) The
 11 county superintendent shall compute the levy requirement for each district's general fund on the basis of
 12 the following procedure:

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

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

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

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

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

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

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

26 (B) revenue from ~~property~~ taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504(2),
 27 61-3-521, 61-3-527, 61-3-537, [section ~~32 33~~ 29], and 67-3-204;

28 (C) oil and natural gas production taxes;

29 (D) interest earned by the investment of general fund cash in accordance with the provisions of
 30 20-9-213(4);

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

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

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

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

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

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

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

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

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

25 (4) For each school district, the department of revenue shall calculate and report to the county
26 superintendent the amount of revenue anticipated for the ensuing fiscal year from revenue from coal gross
27 proceeds under 15-23-703."

28

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

30 **"20-9-331. Basic county tax and other revenues for county equalization of the elementary district**

1 **BASE funding program.** (1) The county commissioners of each county shall levy an annual basic tax of 33
2 mills on the dollar of the taxable value of all taxable property within the county, except for property subject
3 to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, ~~section 32 33~~
4 29, and 67-3-204, for the purposes of local and state BASE funding program support. The revenue
5 collected from this levy must be apportioned to the support of the elementary BASE funding programs of
6 the school districts in the county and to the state general fund in the following manner:

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

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

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

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

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

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

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

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

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

30 (g) oil and natural gas production taxes;

1 (h) anticipated local government severance tax payments for calendar year 1995 production as
2 provided in 15-36-325; and

3 (i) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,
4 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, section 32 33 29, and 67-3-204."

5

6 **Section 10.** Section 20-9-333, MCA, is amended to read:

7 "**20-9-333. Basic special levy and other revenue for county equalization of high school district**

8 **BASE funding program.** (1) The county commissioners of each county shall levy an annual basic special tax
9 for high schools of 22 mills on the dollar of the taxable value of all taxable property within the county,
10 except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-527,
11 61-3-537, section 32 33 29, and 67-3-204, for the purposes of local and state BASE funding program
12 support. The revenue collected from this levy must be apportioned to the support of the BASE funding
13 programs of high school districts in the county and to the state general fund in the following manner:

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

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

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

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

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

- 1 (c) gross proceeds taxes from coal under 15-23-703;
- 2 (d) oil and natural gas production taxes;
- 3 (e) anticipated local government severance tax payments for calendar year 1995 production as
4 provided in 15-36-325; and
- 5 (f) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,
6 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, section 32-33-29, and 67-3-204."

7

8 **Section 11.** Section 20-9-360, MCA, is amended to read:

9 **"20-9-360. State equalization aid levy.** (1) There is a levy of 40 mills imposed by the county
10 commissioners of each county on all taxable property within the state, except property for which a tax or
11 fee is required under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, section 32-33-29
12 29, and 67-3-204. Except as provided in subsection (2), proceeds of the levy must be remitted to the state
13 treasurer and must be deposited to the credit of the state general fund for state equalization aid to the
14 public schools of Montana.

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

25

26 **Section 12.** Section 20-9-501, MCA, is amended to read:

27 **"20-9-501. Retirement fund.** (1) The trustees of a district employing personnel who are members
28 of the teachers' retirement system or the public employees' retirement system or who are covered by
29 unemployment insurance or who are covered by any federal social security system requiring employer
30 contributions shall establish a retirement fund for the purposes of budgeting and paying the employer's

1 contributions to the systems. The district's contribution for each employee who is a member of the
2 teachers' retirement system must be calculated in accordance with Title 19, chapter 20, part 6. The
3 district's contribution for each employee who is a member of the public employees' retirement system must
4 be calculated in accordance with 19-3-316. The district's contributions for each employee covered by any
5 federal social security system must be paid in accordance with federal law and regulation. The district's
6 contribution for each employee who is covered by unemployment insurance must be paid in accordance
7 with Title 39, chapter 51, part 11.

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

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

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

16 (i) any anticipated money that may be realized in the retirement fund during the ensuing school
17 fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,
18 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, section 32-33-29, and 67-3-204;

19 (ii) oil and natural gas production taxes;

20 (iii) anticipated local government severance tax payments for calendar year 1995 production as
21 provided in 15-36-325;

22 (iv) coal gross proceeds taxes under 15-23-703;

23 (v) any fund balance available for reappropriation as determined by subtracting the amount of the
24 end-of-the-year fund balance earmarked as the retirement fund operating reserve for the ensuing school
25 fiscal year by the trustees from the end-of-the-year fund balance in the retirement fund. The retirement fund
26 operating reserve may not be more than 35% of the final retirement fund budget for the ensuing school
27 fiscal year and must be used for the purpose of paying retirement fund warrants issued by the district under
28 the final retirement fund budget.

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

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

4 (4) The county superintendent shall:

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

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

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

12 (6) The net retirement fund levy requirement for a joint elementary district or a joint high school
13 district must be prorated to each county in which a part of the district is located in the same proportion as
14 the district ANB of the joint district is distributed by pupil residence in each county. The county
15 superintendents of the counties affected shall jointly determine the net retirement fund levy requirement
16 for each county as provided in 20-9-151.

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

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

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

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

29
30 **Section 13.** Section 20-10-144, MCA, is amended to read:

1 **"20-10-144. Computation of revenue and net tax levy requirements for district transportation fund**
2 **budget.** Before the fourth Monday of July and in accordance with 20-9-123, the county superintendent
3 shall compute the revenue available to finance the transportation fund budget of each district. The county
4 superintendent shall compute the revenue for each district on the following basis:

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

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

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

14 (c) any estimated costs for supervised home study or supervised correspondence study for the
15 ensuing school fiscal year; plus

16 (d) the amount budgeted on the preliminary budget for the contingency amount permitted in
17 20-10-143, except if the amount exceeds 10% of the total of subsections (1)(a), (1)(b), and (1)(c) or \$100,
18 whichever is larger, the contingency amount on the preliminary budget must be reduced to the limitation
19 amount and used in this determination of the schedule amount; plus

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

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

25 (i) one-half is the budgeted state transportation reimbursement, except that the state transportation
26 reimbursement for the transportation of special education pupils under the provisions of 20-7-442 must be
27 50% of the schedule amount attributed to the transportation of special education pupils; and

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

30 (b) When the district has a sufficient amount of cash for reappropriation and other sources of

1 district revenue, as determined in subsection (3), to reduce the total district obligation for financing to zero,
 2 any remaining amount of district revenue and cash reappropriated must be used to reduce the county
 3 financing obligation in subsection (2)(a)(ii) and, if the county financing obligations are reduced to zero, to
 4 reduce the state financial obligation in subsection (2)(a)(i).

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

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

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

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

14 (c) anticipated payments from a parent or guardian for providing school bus transportation services
 15 for a child;

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

18 (e) anticipated or reappropriated revenue from property taxes and fees imposed under 23-2-517,
 19 23-2-803, 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, section 32-33-29, and 67-3-204;

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

21 (g) anticipated oil and natural gas production taxes;

22 (h) anticipated local government severance tax payments for calendar year 1995 production;

23 (i) anticipated transportation payments for out-of-district pupils under the provisions of 20-5-320
 24 through 20-5-324;

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

27 (k) any fund balance available for reappropriation as determined by subtracting the amount of the
 28 end-of-the-year fund balance earmarked as the transportation fund operating reserve for the ensuing school
 29 fiscal year by the trustees from the end-of-the-year fund balance in the transportation fund. The operating
 30 reserve may not be more than 20% of the final transportation fund budget for the ensuing school fiscal year

1 and is for the purpose of paying transportation fund warrants issued by the district under the final
2 transportation fund budget.

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

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

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

8 (5) The transportation fund levy requirements determined in subsection (4) for each district must
9 be reported to the county commissioners on the fourth Monday of August by the county superintendent
10 as the transportation fund levy requirements for the district, and the levy must be made by the county
11 commissioners in accordance with 20-9-142."
12

13 **Section 14.** Section 20-10-146, MCA, is amended to read:

14 **"20-10-146. County transportation reimbursement.** (1) The apportionment of the county
15 transportation reimbursement by the county superintendent for school bus transportation or individual
16 transportation that is actually rendered by a district in accordance with this title, board of public education
17 transportation policy, and the transportation rules of the superintendent of public instruction must be the
18 same as the state transportation reimbursement payment, except that:

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

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

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

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

29 (a) totaling the net requirement for all districts of the county, including reimbursements to a special
30 education cooperative or prorated reimbursements to joint districts or reimbursements under the mandatory

1 attendance agreement provisions of 20-5-321;

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

4 (i) anticipated money that may be realized in the county transportation fund during the ensuing
5 school fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517,
6 23-2-803, 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, ~~[section 32 33 29]~~, and 67-3-204;

7 (ii) oil and natural gas production taxes;

8 (iii) anticipated local government severance tax payments for calendar year 1995 production;

9 (iv) coal gross proceeds taxes under 15-23-703;

10 (v) any fund balance available for reappropriation from the end-of-the-year fund balance in the
11 county transportation fund;

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

13 (vii) other revenue anticipated that may be realized in the county transportation fund during the
14 ensuing school fiscal year; and

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

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

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

24

25 ~~NEW SECTION. Section 16. Light vehicle. "Light vehicle" means a motor vehicle commonly~~
26 ~~referred to as an automobile, van, sport utility vehicle, or truck having a manufacturer's rated capacity of~~
27 ~~1 ton or less.~~

28

29 ~~NEW SECTION. Section 17. Sport utility vehicle. "Sport utility vehicle" means a light vehicle~~
30 ~~designed to transport 10 or fewer persons that is constructed on a truck chassis or that has special features~~

1 ~~for occasional off-road use. The term does not include trucks having a manufacturer's rated capacity of 1~~
 2 ~~ton or less.~~

3

4 **Section 15.** Section 61-3-101, MCA, is amended to read:

5 **"61-3-101. Duties of department -- records.** (1) The department shall keep a record as specified
 6 in this section of all motor vehicles, trailers, and semitrailers of every kind, ~~and~~ of certificates of registration
 7 and ownership of those vehicles, and of all manufacturers and dealers in motor vehicles.

8 (2) The record must show the following:

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

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

13 (c) manufacturer of vehicle;

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

15 (e) identifying number;

16 (f) year of manufacture;

17 (g) character of motive power and shipping weight of vehicle as shown by the manufacturer;

18 (h) the distinctive license number assigned to the vehicle, if any;

19 (i) if a truck or trailer, the number of tons' capacity or GVW if imprinted on manufacturer's
 20 identification plate;

21 (j) except as provided in 61-3-103, the name and complete address of any holder of a perfected
 22 security interest in the vehicle; and

23 (k) other information that may from time to time be found desirable.

24 (3) The department shall file applications for registration received by it from ~~the~~ county treasurers
 25 ~~of the state~~ and register the vehicles and the vehicle owners as follows:

26 (a) under the distinctive license number assigned to the vehicle by the county treasurer;

27 (b) alphabetically under the name of the owner;

28 (c) numerically under make and identifying number of the vehicle; and

29 (d) ~~other~~ another index of registration as the department considers expedient.

30 (4) The department shall determine the amount of motor vehicle taxes and fees THE FEE to be

1 ~~collected at the time of registration for each light vehicle subject to tax under 61-3-503 and for each bus,~~
 2 ~~truck having a manufacturer's rated capacity of more than 1 ton, and truck tractors subject to a fee in lieu~~
 3 ~~of tax under [sections 31 32 28 and 32 33 29]. The county treasurer shall collect the taxes and fees on~~
 4 ~~each motor vehicle at the time of its registration.~~

5 (5) Vehicle registration records and indexes and driver's license records and indexes may be
 6 maintained by electronic recording and storage media.

7 ~~(6)(6)~~ In the case of dealers, the records must show the information contained in the application
 8 for a dealer's license as required by 61-4-101 through 61-4-105, as well as the distinctive license number
 9 assigned to the dealer.

10 ~~(6)(7)~~ In order to prevent an accumulation of unneeded records and files, regardless of any other
 11 statutory requirements, the department may destroy all records and files that relate to vehicles that have
 12 not been registered within the preceding 4 years and that do not have an active lien.

13 ~~(7)(8)~~ All records must be open to inspection during ~~a~~ reasonable business hours, and the
 14 department shall furnish any information from the records upon payment by the applicant of the cost of the
 15 information requested. Prior to providing the information, the department may require the applicant to
 16 provide identification. However, the department may, by rule, reasonably restrict disclosure of information
 17 on an owner or the owner's vehicle if the owner has requested in writing that the department not disclose
 18 the information."

19
 20 **Section 16.** Section 61-3-208, MCA, is amended to read:

21 "**61-3-208. Affidavit and bond for certificate.** (1) If an applicant for a ~~motor~~ vehicle certificate of
 22 title cannot provide the department with a certificate of title transferred to the applicant, the department
 23 may issue a certificate of title for the vehicle if the applicant furnishes an affidavit in a form prescribed by
 24 the department.

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

27 (a) the facts and circumstances through which the applicant acquired ownership and possession
 28 of the ~~motor~~ vehicle;

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

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

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

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

7 (a) in an amount equal to the average trade-in or wholesale value of the ~~motor~~ vehicle as
8 determined ~~under the provisions of 61-3-503(1)(c) by the applicable national appraisal guide for the vehicle~~
9 as of January 1 for the year in which the application for certificate of title is made; When a national
10 appraisal guide is not available for a vehicle, the department shall determine an alternative value for the
11 vehicle.

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

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

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

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

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

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

24

25 **Section 17.** Section 61-3-303, MCA, is amended to read:

26 **"61-3-303. Application for registration.** (1) Each owner of a motor vehicle operated or driven upon
27 the public highways of this state shall for each motor vehicle owned, except as otherwise provided in this
28 section, file or cause to be filed in the office of the county treasurer where the owner permanently resides
29 at the time of making the application or, if the vehicle is owned by a corporation or used primarily for
30 commercial purposes, in the taxing jurisdiction of the county where the vehicle is permanently assigned,

1 an application for registration or reregistration ~~upon a blank~~ on a form to be prepared and furnished
 2 prescribed by the department. The application must contain:

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

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

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

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

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

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

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

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

18 (i) ~~the personal property~~ motor vehicle taxes or fees in lieu of tax assessed or imposed against the
 19 vehicle for the current year of registration and the immediately previous year; or

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

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

24 (a) the current year; and

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

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

30

1 **Section 18.** Section 61-3-456, MCA, is amended to read:

2 "**61-3-456. Registration of motor vehicle owned and operated by Montana resident on active**
3 **military duty stationed outside Montana.** (1) An owner of a motor vehicle who is a Montana resident on
4 active military duty and stationed outside Montana may file with the department an application for the
5 registration of the motor vehicle. The application must be sworn to before an officer authorized to
6 administer oaths. The application must state:

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

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

10 (c) that the vehicle is owned and operated by a Montana resident who is on active military duty
11 and stationed outside Montana.

12 (2) The registration fee for a motor vehicle registered under subsection (1) is as provided in
13 61-3-311 and 61-3-321.

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

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

16 (b) assessment under 15-8-202 or 61-3-503 or the fee in lieu of tax under [section 32 33 29]; or

17 (c) any of the fees provided in part 5 of this chapter."
18

19 ~~**Section 22.** Section 61-3-501, MCA, is amended to read:~~

20 ~~"**61-3-501. When vehicle taxes and fees are due.** (1) Property Motor vehicle taxes, fees in lieu
21 of tax, new car taxes, and fees must be paid on the date of registration or reregistration of the vehicle.~~

22 ~~(2) If the anniversary date for reregistration of a vehicle passes while the vehicle is owned and held~~
23 ~~for sale by a licensed new or used car dealer, property motor vehicle taxes or fees in lieu of tax abate on~~
24 ~~such the vehicle properly reported with the department of revenue county treasurer until the vehicle is sold~~
25 ~~and thereafter. After the sale, the purchaser shall pay the pro rata balance of the taxes or fees in lieu of~~
26 ~~tax due and owing on the vehicle.~~

27 ~~(3) In the event that a vehicle's registration period is changed under 61-3-315, all taxes or fees~~
28 ~~in lieu of tax and other fees due thereon shall must be prorated and paid from the last day of the old period~~
29 ~~until the first day of the new period in which the vehicle shall be is registered. Thereafter The taxes or fees~~
30 ~~in lieu of tax and other fees must be paid from the first day of the new period for a minimum period of 1~~

1 ~~year. When the change is to a later registration period, taxes and fees shall must be prorated and paid~~
 2 ~~based on the same tax year as the original registration period. Thereafter, during the appropriate anniversary~~
 3 ~~registration period, each vehicle shall must again register or reregister be registered or reregistered and shall~~
 4 ~~pay all taxes and fees due thereon must be paid for a 12-month period."~~

5
 6 **Section 19.** Section 61-3-503, MCA, is amended to read:

7 "61-3-503. **Assessment.** (1) Except as provided in 61-3-520 and subsection ~~(2)(4)(2)~~ of this
 8 section, the following apply to the taxation of motor vehicles:

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

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

18 (A) A PERSON SHALL FILE AN APPLICATION FOR REGISTRATION OR REREGISTRATION OF A
 19 MOTOR VEHICLE WITH THE COUNTY TREASURER. THE COUNTY TREASURER, AS AN AGENT OF THE
 20 DEPARTMENT OF REVENUE, SHALL ENTER ON THE APPLICATION IN A SPACE TO BE PROVIDED FOR
 21 THAT PURPOSE THE MARKET VALUE AND TAXABLE VALUE OF THE VEHICLE AS OF JANUARY 1 OF
 22 THE YEAR FOR WHICH THE APPLICATION FOR REGISTRATION IS MADE.

23 (B) EXCEPT AS PROVIDED IN SUBSECTION (1)(C), MOTOR VEHICLES ARE ASSESSED FOR
 24 TAXES ON JANUARY 1 IN EACH YEAR IRRESPECTIVE OF THE TIME FIXED BY LAW FOR THE
 25 ASSESSMENT OF OTHER CLASSES OF PERSONAL PROPERTY AND IRRESPECTIVE OF WHETHER THE
 26 LEVY AND TAX MAY BE A LIEN UPON REAL PROPERTY WITHIN THE STATE. A MOTOR VEHICLE IS NOT
 27 SUBJECT TO ASSESSMENT, LEVY, AND TAXATION MORE THAN ONCE IN EACH YEAR.

28 ~~(c) (C)~~ Vehicles subject to the provisions of 61-3-313 through 61-3-316 must be assessed as
 29 of the first day of the registration period, using the ~~average trade-in or wholesale value~~ as of January 1 of
 30 the year of assessment of the vehicle as contained in the most recent volume of the Mountain States

1 ~~Edition of the National Automobile Dealers Association (N.A.D.A.) Official Used Car Guide, the National~~
 2 ~~Edition of N.A.D.A. Appraisal Guides Official Older Used Car Guide, or another nationally published used~~
 3 ~~vehicle or appraisal guide approved by the department of revenue or, for a vehicle that was never listed in~~
 4 ~~any edition of the preceding guides, the retail value of the vehicle as determined by the department of~~
 5 ~~revenue, and depreciated 10% a year until a value of \$500 is reached, not including additions or deductions~~
 6 ~~for options and mileage but including additions or deductions, whether or not one of the preceding guides~~
 7 ~~is used, for diesel engines; and a depreciated value of the manufacturer's suggested retail price as~~
 8 ~~determined in subsection (2).~~

9 ~~(b) A AVERAGE TRADE-IN OR WHOLESALE VALUE AS OF JANUARY 1 OF THE YEAR OF~~
 10 ~~ASSESSMENT OF THE VEHICLE AS CONTAINED IN THE MOST RECENT VOLUME OF THE MOUNTAIN~~
 11 ~~STATES EDITION OF THE NATIONAL AUTOMOBILE DEALERS ASSOCIATION (N.A.D.A.) OFFICIAL USED~~
 12 ~~CAR GUIDE, THE NATIONAL EDITION OF N.A.D.A. APPRAISAL GUIDES OFFICIAL OLDER USED CAR~~
 13 ~~GUIDE, OR ANOTHER NATIONALLY PUBLISHED USED VEHICLE OR APPRAISAL GUIDE APPROVED BY~~
 14 ~~THE DEPARTMENT OF REVENUE OR, FOR A VEHICLE THAT WAS NEVER LISTED IN ANY EDITION OF THE~~
 15 ~~PRECEDING GUIDES, THE RETAIL VALUE OF THE VEHICLE AS DETERMINED BY THE DEPARTMENT OF~~
 16 ~~REVENUE, AND DEPRECIATED 10% A YEAR UNTIL A VALUE OF \$500 IS REACHED, NOT INCLUDING~~
 17 ~~ADDITIONS OR DEDUCTIONS FOR OPTIONS AND MILEAGE BUT INCLUDING ADDITIONS OR~~
 18 ~~DEDUCTIONS, WHETHER OR NOT ONE OF THE PRECEDING GUIDES IS USED, FOR DIESEL ENGINES; AND~~
 19 ~~A~~ lien for taxes and fees due on the vehicle occurs on the anniversary date of the registration and continues
 20 until the fees and taxes have been paid. If the depreciated value shown in any of the appraisal guides listed
 21 in this section SHOWN IN ANY OF THE APPRAISAL GUIDES LISTED IN THIS SECTION is less than \$500,
 22 the department shall value the vehicle at \$500.

23 ~~(d) Quadracycles must be assessed, using the greater of the following:~~

24 ~~(i) \$250; or~~

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

30 ~~(e) If a vehicle assessed under subsection (1)(c) or (1)(d) is not originally listed in the applicable~~

1 ~~N.A.D.A. guide or other approved guide, the department of revenue shall depreciate the original f.o.b.~~
 2 ~~factory list price, f.o.b. port of entry list price, or the manufacturer's suggested list price, using the~~
 3 ~~following methods:~~

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

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

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

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

17 ~~(2) (a) Except as provided in subsections (2)(c) and (2)(d), the depreciated value for the taxation~~
 18 ~~of light vehicles is computed by multiplying the manufacturer's suggested retail price by a percentage~~
 19 ~~multiplier based on the type and age of the vehicle determined from the following table:~~

<u>Age of Vehicle</u>	<u>Type of Vehicle</u>			
<u>(in years)</u>	<u>Automobile</u>	<u>Truck</u>	<u>Van</u>	<u>Sport Utility</u>
<u>1</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
<u>0</u>	<u>90</u>	<u>96</u>	<u>93</u>	<u>98</u>
<u>1</u>	<u>80</u>	<u>91</u>	<u>86</u>	<u>94</u>
<u>2</u>	<u>69</u>	<u>86</u>	<u>78</u>	<u>90</u>
<u>3</u>	<u>58</u>	<u>80</u>	<u>69</u>	<u>84</u>
<u>4</u>	<u>49</u>	<u>73</u>	<u>60</u>	<u>76</u>
<u>5</u>	<u>41</u>	<u>66</u>	<u>52</u>	<u>67</u>
<u>6</u>	<u>33</u>	<u>57</u>	<u>45</u>	<u>57</u>
<u>7</u>	<u>26</u>	<u>49</u>	<u>38</u>	<u>48</u>

1	8	21	43	32	39
2	9	17	37	27	33
3	10	14	31	22	29
4	11	12	26	18	26
5	12	10	22	15	22
6	13	09	18	13	21
7	14	09	15	11	19
8	15	09	13	09	17
9	16	09	12	09	15

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

12 ~~(c) If the value of the vehicle determined under subsection (2)(a) is \$500 or less, the value of the~~
 13 ~~vehicle is \$500 and the value must remain at that amount as long as the vehicle is registered.~~

14 ~~(d) The depreciated value of a light vehicle that is 17 years old or older is computed by depreciating~~
 15 ~~the value obtained for the vehicle at 16 years old as determined under subsection (2)(a) by 10% a year until~~
 16 ~~a minimum value of \$500 is attained. The value must remain at that amount as long as the vehicle is~~
 17 ~~registered.~~

18 ~~(3) (a) For the purposes of this section, "manufacturer's suggested retail price" means the price~~
 19 ~~suggested by the manufacturer for each given type, style, or model of light vehicle produced and first made~~
 20 ~~available for retail sale by the manufacturer.~~

21 ~~(b) The manufacturer's suggested retail price is based on standard equipment of a vehicle and does~~
 22 ~~not contain price additions or deductions for optional accessories.~~

23 ~~(c) When a manufacturer's suggested retail price is unavailable for a motor vehicle, the department~~
 24 ~~shall determine an alternative valuation for the vehicle.~~

25 ~~(D) IF A VEHICLE ASSESSED UNDER SUBSECTION (1)(A) OR (1)(B) IS NOT ORIGINALLY LISTED~~
 26 ~~IN THE APPLICABLE N.A.D.A. GUIDE OR OTHER APPROVED GUIDE, THE DEPARTMENT OF REVENUE~~
 27 ~~SHALL DEPRECIATE THE ORIGINAL F.O.B. FACTORY LIST PRICE, F.O.B. PORT-OF-ENTRY LIST PRICE,~~
 28 ~~OR THE MANUFACTURER'S SUGGESTED LIST PRICE, USING THE FOLLOWING METHODS:~~

29 ~~(I) IF THE NEW CAR SALES TAX HAS BEEN PREVIOUSLY PAID AND THE VEHICLE IS LESS THAN~~
 30 ~~1 YEAR IN AGE, THE DEPRECIATION PERCENTAGE IS 20%; OR~~

1 (II) IF THE VEHICLE IS 1 YEAR OR OLDER IN AGE AND IT IS NOT LISTED IN ANY OF THE
 2 APPRAISAL GUIDES LISTED IN THIS SECTION, THE DEPARTMENT OF REVENUE SHALL DETERMINE THE
 3 DEPRECIATION PERCENTAGE TO APPROXIMATE THE AVERAGE WHOLESALE OR TRADE-IN VALUES IN
 4 THE CURRENT N.A.D.A. GUIDES OR OTHER APPROVED GUIDES REFERRED TO IN THIS SUBSECTION (1).
 5 FOR PURPOSES OF THIS SUBSECTION (1), THE AGE OF THE VEHICLE IS DETERMINED BY SUBTRACTING
 6 THE MANUFACTURER'S MODEL YEAR OF THE VEHICLE FROM THE CALENDAR YEAR OF ASSESSMENT.

7 (E) WHEN A MINIMUM VALUE OF \$500 IS REACHED, THE VALUE MUST REMAIN AT THAT
 8 MINIMUM AS LONG AS THE VEHICLE IS REGISTERED.

9 (F) IF A PREVIOUSLY REGISTERED VEHICLE IS NO LONGER LISTED IN THE APPLICABLE N.A.D.A.
 10 GUIDE OR OTHER APPROVED GUIDE, THE DEPARTMENT OF REVENUE SHALL DEPRECIATE THE VALUE
 11 OF THE VEHICLE AT THE RATE OF 10% A YEAR UNTIL A MINIMUM AMOUNT OF \$500 IS ATTAINED,
 12 AND THE VALUE MUST REMAIN AT THAT AMOUNT AS LONG AS THE VEHICLE IS REGISTERED.

13 ~~(2)(4)(2)~~ The provisions of subsections ~~(1)(a)~~ (1)(A) through ~~(1)(g)~~ ~~(3)~~ (1)(F) do not apply to buses,
 14 trucks having a manufacturer's rated capacity of more than 1 ton, truck tractors, motorcycles, motor
 15 homes, quadricycles, travel trailers, campers, or mobile homes as defined in 15-1-101(1)."

16
 17 **Section 20.** Section 61-3-504, MCA, is amended to read:

18 **"61-3-504. Computation of tax.** (1) ~~The amount of taxes on a motor light 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, THE~~
 23 AMOUNT OF TAX ON AN AUTOMOBILE OR TRUCK HAVING A RATED CAPACITY OF 1 TON OR LESS,
 24 except for vehicles registered under 61-3-456 or owned by disabled veterans qualifying for special license
 25 plates under 61-3-332(10)(c)(A) or 61-3-426(2), and on a quadricycle is 2% of the value determined
 26 under 61-3-503.

27 ~~(3)(2) The amount of tax on fleet vehicles subject to the provisions of 61-3-318 is 1% of the value~~
 28 determined under 61-3-503.

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

1 **Section 21.** Section 61-3-506, MCA, is amended to read:

2 "61-3-506. **Rules.** (1) The department of revenue shall adopt rules for the payment of property
 3 taxes and the DEPARTMENT OF REVENUE SHALL ADOPT RULES FOR THE PAYMENT OF PROPERTY
 4 TAXES, OTHER THAN FOR MOTOR VEHICLES HAVING A RATED CAPACITY OF MORE THAN 1 TON, AND
 5 THE department of transportation shall adopt rules for the payment of new car taxes under the provisions
 6 of 61-3-313 through 61-3-316, 61-3-501, and 61-3-520. ~~The department of revenue may adopt rules for~~
 7 ~~the proration of taxes for the implementation and administration of 61-3-313 through 61-3-316, 61-3-501,~~
 8 ~~and 61-3-520, but shall specifically provide that new car taxes shall be for a 12-month period~~ THE
 9 DEPARTMENT OF REVENUE MAY ADOPT RULES FOR THE PRORATION OF TAXES FOR THE
 10 IMPLEMENTATION AND ADMINISTRATION OF 61-3-313 THROUGH 61-3-316, 61-3-501, AND 61-3-520,
 11 BUT SHALL SPECIFICALLY PROVIDE THAT NEW CAR TAXES MUST BE FOR A 12-MONTH PERIOD.

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

13 ~~(a) for the assessment and collection of taxes and fees on light vehicles, INCLUDING THE~~
 14 ~~PRORATION OF TAXES UNDER 61-3-520; and~~

15 ~~(b) for the imposition and collection of fees in lieu of tax, INCLUDING THE PRORATION OF FEES~~
 16 ~~IN LIEU OF TAX UNDER 61-3-520, on buses, trucks having a manufacturer's rated capacity of more than~~
 17 ~~1 ton, and truck tractors, including criteria for determining the vehicle's age and manufacturer's rated~~
 18 ~~capacity."~~

19
 20 **Section 22.** Section 61-3-507, MCA, is amended to read:

21 "61-3-507. **Exemption.** ~~(1) A motor vehicle subject to anniversary date registration as provided~~
 22 ~~in 61-3-313 through 61-3-316 is exempt from the provisions of 61-3-503(1)(b).~~

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

25
 26 **Section 23.** Section 61-3-509, MCA, is amended to read:

27 "61-3-509. **Disposition of taxes.** (1) Except as provided in subsection (2), the county treasurer
 28 shall, after deducting the district court fee, credit all taxes on motor vehicles and fees in lieu of tax on
 29 motorcycles, quadricycles, motor homes, travel trailers, ~~and~~ campers, buses, trucks having a
 30 manufacturer's rated capacity of more than 1 ton, and truck tractors collected under 61-3-504, 61-3-521,

1 61-3-527, ~~and~~ 61-3-537, ~~and~~ [section 32-33-29] to a motor vehicle suspense fund, ~~and at~~. At some time
 2 between March 1 and March 10 of each year and every 60 days after that date, the county treasurer shall
 3 distribute the money in the motor vehicle suspense fund in the relative proportions required by the levies
 4 for state, county, school district, and municipal purposes in the same manner as personal property taxes
 5 are distributed.

6 (2) The county treasurer shall deduct as a district court fee 7% of the amount of the 2% tax
 7 collected on ~~an automobile or truck having a rated capacity of 1 ton or less~~ light vehicles. The county
 8 treasurer shall credit the fee for district courts to a separate suspense account and shall forward the amount
 9 in the account to the state treasurer at the time that the county treasurer distributes money from the motor
 10 vehicle suspense fund. The state treasurer shall credit amounts received under this subsection to the
 11 general fund to be used for purposes of state funding of ~~the~~ district court expenses as provided in
 12 3-5-901."

13
 14 **SECTION 24. SECTION 61-3-520, MCA, IS AMENDED TO READ:**

15 **"61-3-520. Taxation of Taxes and fees on vehicles used exclusively in filming motion pictures or**
 16 **television commercials.** (1) A vehicle used exclusively in the filming of motion pictures or television
 17 commercials that has been in the state for a period exceeding 180 consecutive days in a calendar year ~~must~~
 18 ~~be assessed~~ is subject to assessment or a fee in lieu of tax as if the vehicle were not used exclusively for
 19 filming motion pictures or television commercials, but the assessment or fee in lieu of tax must be prorated
 20 as provided in subsection (2).

21 (2) The taxes assessed or the fees in lieu of tax imposed under subsection (1) must be prorated
 22 by dividing the number of days in excess of 180 consecutive days in the calendar year by 365.

23 (3) (a) Taxes on a vehicle imposed pursuant to this section must be collected as provided in Title
 24 15, chapter 16, part 1, for the collection of personal property taxes generally.

25 (b) Fees on a vehicle imposed pursuant to this section must be collected as provided in this
 26 chapter."

27
 28 **Section 25.** Section 61-3-527, MCA, is amended to read:

29 **"61-3-527. Fee in lieu of tax for motorcycles and quadricycles -- schedule of fees.** (1) (a) There
 30 is a fee in lieu of property tax imposed on motorcycles and quadricycles. The fee is in addition to annual

1 registration fees.

2 (b) The fee imposed by subsection (1)(a) ~~need~~ is not required to be paid by a dealer for motorcycles
3 or quadricycles that constitute inventory of the dealership.

4 (2) The owner of a motorcycle or quadricycle shall pay a fee based on the age of the motorcycle
5 or quadricycle and the size of the engine, as follows:

6 (a) The fee schedule for a motorcycle or quadricycle with an engine that measures from 1 cubic
7 centimeter to 600 cubic centimeters is as follows:

8 (i) less than 2 years old, \$30;

9 (ii) 2 years old and less than 5 years old, \$25;

10 (iii) 5 years old and less than 11 years old, \$15; and

11 (iv) 11 years old and older, \$10.

12 (b) The fee schedule for a motorcycle or quadricycle with an engine that measures from 601 cubic
13 centimeters to 1,000 cubic centimeters is as follows:

14 (i) less than 2 years old, \$70;

15 (ii) 2 years old and less than 5 years old, \$55;

16 (iii) 5 years old and less than 11 years old, \$40; and

17 (iv) 11 years old and older, \$30.

18 (c) The fee schedule for a motorcycle or quadricycle with an engine that measures 1,001 cubic
19 centimeters and larger is as follows:

20 (i) less than 2 years old, \$110;

21 (ii) 2 years old and less than 5 years old, \$90;

22 (iii) 5 years old and less than 11 years old, \$65; and

23 (iv) 11 years old and older, \$40.

24 (d) The age of a motorcycle or quadricycle is determined by subtracting the manufacturer's
25 designated model year from the current calendar year."

26

27 **Section 26.** Section 61-3-535, MCA, is amended to read:

28 **"61-3-535. Vehicle reregistration by mail -- ~~renewal cards reminder notice~~ and reregistration notice**
29 **by mail. (1) ~~Except as provided in subsection (2), an owner of the following types of motor vehicles may~~**
30 **~~reregister by mail:~~**

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

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

4 ~~(2) The option to reregister by mail need only be made available for vehicles, motor homes, and~~
5 ~~travel trailers registered at the close of the expiring registration period in the name of the applicant for~~
6 ~~reregistration and only if The department may allow the owner of a motor vehicle to renew the registration~~

7 ~~of a vehicle by mail when~~ EXCEPT AS PROVIDED IN SUBSECTION (2), AN OWNER OF THE FOLLOWING
8 TYPES OF MOTOR VEHICLES MAY REREGISTER BY MAIL:

9 (A) LIGHT VEHICLES AND OTHER VEHICLES SUBJECT TO TAX UNDER 61-3-504(1); AND

10 (B) MOTORCYCLES, QUADRICYCLES, TRAVEL TRAILERS, CAMPERS, AND MOTOR HOMES
11 SUBJECT TO A FEE IN LIEU OF TAX UNDER 61-3-521 AND 61-3-527.

12 (2) THE OPTION TO REREGISTER BY MAIL NEED ONLY BE MADE AVAILABLE FOR VEHICLES,
13 MOTOR HOMES, AND TRAVEL TRAILERS REGISTERED AT THE CLOSE OF THE EXPIRING REGISTRATION
14 PERIOD IN THE NAME OF THE APPLICANT FOR REREGISTRATION AND ONLY IF the value, age, length,
15 weight, or other criteria used to determine the tax or fee ~~for a particular type of vehicle~~ is available to the
16 department ~~by electronic means.~~

17 ~~(3)(2)(3) The department shall develop a procedure to facilitate the reregistration by mail of the~~
18 ~~vehicles listed in subsection (1). The~~ Any THE DEPARTMENT SHALL DEVELOP A PROCEDURE TO
19 FACILITATE THE REREGISTRATION BY MAIL OF THE VEHICLES LISTED IN SUBSECTION (1). THE mail
20 reregistration procedure developed by the department must include a procedure to facilitate automated
21 handling of mail reregistration or recertification.

22 ~~(4) The procedure implemented by the department to permit reregistration or camper decal~~
23 ~~application by mail must~~ and must.

24 (4) THE PROCEDURE IMPLEMENTED BY THE DEPARTMENT TO PERMIT REREGISTRATION OR
25 CAMPER DECAL APPLICATION BY MAIL MUST provide for a written reminder notice by mail to a vehicle
26 owner of the requirement to reregister the owner's vehicle with the county treasurer or to apply for the
27 annual camper decal.

28 ~~(5)(3)(5) The department shall adopt rules to implement the mail reregistration and decal application~~
29 ~~procedure."~~

30

1 **Section 27.** Section 61-3-537, MCA, is amended to read:

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

5 (2) A local vehicle tax is payable at the same time and in the same manner as the tax imposed
6 under 61-3-504~~(2)~~. The first priority of the local vehicle tax is for district court funding, and the tax is
7 distributed as follows:

8 (a) 50% to the county; and

9 (b) the remaining 50% to the county and the incorporated cities and towns within the county,
10 apportioned on the basis of population. The distribution to a city or town is determined by multiplying the
11 amount of money available by the ratio of the population of the city or town to the total county population.
12 The distribution to the county is determined by multiplying the amount of money available by the ratio of
13 the population of unincorporated areas within the county to the total county population.

14 (3) The governing body of a county may impose, revise, or revoke a local vehicle tax by adopting
15 a resolution before July 1, after conducting a public hearing on the proposed resolution. The resolution may
16 provide for the distribution of the local vehicle tax. (Terminates June 30, 2005--sec. 2, 3, Ch. 217, L.
17 1995.)

18 **61-3-537. (Effective July 1, 2005) Local option vehicle tax.** (1) A county may impose a local
19 vehicle tax on vehicles subject to a ~~property~~ tax under 61-3-504~~(2)~~ at a rate of up to 0.5% of the value
20 determined under 61-3-503, in addition to the tax imposed under 61-3-504~~(2)~~.

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

24 (3) The governing body of a county may impose, revise, or revoke a local vehicle tax by adopting
25 a resolution before July 1, after conducting a public hearing on the proposed resolution."
26

27 NEW SECTION. **Section 28. Definitions.** As used in [section ~~32~~ 33 29] and this section, unless
28 the context requires otherwise, the following definitions apply:

29 (1) "Bus" has the same meaning as provided in 61-1-115.

30 (2) "Manufacturer's rated gross combined weight" means the manufacturer's published weight of

1 the allowable load for a truck tractor and trailer combined and includes the weight of the truck tractor and
 2 the trailer.

3 (3) "Manufacturer's rated gross vehicle weight" means the manufacturer's published weight of the
 4 allowable load for a truck and includes the weight of the truck.

5 (4) "Truck" means a motor vehicle designed to carry an entire load. The truck may consist of a
 6 chassis and body or a chassis-cab and body or it may be of unitized construction so that the body and cab
 7 appear to be a single unit.

8 (5) "Truck tractor" has the same meaning as provided in 61-1-108.

9

10 **NEW SECTION. Section 29. Schedule of fees for buses, motor vehicles having rated capacity of**
 11 **more than 1 ton, and truck tractors -- proration -- EXEMPTION.** (1) (a) There is a fee in lieu of property tax
 12 imposed on buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors.
 13 The fee is in addition to annual registration fees.

14 (b) The fee imposed by subsection (1)(a) is not required to be paid by a dealer of buses, trucks, or
 15 truck tractors that constitute inventory of the dealership.

16 (2) Subject to the conditions of subsection (4), the owner of a bus, truck with a manufacturer's
 17 rated capacity of more than 1 ton, or truck tractor shall pay a fee in lieu of tax based on the age and
 18 manufacturer's rated capacity of the vehicle according to the following schedule:

19 <u>Age of Vehicle</u>	20 <u>Rated Capacity (in pounds)</u>				
	(in years)	16,999 or less	17,000-26,999	27,000-54,999	55,000 or more
21 1 or less		\$234	\$334	\$568	\$750
22 2		218	300	500	600
23 3		200	268	440	532
24 4		184	234	368	484
25 5		166	218	320	390
26 6		150	200	268	334
27 7		132	182	234	294
28 8		116	166	200	250
29 9		100	150	184	218
30 10		82	116	158	184

1	11-12	66	100	134	152
2	13-14	56	74	104	122
3	15-16	50	60	76	94
4	17-18	36	52	58	72
5	19-20	26	38	44	52
6	21 or more	20	24	32	40

7 (3) The age of the vehicle is determined by subtracting the manufacturer’s model year of the vehicle
 8 from the calendar year for which the fee in lieu of tax is due.

9 (4) (a) The manufacturer’s rated capacity for a bus or truck with a manufacturer’s rated capacity
 10 of more than 1 ton is the manufacturer’s rated gross vehicle weight.

11 (b) The manufacturer’s rated capacity for a truck tractor is the manufacturer’s rated gross combined
 12 weight.

13 (5) A MOTOR VEHICLE BROUGHT INTO THE STATE OR OTHERWISE USED FOR THE EXCLUSIVE
 14 PURPOSE OF FILMING MOTION PICTURES OR TELEVISION COMMERCIALS IS EXEMPT FROM THE FEE
 15 IN LIEU OF TAX IF THE VEHICLE DOES NOT REMAIN IN THE STATE FOR A PERIOD IN EXCESS OF 180
 16 CONSECUTIVE DAYS IN A CALENDAR YEAR.

17 ~~(6)~~ (6) ~~The~~ EXCEPT AS PROVIDED IN 61-3-520, THE fee in lieu of tax on a vehicle subject to this
 18 section that is brought or driven into this state by a nonresident person for hire, compensation, or profit
 19 must be prorated according to the ratio that the remaining number of months in the year bears to the total
 20 number of months in the year.

21 ~~(6)~~ (7) (a) The fee in lieu of tax on a vehicle subject to this section that is registered in the state for
 22 the first time must be prorated as provided in subsection ~~(6)~~ (6).

23 (b) The fee in lieu of tax on a vehicle subject to this section that is reregistered in the state is for
 24 a full year.

25 ~~(7)~~ (8) The fee in lieu of tax may not be refunded.

26
 27 NEW SECTION. Section 30. Assessment of proportionally registered interstate motor vehicle fleets
 28 -- payment of tax or fee in lieu of tax required for registration. (1) (a) Except as provided in subsection (2),
 29 the department of transportation shall determine the fee for the purpose of imposing the fee in lieu of tax
 30 as provided in [sections ~~31~~ 32 ~~28~~ and ~~32~~ 33 ~~29~~] on buses, trucks having a manufacturer’s rated capacity

1 of more than 1 ton, and truck tractors, in interstate motor vehicle fleets that are proportionally registered
2 under the provisions of 61-3-711 through 61-3-733. The fee must be apportioned on the ratio of total miles
3 traveled to in-state miles traveled as prescribed by 61-3-721. The fee in lieu of tax on interstate motor
4 vehicle fleets is imposed upon application for proportional registration and must be paid by the persons who
5 own or claim the fleet or in whose possession or control the fleet is at the time of the application.

6 (b) With respect to an original application for a fleet that has a situs in Montana for the purpose
7 of the fee in lieu of tax under this part or any other provision of the laws of Montana, the fee in lieu of tax
8 on fleet vehicles must be prorated according to the ratio that the remaining number of months in the year
9 bears to the total number of months in the year.

10 (2) For the purpose of taxation, the department of transportation shall assess light vehicles, as
11 defined in [section 16], that are part of an interstate motor vehicle fleet as follows:

12 (a) The value of each vehicle is determined in the same manner as provided in 61-3-503.

13 (b) The value determined under subsection (2)(a) multiplied by the percent of miles traveled in
14 Montana, as prescribed by 61-3-721, is the market value.

15 (c) The sum of the market value of all vehicles subject to tax under this subsection (2) multiplied
16 by 2% is the tax for the entire fleet.

17 (d) With respect to an original application for a fleet that has a situs in Montana for the purpose
18 of taxation under this part or any other provision of the laws of Montana, the taxes on taxable vehicles are
19 determined as provided in subsection (2)(b).

20 (e) Vehicles taxed as part of a fleet under this subsection (2) are not subject to the local option tax
21 imposed under 61-3-537.

22 (3) With respect to a renewal application for a fleet, taxable vehicles are assessed and taxed for
23 a full year and for all other vehicles the fee in lieu of tax is imposed for a full year.

24 (4) Vehicles contained in a fleet for which current taxes or fees, or both, have been assessed and
25 paid may not be assessed or charged fees under this section upon presentation to the department of proof
26 of payment of taxes, fees, or both for the current registration year. The payment of fleet vehicle taxes, fees
27 in lieu of tax, and license fees is a condition precedent to proportional registration or reregistration of an
28 interstate motor vehicle fleet.

29 (5) All taxes and fees collected on motor vehicle fleets under this chapter must be deposited and
30 distributed as provided in [section ~~35~~ 36 31].

1 **NEW SECTION. Section 31. Situs in state of proportionally registered fleets -- collection of taxes**
 2 **and fees.** (1) For the purposes of this part, any vehicle previously registered or that has had application for
 3 registration made under the provisions of 61-3-711 through 61-3-733 has a situs in Montana for the
 4 purposes of taxation or the fee in lieu of tax.

5 (2) The department of transportation shall collect the fleet vehicle taxes, the fees in lieu of tax, and
 6 license fees prescribed in this part.

7
 8 **NEW SECTION. Section 32. Deposit and distribution of taxes and fees on proportionally registered**
 9 **fleets.** The taxes, fees in lieu of tax, and license fees collected under this part must be deposited with the
 10 state treasurer for distribution to the general fund of each county on the following basis:

11 (1) for fleet vehicle taxes and fees in lieu of tax, according to the ratio of the taxable valuation of
 12 each county to the total state taxable valuation; and

13 (2) for fleet vehicle license fees, according to the ratio of vehicle license fees, other than fees
 14 derived from interstate motor vehicle fleets, collected in each county to the sum of all fleet vehicle fees
 15 collected in all the counties.

16
 17 **Section 33.** Section 61-3-701, MCA, is amended to read:

18 **"61-3-701. Foreign vehicles used in gainful occupation to be registered -- reciprocity.** (1) Before
 19 ~~any a~~ foreign licensed motor vehicle may be operated on the highways of this state for hire, compensation,
 20 or profit or before the owner ~~and/or or~~ user ~~thereof of the vehicle~~ uses the vehicle if ~~such the~~ owner ~~and/or~~
 21 ~~or~~ user is engaged in gainful occupation or business enterprise in the state, including highway work, the
 22 owner of the vehicle shall ~~make application~~ apply to a county treasurer for registration upon an application
 23 form furnished by the department. Upon satisfactory evidence of ownership submitted to the county
 24 treasurer and the payment of ~~property motor vehicle taxes or fees in lieu of taxes,~~ if appropriate, as required
 25 by 15-8-201, 15-8-202, 15-24-301, 61-3-504, ~~or~~ 61-3-537, or [section ~~32 33~~ 29], the treasurer shall
 26 accept the application for registration and shall collect the regular license fee required for the vehicle.

27 (2) ~~The~~ Upon payment of the fees or taxes, the treasurer shall ~~thereupon~~ issue to the applicant a
 28 copy of the certificate entitled "Owner's Certificate of Registration and Payment Receipt" and forward a
 29 duplicate copy of the certificate to the department. The treasurer shall at the same time issue to the
 30 applicant the proper license plates or other identification markers, which ~~shall~~ must at all times be displayed

1 upon the vehicle when operated or driven upon roads and highways of this state during the effective period
2 ~~of the life~~ of the license.

3 (3) The registration receipt ~~shall~~ does not constitute evidence of ownership but ~~shall~~ must be used
4 only for registration purposes. ~~No~~ A Montana certificate of ownership ~~shall~~ may not be issued for this type
5 of registration.

6 (4) This section is not applicable to ~~any~~ a vehicle covered by a valid and existing reciprocal
7 agreement or declaration entered into under the provisions of the laws of Montana."

8

9 ~~Section 38. Section 61-12-402, MCA, is amended to read:~~

10 ~~"61-12-402. Notice to owner. (1) Within 72 hours after any a vehicle is removed and held by or~~
11 ~~at the direction of the Montana highway patrol, the highway patrol shall notify the sheriff of the county in~~
12 ~~which the vehicle was located at the time it was taken into custody and of the place where the vehicle is~~
13 ~~being held. In addition, the Montana highway patrol shall furnish the sheriff:~~

14 ~~(a) a complete description of the vehicle, including year, make, model, serial number, and license~~
15 ~~number if available;~~

16 ~~(b) any costs incurred to that date in the removal, storage, and custody of the vehicle; and~~

17 ~~(c) any available information concerning its ownership.~~

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

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

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

1 ~~must be provided in the same manner as prescribed in 25-13-701(1)(b).~~

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

8 ~~(6) A vehicle found by law enforcement officials to be a "junk vehicle", as defined by 75-10-501,~~
 9 ~~and certified as having an appraised that has a value of \$500 or less, as determined by the department of~~
 10 ~~revenue, may be directly submitted for disposal in accordance with the provisions of part 5 of chapter 10,~~
 11 ~~Title 75, chapter 10, part 5, upon a release given by the sheriff or the city police. In the release, the sheriff~~
 12 ~~or the city police shall include a description of the vehicle, including year, make, model, serial number, and~~
 13 ~~license number if available. A release provided by the sheriff or the city police under this section must be~~
 14 ~~transmitted to the motor vehicle wrecking facility and must be considered by that facility to meet the~~
 15 ~~requirements for records under 75-10-512 and 75-10-513. Vehicles described in this section may be~~
 16 ~~submitted for disposal without notice and without a required holding period."~~

17
 18 NEW SECTION. SECTION 34. LEGISLATIVE AUDIT COMMITTEE ANALYSIS. (1) THE
 19 LEGISLATIVE AUDIT COMMITTEE SHALL CONDUCT OR HAVE CONDUCTED AN ANALYSIS OF
 20 ALTERNATIVE METHODS OF CLASSIFICATION, VALUATION, AND TAXATION OF AUTOMOBILES AND
 21 TRUCKS HAVING A MANUFACTURER'S RATED CAPACITY OF 1 TON OR LESS. THE ANALYSIS MUST
 22 INCLUDE:

- 23 (A) ALTERNATIVE METHODS OF VALUATION AND TAXATION;
 24 (B) IMPOSITION OF A FLAT TAX OR FEES IN LIEU OF TAXES;
 25 (C) MULTIYEAR LICENSING;
 26 (D) COST-EFFECTIVENESS AND PUBLIC CONVENIENCE OF ALTERNATIVE METHODS OF
 27 CLASSIFYING MOTOR VEHICLES AND OF COLLECTING MOTOR VEHICLE TAXES OR FEES;
 28 (E) ANTICIPATED COSTS AND REVENUES OF ALTERNATIVE SYSTEMS COMPARED WITH THE
 29 PRESENT SYSTEM OF CLASSIFYING, VALUING, AND TAXING MOTOR VEHICLES; AND
 30 (F) ALTERNATIVE METHODS FOR FORMULAS BASED ON REVENUE ALLOCATIONS TO

1 COUNTIES.

2 (2) THE COMMITTEE SHALL REPORT THE RESULTS OF ITS ANALYSIS TO THE 56TH
 3 LEGISLATURE.

4
 5 NEW SECTION. Section 35. Codification instruction. (1) ~~[Sections 16 and 17] are intended to be~~
 6 ~~codified as an integral part of Title 61, chapter 1, part 1, and the provisions of Title 61, chapter 1, part 1,~~
 7 ~~apply to [sections 16 and 17].~~

8 ~~(2) [Sections 31 32 28 and 32 33 29] are intended to be codified as an integral part of Title 61,~~
 9 ~~chapter 3, part 5, and the provisions of Title 61, chapter 3, part 5, apply to [sections 31 32 28 and 32 33~~
 10 ~~29].~~

11 (3) [Sections 33 34 30 through 35 36 32] are intended to be codified as an integral part of Title
 12 61, chapter 3, part 7, and the provisions of Title 61, chapter 3, part 7, apply to [sections 33 34 30 through
 13 35 36 32].

14
 15 NEW SECTION. Section 36. Repealer. Sections 15-24-101, 15-24-102, 15-24-103, 15-24-104,
 16 15-24-105, and 15-24-2501, MCA, are repealed.

17
 18 NEW SECTION. Section 37. Effective dates -- applicability -- rulemaking. (1) Except for the
 19 purposes of subsection (2), [this act] is effective January 1, 1998, and applies to tax years beginning after
 20 December 31, 1997.

21 (2) For the purposes of promulgating administrative rules AND CONDUCTING THE ANALYSIS
 22 REQUIRED BY [SECTION 34] under 61-3-506, ~~[section SECTIONS 25 21 AND 34~~ and this section] are
 23 effective on passage and approval.

24 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0057, reference bill as amended

DESCRIPTION OF PROPOSED LEGISLATION:

An act generally revising the classification, valuation, and taxation of certain motor vehicles; exempting from property taxation buses, trucks having a manufacturer's rated capacity of more than 1 ton, truck tractors, and personal property attached to these exempt vehicles; imposing a fee in lieu of property taxes on buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors; providing for the proration of the fee in lieu of tax; clarifying that special mobile equipment is subject to property tax; replacing the tax on quadricycles with a fee in lieu of tax; providing that a county treasurer is an agent of the Department of revenue for the purposes of assessing certain motor vehicles upon application for registration or reregistration of the vehicle; providing for an analysis of alternative methods of classification, valuation, and taxation of automobiles and trucks having a manufacturer's rated capacity of 1 ton or less; and providing effective dates and an applicability date.

ASSUMPTIONS:

Department of Revenue:

1. This bill is effective January 1, 1998 and applies to tax years beginning after December 31, 1997.
2. Under current law the taxable valuation rate for Class 8 personal property is reduced to 8% in tax year 1996; 7% in tax year 1997; and 6% in tax year 1998.
3. Under the proposal administration of taxes on heavy trucks is transferred from the Department of Revenue to the Department of Transportation.
4. The flat fee schedule proposed for heavy trucks is revenue-neutral statewide. The tax year 1998 proposed flat fee schedule for heavy trucks takes the reduction in the class 8 taxable valuation rate into account.
5. Statewide revenue-neutrality results in revenue-neutrality for state property tax accounts (101 state mills).
6. Under this proposal, county treasurers would act as agents of the Department of Revenue, and would be responsible for assessing the value of light cars and trucks for tax purposes.

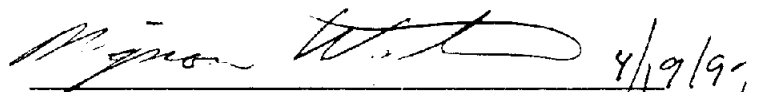
Department of Justice:

1. The Motor Vehicle Division, Department of Justice (DOJ), must purchase a computer tape containing motor vehicle valuation data for all trucks exceeding one ton (heavy trucks) to update the department's motor vehicle registration system. It is expected that these computer valuation files would not contain information necessary to value approximately 10% of these vehicles registered annually. More than 37,000 trucks exceeding one ton (heavy trucks) were registered in 1996 in Montana.
2. County treasurers would assume responsibility for valuation of all motor vehicles, acting as an agent of the Department of Revenue for valuation of light vehicles and passenger cars and as an agent of the DOJ for valuation of all heavy trucks.
3. County treasurers would have to confer with the DOJ on the valuation of all heavy trucks for which computerized data is not available. The department would have to provide help desk staff and a toll-free telephone line to assist the county treasurers with these valuation processes.
4. The DOJ would have to provide reference books and valuation manuals to the county treasurers for the heavy trucks.

(continued)

 4-19-97

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

 4/19/97

MIGNON WATERMAN, PRIMARY SPONSOR DATE

Fiscal Note for SB0057, reference bill
as amended

SB 57 #2

(continued)

5. The Motor Vehicle Division would require 1.00 FTE to create the valuation data base for heavy trucks not contained in the valuation data files, to provide assistance to the counties, and to continually update and maintain the valuation data files. Cost of FTE grade 9 would be \$21,964 a year.
6. Operating costs would be \$56,610 in fiscal 1998 and \$33,660 in fiscal 1999. Costs include valuation files, printing, office supplies, mainframe access, and computer programming. Equipment costs of \$4,500 would be needed in fiscal 1998 only for a computer, desk, chair, and files.

FISCAL IMPACT:

Department of Revenue:

There would be no impact on Department of Revenue administrative expenses or revenues.

Department of Justice:

	<u>FY98</u>	<u>FY99</u>
	<u>Difference</u>	<u>Difference</u>
<u>Expenditures:</u>		
FTE	1.00	1.00
Personal Services	21,964	21,964
Operating Expenses	56,610	33,660
Equipment	<u>4,500</u>	<u>0</u>
Total	83,074	55,624
 <u>Funding Source:</u>		
General Fund (01)	83,074	55,624
 <u>Net Impact:</u>		
General Fund (01)	(83,074)	(55,624)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Although the statewide revenue impact from this proposal approximates revenue-neutrality, the individual composition of vehicle types within a taxing jurisdiction may or may not provide for revenue-neutrality for individual taxing jurisdictions. Detailed impacts pertaining to the heavy truck portion of this proposal on local government revenues, by county, may be found in the summary report of the Revenue Oversight Committee titled "Motor Vehicle Taxation and Other Issues Before the Revenue Oversight Committee", December, 1996.



CONFERENCE COMMITTEE

on Senate Bill 57
Report No. 1, April 18, 1997

Page 1 of 1

Mr. President and Mr. Speaker:

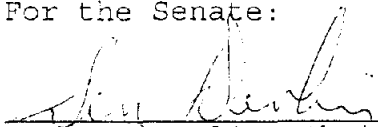
We, your Conference Committee on Senate Bill 57, met and considered:

--the House floor amendments to Senate Bill 57 dated April 11, 1997, and the House floor amendments to Senate Bill 57 dated April 14, 1997.

We recommend that the April 11 House floor amendments be accepted and the April 14 amendments be rejected on Senate Bill 57 (reference copy - salmon) and a free conference committee be appointed.

And that this Conference Committee report be adopted.

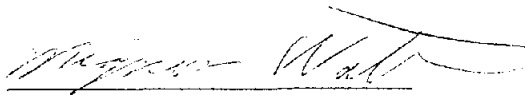
For the Senate:



Senator Devlin, Chair



Senator DePratu



Senator Waterman

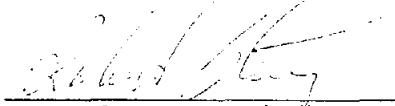


Amd. Coord.

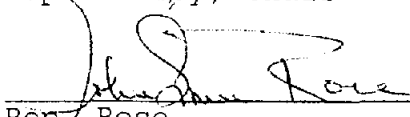


Sec. of Senate

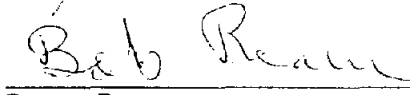
For the House:



Rep. Storey, Chair



Rep. Rose



Rep. Ream

ADOPT

REJECT

CCR #1
SB 57
831055CC.S



FREE CONFERENCE COMMITTEE

on Senate Bill 57

Report No. 1, April 18, 1997

Page 1 of 38

Mr. President and Mr. Speaker:

We, your FREE Conference Committee on Senate Bill 57, met and considered:

Senate Bill 57 in its entirety

We recommend that Senate Bill 57 (reference copy - salmon) be amended as follows:

1. Title, line 7.

Strike: "CERTAIN"

2. Title, line 9.

Following: "~~PRICE,~~"

Insert: "TAXING AUTOMOBILES, TRUCKS HAVING A MANUFACTURER'S RATED CAPACITY OF 1 TON OR LESS, VANS, AND SPORT UTILITY VEHICLES AT 2 PERCENT OF THE DEPRECIATED VALUE OF THE MANUFACTURER'S SUGGESTED RETAIL PRICE;"

3. Title, lines 16 through 18.

Strike: "PROVIDING" on line 16 through "VEHICLE;" on line 18

4. Title, line 21.

Following: "~~15-8-201,~~"

Insert: "15-8-201,"

5. Title, line 22.

Following: "~~61-3-501,~~"

Insert: "61-3-501,"

6. Title, line 23.

Strike: "AND"

7. Title, line 24.

Following: "~~7~~"

Insert: "AND 61-12-402,"

8. Page 1, line 30.

Following: "~~the~~"

Insert: "valuation and taxation of light motor vehicles and for the"

ADOPT

REJECT

FCCR#1
SB 57
831412CC.SRF

9. Page 2, line 3.

Following: "and"

Insert: "the manufacturer's suggested retail price, an alternative valuation when the manufacturer's suggested retail price is unavailable, the date of manufacture for vehicles not commercially manufactured for consumer purchase, and"

10. Page 2.

Following: line 6

Insert: "(1) the methods for determining the valuation of light motor vehicles for taxation purposes;"

Renumber: subsequent subsection

11. Page 2, line 8.

Strike: "AND"

12. Page 2.

Following: line 12

Insert: "(3) the methods for determining the manufacturer's suggested retail price for the valuation of motor vehicles; (4) the procedures for establishing an equitable alternative value for vehicles that do not have a published manufacturer's suggested retail price; and"

Renumber: subsequent subsection

13. Page 2, line 18 through page 44, line 23.

Strike: Everything after the enacting clause

Insert: " **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 than \$30 million;

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

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

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

(g) seventh class--all counties having a taxable valuation

of less than \$5 million.

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

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

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

(c) that portion of the taxable value of the county on December 31, 1997, attributable to buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors;

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

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

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

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

(a) all agricultural implements and equipment;

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

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

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

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

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

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

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

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

(i) x-ray and medical and dental equipment;

(j) citizens' band radios and mobile telephones;

(k) radio and television broadcasting and transmitting equipment;

(l) cable television systems;

(m) coal and ore haulers;

(n) theater projectors and sound equipment; and
(o) all other property not included in any other class in this part, except that property subject to a fee in lieu of a property tax.

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

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

(4) Class eight property is taxed at:

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

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

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

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

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

(d) property that is:

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

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

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

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

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

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

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

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

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

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

(l) all watercraft;

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

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

(o) property that is owned and used by a corporation or association organized and operated exclusively for the care of persons with developmental disabilities, the mentally ill, or the vocationally handicapped as defined in 18-5-101 and that is not operated for gain or profit and property owned and used by an organization owning and operating facilities that are for the care of the retired, aged, or chronically ill and that are not operated for gain or profit;

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

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

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

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

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

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

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

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

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

(i) designed and used only for carrying property;

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

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

(w) all vehicles registered under 61-3-456;

(x) (i) buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors, including buses, trucks, and truck tractors apportioned under Title 61, chapter 3, part 7; and

(ii) personal property that is attached to a bus, truck, or truck tractor that is exempt under subsection (1)(x)(i); and

(y) motorcycles and quadricycles.

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

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

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

similar types of fundraising activities.

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

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

(ii) held for future display; or

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

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

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

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

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

"15-8-111. Assessment -- market value standard -- exceptions. (1) All taxable property must be assessed at 100% of its market value except as otherwise provided.

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

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

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

(3) The department may not adopt a lower or different standard of value from market value in making the official

assessment and appraisal of the value of property, except:

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

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

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

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

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

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

(a) Properties in 15-6-131, under class one, are assessed at 100% of the annual net proceeds after deducting the expenses specified and allowed by 15-23-503 or, if applicable, as provided in 15-23-515, 15-23-516, 15-23-517, or 15-23-518.

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

(c) Properties in 15-6-133, under class three, are assessed at 100% of the productive capacity of the lands when valued for agricultural purposes. All lands that meet the qualifications of 15-7-202 are valued as agricultural lands for tax purposes.

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

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

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

(b) the taxpayer makes a written request; or

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

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

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

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

to:

- (a) motor vehicles ~~that are required by 15-8-202 to be assessed on January 1 or upon their anniversary registration date;~~
 - (b) motor homes, travel trailers, and campers;
 - (c) watercraft;
 - (d) livestock;
 - (e) property defined in 61-1-104 as "special mobile equipment" that is subject to assessment for personal property taxes on the date that application is made for a special mobile equipment plate;
 - (f) mobile homes held by a distributor or dealer of mobile homes as stock in trade; and
 - (g) property subject to the provisions of 15-16-203.
- (3) Credits must be assessed as provided in 15-1-101(1)(f)."

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

"15-8-202. Motor vehicle assessment by department of justice. (1) ~~(a) The department shall, in each year, ascertain and assess all motor vehicles, other than motor homes, travel trailers, and campers or mobile homes, in each county subject to taxation as of January 1 or as of the anniversary registration date of those vehicles as provided by law, subject to 61-3-313 through 61-3-316 and 61-3-501. The assessment for department of justice shall assess all motor light vehicles, must be made subject to 61-3-313 through 61-3-316 and 61-3-501, for taxation in accordance with 61-3-503.~~

~~(b) The department of justice shall determine the fee in lieu of tax for all buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors in accordance with [sections 32 and 33].~~

~~(c) The motor vehicles Taxes or fees in lieu of tax on motor vehicles under this subsection (1) must be assessed or imposed in each year to on the persons by whom who owned or claimed the motor vehicles or in whose possession or control they were at midnight of January 1 or the motor vehicle was on the anniversary registration date, whichever is applicable.~~

(2) A tax or fee in lieu of tax may not be assessed or imposed against motor vehicles subject to taxation or to a fee in lieu of tax that constitute inventory of motor vehicle dealers as of January 1. These vehicles and all other motor vehicles subject to taxation or a fee in lieu of tax that are brought into the state ~~subsequent to~~ after January 1 as motor vehicle dealers' inventories must be assessed to their respective purchasers as of the dates the vehicles are registered by the purchasers.

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

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

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

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

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

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

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

Section 8. Section 15-50-207, MCA, is amended to read:

"15-50-207. **Credit against other taxes -- credit for personal property taxes and certain fees.** (1) The additional license fees withheld or otherwise paid as provided ~~herein~~ in this chapter may be used as a credit on the contractor's corporation license tax provided for in chapter 31 of this title or on the contractor's income tax provided for in chapter 30, depending upon the type of tax the contractor is required to pay under the laws of the state.

(2) Personal property taxes and the fee in lieu of tax on buses, trucks having a manufacturer's rated capacity of more than 1 ton, or truck tractors as provided in [section 33] paid in Montana on any personal property or vehicle of the contractor ~~which that~~ is used in the business of the contractor and is located within this state may be credited against the license fees required under this chapter. However, in computing the tax credit allowed by this section against the contractor's corporation license tax or income tax, the ~~personal property~~ tax credit against the license fees ~~herein~~ required ~~shall~~ under this chapter may not be considered as license fees paid for the purpose of such the income tax or corporation license tax credit."

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

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

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

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

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

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

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

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

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

(B) revenue from ~~property~~ taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, [section 33], and 67-3-204;

(C) oil and natural gas production taxes;

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

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

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

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

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

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

(2) The county superintendent shall calculate the number of mills to be levied on the taxable property in the district to

finance the general fund levy requirement for any amount that does not exceed the BASE budget amount for the district by dividing the amount determined in subsection (1)(c) by the sum of:

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

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

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

(4) For each school district, the department of revenue shall calculate and report to the county superintendent the amount of revenue anticipated for the ensuing fiscal year from revenue from coal gross proceeds under 15-23-703."

Section 10. Section 20-9-331, MCA, is amended to read:

"20-9-331. **Basic county tax and other revenues for county equalization of the elementary district BASE funding program.** (1) The county commissioners of each county shall levy an annual basic tax of 33 mills on the dollar of the taxable value of all taxable property within the county, except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, [section 33], and 67-3-204, for the purposes of local and state BASE funding program support. The revenue collected from this levy must be apportioned to the support of the elementary BASE funding programs of the school districts in the county and to the state general fund in the following manner:

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

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

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

by the county treasurer in accordance with 20-9-212(1):

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

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

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

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

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

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

(g) oil and natural gas production taxes;

(h) anticipated local government severance tax payments for calendar year 1995 production as provided in 15-36-325; and

(i) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504~~(2)~~, 61-3-521, 61-3-527, 61-3-537, [section 33], and 67-3-204."

Section 11. Section 20-9-333, MCA, is amended to read:

"20-9-333. **Basic special levy and other revenue for county equalization of high school district BASE funding program.** (1) The county commissioners of each county shall levy an annual basic special tax for high schools of 22 mills on the dollar of the taxable value of all taxable property within the county, except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504~~(2)~~, 61-3-521, 61-3-527, 61-3-537, [section 33], and 67-3-204, for the purposes of local and state BASE funding program support. The revenue collected from this levy must be apportioned to the support of the BASE funding programs of high school districts in the county and to the state general fund in the following manner:

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

(b) If the basic levy and other revenue prescribed by this section produce more revenue than is required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds to the state treasurer for deposit to the state

general fund immediately upon occurrence of a surplus balance and each subsequent month thereafter, with any final remittance due no later than June 20 of the fiscal year for which the levy has been set.

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

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

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

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

(d) oil and natural gas production taxes;

(e) anticipated local government severance tax payments for calendar year 1995 production as provided in 15-36-325; and

(f) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504~~(2)~~, 61-3-521, 61-3-527, 61-3-537, [section 33], and 67-3-204."

Section 12. Section 20-9-360, MCA, is amended to read:

"20-9-360. **State equalization aid levy.** (1) There is a levy of 40 mills imposed by the county commissioners of each county on all taxable property within the state, except property for which a tax or fee is required under 23-2-517, 23-2-803, 61-3-504~~(2)~~, 61-3-521, 61-3-527, 61-3-537, [section 33], and 67-3-204. Except as provided in subsection (2), proceeds of the levy must be remitted to the state treasurer and must be deposited to the credit of the state general fund for state equalization aid to the public schools of Montana.

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

equal installments on December 31 and June 30 of the fiscal year."

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

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

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

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

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

(i) any anticipated money that may be realized in the retirement fund during the ensuing school fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504~~(2)~~, 61-3-521, 61-3-527, 61-3-537, [section 33], and 67-3-204;

(ii) oil and natural gas production taxes;

(iii) anticipated local government severance tax payments for calendar year 1995 production as provided in 15-36-325;

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

(v) any fund balance available for reappropriation as determined by subtracting the amount of the end-of-the-year fund balance earmarked as the retirement fund operating reserve for the ensuing school fiscal year by the trustees from the end-of-the-year fund balance in the retirement fund. The retirement fund operating reserve may not be more than 35% of the final retirement fund budget for the ensuing school fiscal year

and must be used for the purpose of paying retirement fund warrants issued by the district under the final retirement fund budget.

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

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

(4) The county superintendent shall:

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

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

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

(6) The net retirement fund levy requirement for a joint elementary district or a joint high school district must be prorated to each county in which a part of the district is located in the same proportion as the district ANB of the joint district is distributed by pupil residence in each county. The county superintendents of the counties affected shall jointly determine the net retirement fund levy requirement for each county as provided in 20-9-151.

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

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

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

(b) the taxable valuation of the district divided by

1,000."

Section 14. Section 20-10-144, MCA, is amended to read:

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

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

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

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

(c) any estimated costs for supervised home study or supervised correspondence study for the ensuing school fiscal year; plus

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

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

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

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

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

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

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

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

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

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

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

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

(e) anticipated or reappropriated revenue from property taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, [section 33], and 67-3-204;

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

(g) anticipated oil and natural gas production taxes;

(h) anticipated local government severance tax payments for calendar year 1995 production;

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

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

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

(4) The district levy requirement for each district's

transportation fund must be computed by:

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

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

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

Section 15. Section 20-10-146, MCA, is amended to read:

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

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

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

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

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

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

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

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

61-3-527, 61-3-537, [section 33], and 67-3-204;

- (ii) oil and natural gas production taxes;
- (iii) anticipated local government severance tax payments for calendar year 1995 production;
- (iv) coal gross proceeds taxes under 15-23-703;
- (v) any fund balance available for reappropriation from the end-of-the-year fund balance in the county transportation fund;
- (vi) federal forest reserve funds allocated under the provisions of 17-3-213; and
- (vii) other revenue anticipated that may be realized in the county transportation fund during the ensuing school fiscal year; and

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

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

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

NEW SECTION. **Section 16. Light vehicle.** "Light vehicle" means a motor vehicle commonly referred to as an automobile, van, sport utility vehicle, or truck having a manufacturer's rated capacity of 1 ton or less.

NEW SECTION. **Section 17. Sport utility vehicle.** "Sport utility vehicle" means a light vehicle designed to transport 10 or fewer persons that is constructed on a truck chassis or that has special features for occasional off-road use. The term does not include trucks having a manufacturer's rated capacity of 1 ton or less.

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

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

(2) The record must show the following:

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

(b) name and address of conditional sales vendor,

mortgagee, or other lienholder and amount due under contract or lien;

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

(3) The department shall file applications for registration received by it from ~~the county treasurers of the state~~ and register the vehicles and the vehicle owners as follows:

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

(4) The department shall determine the amount of motor vehicle taxes and fees to be collected at the time of registration for each light vehicle subject to tax under 61-3-503 and for each bus, truck having a manufacturer's rated capacity of more than 1 ton, and truck tractor subject to a fee in lieu of tax under [sections 32 and 33]. The county treasurer shall collect the taxes and fees on each motor vehicle at the time of its registration.

(5) Vehicle registration records and indexes and driver's license records and indexes may be maintained by electronic recording and storage media.

~~(5)~~ (6) In the case of dealers, the records must show the information contained in the application for a dealer's license as required by 61-4-101 through 61-4-105, as well as the distinctive license number assigned to the dealer.

~~(6)~~ (7) In order to prevent an accumulation of unneeded records and files, regardless of any other statutory requirements, the department may destroy all records and files that relate to vehicles that have not been registered within the preceding 4 years and that do not have an active lien.

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

information from the records upon payment by the applicant of the cost of the information requested. Prior to providing the information, the department may require the applicant to provide identification. However, the department may, by rule, reasonably restrict disclosure of information on an owner or the owner's vehicle if the owner has requested in writing that the department not disclose the information."

Section 19. Section 61-3-208, MCA, is amended to read:

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

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

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

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

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

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

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

(a) in an amount equal to the average trade-in or wholesale value of the ~~motor~~ vehicle as determined under the provisions of 61-3-503(1)(e) by the applicable national appraisal guide for the vehicle as of January 1 for the year in which the application for certificate of title is made. When a national appraisal guide is not available for a vehicle, the department shall determine an alternative value for the vehicle.

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

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

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

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

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

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

Section 20. Section 61-3-303, MCA, is amended to read:

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

(a) the name and address of the owner, giving the county, school district, and town or city within whose corporate limits the motor vehicle is taxable, if taxable, or within whose corporate limits the owner's residence is located if the motor vehicle is not taxable;

(b) the name and address of the holder of any security interest in the motor vehicle;

(c) a description of the motor vehicle, including make, year model, engine or serial number, manufacturer's model or letter, gross weight, declared weight on all trucks for which the manufacturer's rated capacity is 1 ton or less, and type of body and, if a truck, the manufacturer's rated capacity;

(d) the declared weight on all trailers operating intrastate, except travel trailers or trailers and semitrailers registered as provided in 61-3-711 through 61-3-733; and

(e) other information that the department may require.

(2) A person who files an application for registration or reregistration of a motor vehicle, except of a mobile home as defined in 15-1-101(1), shall upon the filing of the application pay to the county treasurer:

(a) the registration fee, as provided in 61-3-311 and

61-3-321 or 61-3-456; and

(b) except as provided in 61-3-456 or unless it has been previously paid:

(i) the ~~personal property~~ motor vehicle taxes or fees in lieu of tax assessed or imposed against the vehicle for the current year of registration and the immediately previous year; or

(ii) the new motor vehicle sales tax against the vehicle for the current year of registration.

(3) The application may not be accepted by the county treasurer unless the payments required by subsection (2) accompany the application. The department ~~of revenue~~ may not assess or impose and the county treasurer may not collect taxes or fees for a period other than:

(a) the current year; and

(b) the immediately previous year if the vehicle was not registered or operated on the highways of the state, regardless of the period of time since the vehicle was previously registered or operated.

(4) The department ~~of revenue~~ may make full and complete investigation of the tax status of the vehicle. An applicant for registration or reregistration shall submit proof from the tax or other appropriate records of the proper county at the request of the department ~~of revenue~~."

Section 21. Section 61-3-456, MCA, is amended to read:

"61-3-456. Registration of motor vehicle owned and operated by Montana resident on active military duty stationed outside Montana. (1) An owner of a motor vehicle who is a Montana resident on active military duty and stationed outside Montana may file with the department an application for the registration of the motor vehicle. The application must be sworn to before an officer authorized to administer oaths. The application must state:

(a) the name and address of the owner;

(b) the make, the gross weight, the year and number of the model, and the manufacturer's identification number and serial number of the motor vehicle; and

(c) that the vehicle is owned and operated by a Montana resident who is on active military duty and stationed outside Montana.

(2) The registration fee for a motor vehicle registered under subsection (1) is as provided in 61-3-311 and 61-3-321.

(3) A vehicle registered under this section is not subject to:

(a) the taxes described in 61-3-303(2)(b);

(b) assessment under 15-8-202 or 61-3-503 or the fee in lieu of tax under [section 33]; or

(c) any of the fees provided in part 5 of this chapter."

Section 22. Section 61-3-501, MCA, is amended to read:

"61-3-501. When vehicle taxes and fees are due. (1)

~~Property~~ Motor vehicle taxes, fees in lieu of tax, new car taxes, and fees must be paid on the date of registration or reregistration of the vehicle.

(2) If the anniversary date for reregistration of a vehicle passes while the vehicle is owned and held for sale by a licensed new or used car dealer, ~~property motor vehicle~~ taxes or fees in lieu of tax abate on ~~such the~~ vehicle properly reported with the ~~department of revenue county treasurer~~ until the vehicle is sold ~~and thereafter~~. After the sale, the purchaser shall pay the pro rata balance of the taxes or fees in lieu of tax due and owing on the vehicle.

(3) In the event that a vehicle's registration period is changed under 61-3-315, all taxes or fees in lieu of tax and other fees due ~~thereon shall~~ must be prorated and paid from the last day of the old period until the first day of the new period in which the vehicle ~~shall be~~ is registered. ~~Thereafter~~ The taxes or fees in lieu of tax and other fees must be paid from the first day of the new period for a minimum period of 1 year. When the change is to a later registration period, taxes and fees ~~shall~~ must be prorated and paid based on the same tax year as the original registration period. Thereafter, during the appropriate anniversary registration period, each vehicle ~~shall~~ must again ~~register or reregister~~ be registered or reregistered and ~~shall~~ must pay all taxes and fees ~~due thereon~~ must be paid for a 12-month period."

Section 23. Section 61-3-503, MCA, is amended to read:

"61-3-503. Assessment. (1) Except as provided in 61-3-520 and subsection ~~(2)~~ (4) of this section, the following apply to the taxation of motor vehicles:

~~(a) Except as provided in subsections (1)(c) through (1)(e), a person who files an application for registration or reregistration of a motor vehicle shall before filing the application with the county treasurer submit the application to the department of revenue. The department of revenue shall enter on the application in a space to be provided for that purpose the market value and taxable value of the vehicle as of January 1 of the year for which the application for registration is made.~~

~~(b) Except as provided in subsection (1)(e), motor vehicles are assessed for taxes on January 1 in each year irrespective of the time fixed by law for the assessment of other classes of personal property and irrespective of whether the levy and tax may be a lien upon real property within the state. A motor vehicle is not subject to assessment, levy, and taxation more than once in each year.~~

~~(c)~~ (a) Vehicles subject to the provisions of 61-3-313 through 61-3-316 must be assessed as of the first day of the

registration period, using the average trade-in or wholesale value as of January 1 of the year of assessment of the vehicle as contained in the most recent volume of the Mountain States Edition of the National Automobile Dealers Association (N.A.D.A.) Official Used Car Guide, the National Edition of N.A.D.A. Appraisal Guides Official Older Used Car Guide, or another nationally published used vehicle or appraisal guide approved by the department of revenue or, for a vehicle that was never listed in any edition of the preceding guides, the retail value of the vehicle as determined by the department of revenue, and depreciated 10% a year until a value of \$500 is reached, not including additions or deductions for options and mileage but including additions or deductions, whether or not one of the preceding guides is used, for diesel engines, and a depreciated value of the manufacturer's suggested retail price as determined in subsection (2).

(b) A lien for taxes and fees due on the vehicle occurs on the anniversary date of the registration and continues until the fees and taxes have been paid. If the depreciated value shown in any of the appraisal guides listed in this section is less than \$500, the department shall value the vehicle at \$500.

(d) ~~Quadricycles must be assessed, using the greater of the following:~~

~~(i) \$250, or~~

~~(ii) the average trade-in or wholesale value as of January 1 of the year of assessment of the vehicle as contained in the most recent volume of the applicable National Edition of the N.A.D.A. Motorcycle/Moped/ATV Appraisal Guide or N.A.D.A. Recreational Vehicle Appraisal Guide or another nationally published used vehicle or appraisal guide approved by the department of revenue, not including additions or deductions for options and mileage.~~

(c) ~~If a vehicle assessed under subsection (1)(c) or (1)(d) is not originally listed in the applicable N.A.D.A. guide or other approved guide, the department of revenue shall depreciate the original f.o.b. factory list price, f.o.b. port of entry list price, or the manufacturer's suggested list price, using the following methods:~~

~~(i) if the new car sales tax has been previously paid and the vehicle is less than 1 year in age, the depreciation percentage is 20%; or~~

~~(ii) if the vehicle is 1 year or older in age and it is not listed in any of the appraisal guides listed in this section, the department of revenue shall determine the depreciation percentage to approximate the average wholesale or trade-in values in the current N.A.D.A. guides or other approved guides referred to in this subsection (1). For purposes of this subsection (1), the age of the vehicle is determined by subtracting the manufacturer's model year of the vehicle from the calendar year of assessment.~~

~~(f) When a minimum value of \$500 is reached, the value must~~

~~remain at that minimum as long as the vehicle is registered.~~

~~(g) If a previously registered vehicle is no longer listed in the applicable N.A.D.A. guide or other approved guide, the department of revenue shall depreciate the value of the vehicle at the rate of 10% a year until a minimum amount of \$500 is attained, and the value must remain at that amount as long as the vehicle is registered.~~

(2) (a) Except as provided in subsections (2)(c) and (2)(d), the depreciated value for the taxation of light vehicles is computed by multiplying the manufacturer's suggested retail price by a percentage multiplier based on the type and age of the vehicle determined from the following table:

<u>Age of Vehicle</u> <u>(in years)</u>	<u>Automobile</u>	<u>Truck</u>	<u>Van</u>	<u>Sport Utility</u>
<u>-1</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
<u>0</u>	<u>90</u>	<u>96</u>	<u>93</u>	<u>98</u>
<u>1</u>	<u>80</u>	<u>91</u>	<u>86</u>	<u>94</u>
<u>2</u>	<u>69</u>	<u>86</u>	<u>78</u>	<u>90</u>
<u>3</u>	<u>58</u>	<u>80</u>	<u>69</u>	<u>84</u>
<u>4</u>	<u>49</u>	<u>73</u>	<u>60</u>	<u>76</u>
<u>5</u>	<u>41</u>	<u>66</u>	<u>52</u>	<u>67</u>
<u>6</u>	<u>33</u>	<u>57</u>	<u>45</u>	<u>57</u>
<u>7</u>	<u>26</u>	<u>49</u>	<u>38</u>	<u>48</u>
<u>8</u>	<u>21</u>	<u>43</u>	<u>32</u>	<u>39</u>
<u>9</u>	<u>17</u>	<u>37</u>	<u>27</u>	<u>33</u>
<u>10</u>	<u>14</u>	<u>31</u>	<u>22</u>	<u>29</u>
<u>11</u>	<u>12</u>	<u>26</u>	<u>18</u>	<u>25</u>
<u>12</u>	<u>10</u>	<u>22</u>	<u>15</u>	<u>22</u>
<u>13</u>	<u>09</u>	<u>18</u>	<u>13</u>	<u>21</u>
<u>14</u>	<u>09</u>	<u>15</u>	<u>11</u>	<u>19</u>
<u>15</u>	<u>09</u>	<u>13</u>	<u>09</u>	<u>17</u>
<u>16</u>	<u>09</u>	<u>12</u>	<u>09</u>	<u>15</u>

(b) The age for the light vehicle is determined by subtracting the manufacturer's model year of the vehicle from the calendar year for which the tax is due.

(c) If the value of the vehicle determined under subsection (2)(a) is \$500 or less, the value of the vehicle is \$500 and the value must remain at that amount as long as the vehicle is registered.

(d) The depreciated value of a light vehicle that is 17 years old or older is computed by depreciating the value obtained for the vehicle at 16 years old as determined under subsection (2)(a) by 10% a year until a minimum value of \$500 is attained. The value must remain at that amount as long as the vehicle is registered.

(3) (a) For the purposes of this section, "manufacturer's suggested retail price" means the price suggested by the manufacturer for each given type, style, or model of light vehicle produced and first made available for retail sale by the

manufacturer.

(b) The manufacturer's suggested retail price is based on standard equipment of a vehicle and does not contain price additions or deductions for optional accessories.

(c) When a manufacturer's suggested retail price is unavailable for a motor vehicle, the department shall determine an alternative valuation for the vehicle.

~~(2)(4)~~ The provisions of subsections (1)(a) (1) through (1)(g) (3) do not apply to buses, trucks having a manufacturer's rated capacity of more than 1 ton, truck tractors, motorcycles, motor homes, quadricycles, travel trailers, campers, or mobile homes as defined in 15-1-101(1)."

Section 24. Section 61-3-504, MCA, is amended to read:

"61-3-504. Computation of tax. (1) ~~The amount of taxes on a motor light vehicle, other than an automobile, truck having a rated capacity of 1 ton or less, motorcycle, quadricycle, motor home, travel trailer, camper, or mobile home, is computed and determined by the county treasurer on the basis of the levy of the year preceding the current year of application for registration or reregistration.~~

~~(2) The amount of tax on an automobile or truck having a rated capacity of 1 ton or less, except for vehicles registered under 61-3-456 or owned by disabled veterans qualifying for special license plates under 61-3-332(10)(c)(i)(A) or 61-3-426(2), and on a quadricycle is 2% of the value determined under 61-3-503.~~

~~(3)(2) The amount of tax on fleet vehicles subject to the provisions of 61-3-318 is 1% of the value determined under 61-3-503.~~

~~(4) For all taxable motor vehicles, the amount of tax is entered on the application form in a space provided for that purpose."~~

Section 25. Section 61-3-506, MCA, is amended to read:

"61-3-506. Rules. (1) The department of revenue shall adopt rules for the payment of property taxes and the department of transportation shall adopt rules for the payment of new car taxes under the provisions of 61-3-313 through 61-3-316, 61-3-501, and 61-3-520. The department of revenue may adopt rules for the proration of taxes for the implementation and administration of 61-3-313 through 61-3-316, 61-3-501, and 61-3-520, but shall specifically provide that new car taxes shall be for a 12 month period

(2) The department of justice may adopt rules:

(a) for the assessment and collection of taxes and fees on light vehicles, including the proration of taxes under 61-3-520; and

(b) for the imposition and collection of fees in lieu of

tax, including the proration of fees in lieu of tax under 61-3-520, on buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors, including criteria for determining the vehicle's age and manufacturer's rated capacity."

Section 26. Section 61-3-507, MCA, is amended to read:

"61-3-507. Exemption. ~~(1) A motor vehicle subject to anniversary date registration as provided in 61-3-313 through 61-3-316 is exempt from the provisions of 61-3-503(1)(b).~~

~~(2)~~ A vehicle that is exempt from taxation under 15-6-215 or subject to the provisions of 61-3-520 is exempt from all other taxes and fees generally imposed on a vehicle by this part."

Section 27. Section 61-3-509, MCA, is amended to read:

"61-3-509. Disposition of taxes. (1) Except as provided in subsection (2), the county treasurer shall, after deducting the district court fee, credit all taxes on motor vehicles and fees in lieu of tax on motorcycles, quadricycles, motor homes, travel trailers, and campers, buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors collected under 61-3-504, 61-3-521, 61-3-527, and 61-3-537, and [section 33] to a motor vehicle suspense fund, ~~and at~~. At some time between March 1 and March 10 of each year and every 60 days after that date, the county treasurer shall distribute the money in the motor vehicle suspense fund in the relative proportions required by the levies for state, county, school district, and municipal purposes in the same manner as personal property taxes are distributed.

(2) The county treasurer shall deduct as a district court fee 7% of the amount of the 2% tax collected on ~~an automobile or truck having a rated capacity of 1 ton or less~~ light vehicles. The county treasurer shall credit the fee for district courts to a separate suspense account and shall forward the amount in the account to the state treasurer at the time that the county treasurer distributes money from the motor vehicle suspense fund. The state treasurer shall credit amounts received under this subsection to the general fund to be used for purposes of state funding of ~~the~~ district court expenses as provided in 3-5-901."

Section 28. Section 61-3-520, MCA, is amended to read:

"61-3-520. Taxation of Taxes and fees on vehicles used exclusively in filming motion pictures or television commercials.
(1) A vehicle used exclusively in the filming of motion pictures or television commercials that has been in the state for a period exceeding 180 consecutive days in a calendar year ~~must be assessed~~ is subject to assessment or a fee in lieu of tax as if the vehicle were not used exclusively for filming motion pictures or television commercials, but the assessment or fee in lieu of tax must be prorated as provided in subsection (2).

(2) The taxes assessed or the fees in lieu of tax imposed under subsection (1) must be prorated by dividing the number of days in excess of 180 consecutive days in the calendar year by 365.

(3) (a) Taxes on a vehicle imposed pursuant to this section must be collected as provided in Title 15, chapter 16, part 1, for the collection of personal property taxes generally.

(b) Fees on a vehicle imposed pursuant to this section must be collected as provided in this chapter."

Section 29. Section 61-3-527, MCA, is amended to read:

"61-3-527. Fee in lieu of tax for motorcycles and quadricycles -- schedule of fees. (1) (a) There is a fee in lieu of property tax imposed on motorcycles and quadricycles. The fee is in addition to annual registration fees.

(b) The fee imposed by subsection (1)(a) need is not required to be paid by a dealer for motorcycles or quadricycles that constitute inventory of the dealership.

(2) The owner of a motorcycle or quadricycle shall pay a fee based on the age of the motorcycle or quadricycle and the size of the engine, as follows:

(a) The fee schedule for a motorcycle or quadricycle with an engine that measures from 1 cubic centimeter to 600 cubic centimeters is as follows:

- (i) less than 2 years old, \$30;
- (ii) 2 years old and less than 5 years old, \$25;
- (iii) 5 years old and less than 11 years old, \$15; and
- (iv) 11 years old and older, \$10.

(b) The fee schedule for a motorcycle or quadricycle with an engine that measures from 601 cubic centimeters to 1,000 cubic centimeters is as follows:

- (i) less than 2 years old, \$70;
- (ii) 2 years old and less than 5 years old, \$55;
- (iii) 5 years old and less than 11 years old, \$40; and
- (iv) 11 years old and older, \$30.

(c) The fee schedule for a motorcycle or quadricycle with an engine that measures 1,001 cubic centimeters and larger is as follows:

- (i) less than 2 years old, \$110;
- (ii) 2 years old and less than 5 years old, \$90;
- (iii) 5 years old and less than 11 years old, \$65; and
- (iv) 11 years old and older, \$40.

(d) The age of a motorcycle or quadricycle is determined by subtracting the manufacturer's designated model year from the current calendar year."

Section 30. Section 61-3-535, MCA, is amended to read:

"61-3-535. Vehicle reregistration by mail -- ~~renewal cards reminder notice~~ and reregistration notice by mail. (1) ~~Except as~~

~~provided in subsection (2), an owner of the following types of motor vehicles may reregister by mail:~~

~~(a) light vehicles, quadricycles, and other vehicles subject to tax under 61-3-504(2); and~~

~~(b) motorcycles, travel trailers, campers, and motor homes subject to a fee in lieu of tax under 61-3-521 and 61-3-527.~~

~~(2) The option to reregister by mail need only be made available for vehicles, motor homes, and travel trailers registered at the close of the expiring registration period in the name of the applicant for reregistration and only if The department may allow the owner of a motor vehicle to renew the registration of a vehicle by mail when the value, age, length, weight, or other criteria used to determine the tax or fee for a particular type of vehicle is available to the department by electronic means.~~

~~(3)(2) The department shall develop a procedure to facilitate the reregistration by mail of the vehicles listed in subsection (1). The Any mail reregistration procedure developed by the department must include a procedure to facilitate automated handling of mail reregistration or recertification-~~

~~(4) The procedure implemented by the department to permit reregistration or camper decal application by mail must and must provide for a written reminder notice by mail to a vehicle owner of the requirement to reregister the owner's vehicle with the county treasurer or to apply for the annual camper decal.~~

~~(5)(3) The department shall adopt rules to implement the mail reregistration and decal application procedure."~~

Section 31. Section 61-3-537, MCA, is amended to read:

"61-3-537. (Temporary) Local option vehicle tax. (1) A county may impose a local vehicle tax on vehicles subject to a ~~property~~ tax under 61-3-504(2) at a rate of up to 0.5% of the value determined under 61-3-503, in addition to the tax imposed under 61-3-504(2).

(2) A local vehicle tax is payable at the same time and in the same manner as the tax imposed under 61-3-504(2). The first priority of the local vehicle tax is for district court funding, and the tax is distributed as follows:

(a) 50% to the county; and

(b) the remaining 50% to the county and the incorporated cities and towns within the county, apportioned on the basis of population. The distribution to a city or town is determined by multiplying the amount of money available by the ratio of the population of the city or town to the total county population. The distribution to the county is determined by multiplying the amount of money available by the ratio of the population of unincorporated areas within the county to the total county population.

(3) The governing body of a county may impose, revise, or

revoke a local vehicle tax by adopting a resolution before July 1, after conducting a public hearing on the proposed resolution. The resolution may provide for the distribution of the local vehicle tax. (Terminates June 30, 2005--sec. 2, 3, Ch. 217, L. 1995.)

61-3-537. (Effective July 1, 2005) Local option vehicle tax. (1) A county may impose a local vehicle tax on vehicles subject to a ~~property~~ tax under 61-3-504~~(2)~~ at a rate of up to 0.5% of the value determined under 61-3-503, in addition to the tax imposed under 61-3-504~~(2)~~.

(2) A local vehicle tax is payable at the same time and in the same manner as the tax imposed under 61-3-504~~(2)~~ and is distributed in the same manner, based on the registration address of the owner of the motor vehicle.

(3) The governing body of a county may impose, revise, or revoke a local vehicle tax by adopting a resolution before July 1, after conducting a public hearing on the proposed resolution."

NEW SECTION. Section 32. Definitions. As used in [section 33] and this section, unless the context requires otherwise, the following definitions apply:

(1) "Bus" has the same meaning as provided in 61-1-115.

(2) "Manufacturer's rated gross combined weight" means the manufacturer's published weight of the allowable load for a truck tractor and trailer combined and includes the weight of the truck tractor and the trailer.

(3) "Manufacturer's rated gross vehicle weight" means the manufacturer's published weight of the allowable load for a truck and includes the weight of the truck.

(4) "Truck" means a motor vehicle designed to carry an entire load. The truck may consist of a chassis and body or a chassis-cab and body or it may be of unitized construction so that the body and cab appear to be a single unit.

(5) "Truck tractor" has the same meaning as provided in 61-1-108.

NEW SECTION. Section 33. Schedule of fees for buses, motor vehicles having rated capacity of more than 1 ton, and truck tractors -- proration -- exemption. (1) (a) There is a fee in lieu of property tax imposed on buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors. The fee is in addition to annual registration fees.

(b) The fee imposed by subsection (1)(a) is not required to be paid by a dealer of buses, trucks, or truck tractors that constitute inventory of the dealership.

(2) Subject to the conditions of subsection (4), the owner of a bus, truck with a manufacturer's rated capacity of more than 1 ton, or truck tractor shall pay a fee in lieu of tax based on the age and manufacturer's rated capacity of the vehicle

according to the following schedule:

Age of Vehicle (in years)	Rated Capacity (in pounds)			
	16,999 or less	17,000-26,999	27,000-54,999	55,000 or more
1 or less	\$234	\$334	\$568	\$750
2	218	300	500	600
3	200	268	440	532
4	184	234	368	484
5	166	218	320	390
6	150	200	268	334
7	132	182	234	294
8	116	166	200	250
9	100	150	184	218
10	82	116	158	184
11-12	66	100	134	152
13-14	56	74	104	122
15-16	50	60	76	94
17-18	36	52	58	72
19-20	26	38	44	52
21 or more	20	24	32	40

(3) The age of the vehicle is determined by subtracting the manufacturer's model year of the vehicle from the calendar year for which the fee in lieu of tax is due.

(4) (a) The manufacturer's rated capacity for a bus or truck with a manufacturer's rated capacity of more than 1 ton is the manufacturer's rated gross vehicle weight.

(b) The manufacturer's rated capacity for a truck tractor is the manufacturer's rated gross combined weight.

(5) A motor vehicle brought into the state or otherwise used for the exclusive purpose of filming motion pictures or television commercials is exempt from the fee in lieu of tax if the vehicle does not remain in the state for a period in excess of 180 consecutive days in a calendar year.

~~(5)(6)~~ The Except as provided in 61-3-520, the fee in lieu of tax on a vehicle subject to this section that is brought or driven into this state by a nonresident person for hire, compensation, or profit must be prorated according to the ratio that the remaining number of months in the year bears to the total number of months in the year.

~~(6)(7)~~ (a) The fee in lieu of tax on a vehicle subject to this section that is registered in the state for the first time must be prorated as provided in subsection ~~(5)~~ (6).

(b) The fee in lieu of tax on a vehicle subject to this section that is reregistered in the state is for a full year.

~~(7)(8)~~ The fee in lieu of tax may not be refunded.

NEW SECTION. Section 34. Assessment of proportionally registered interstate motor vehicle fleets -- payment of tax or fee in lieu of tax required for registration. (1) (a) Except as

provided in subsection (2), the department of transportation shall determine the fee for the purpose of imposing the fee in lieu of tax as provided in [sections 32 and 33] on buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors, in interstate motor vehicle fleets that are proportionally registered under the provisions of 61-3-711 through 61-3-733. The fee must be apportioned on the ratio of total miles traveled to in-state miles traveled as prescribed by 61-3-721. The fee in lieu of tax on interstate motor vehicle fleets is imposed upon application for proportional registration and must be paid by the persons who own or claim the fleet or in whose possession or control the fleet is at the time of the application.

(b) With respect to an original application for a fleet that has a situs in Montana for the purpose of the fee in lieu of tax under this part or any other provision of the laws of Montana, the fee in lieu of tax on fleet vehicles must be prorated according to the ratio that the remaining number of months in the year bears to the total number of months in the year.

(2) For the purpose of taxation, the department of transportation shall assess light vehicles, as defined in [section 16], that are part of an interstate motor vehicle fleet as follows:

(a) The value of each vehicle is determined in the same manner as provided in 61-3-503.

(b) The value determined under subsection (2)(a) multiplied by the percent of miles traveled in Montana, as prescribed by 61-3-721, is the market value.

(c) The sum of the market value of all vehicles subject to tax under this subsection (2) multiplied by 2% is the tax for the entire fleet.

(d) With respect to an original application for a fleet that has a situs in Montana for the purpose of taxation under this part or any other provision of the laws of Montana, the taxes on taxable vehicles are determined as provided in subsection (2)(b).

(e) Vehicles taxed as part of a fleet under this subsection (2) are not subject to the local option tax imposed under 61-3-537.

(3) With respect to a renewal application for a fleet, taxable vehicles are assessed and taxed for a full year and for all other vehicles the fee in lieu of tax is imposed for a full year.

(4) Vehicles contained in a fleet for which current taxes or fees, or both, have been assessed and paid may not be assessed or charged fees under this section upon presentation to the department of proof of payment of taxes, fees, or both for the current registration year. The payment of fleet vehicle taxes,

fees in lieu of tax, and license fees is a condition precedent to proportional registration or reregistration of an interstate motor vehicle fleet.

(5) All taxes and fees collected on motor vehicle fleets under this chapter must be deposited and distributed as provided in [section 36].

NEW SECTION. **Section 35. Situs in state of proportionally registered fleets -- collection of taxes and fees.** (1) For the purposes of this part, any vehicle previously registered or that has had application for registration made under the provisions of 61-3-711 through 61-3-733 has a situs in Montana for the purposes of taxation or the fee in lieu of tax.

(2) The department of transportation shall collect the fleet vehicle taxes, the fees in lieu of tax, and license fees prescribed in this part.

NEW SECTION. **Section 36. Deposit and distribution of taxes and fees on proportionally registered fleets.** The taxes, fees in lieu of tax, and license fees collected under this part must be deposited with the state treasurer for distribution to the general fund of each county on the following basis:

(1) for fleet vehicle taxes and fees in lieu of tax, according to the ratio of the taxable valuation of each county to the total state taxable valuation; and

(2) for fleet vehicle license fees, according to the ratio of vehicle license fees, other than fees derived from interstate motor vehicle fleets, collected in each county to the sum of all fleet vehicle fees collected in all the counties.

Section 37. Section 61-3-701, MCA, is amended to read:

"61-3-701. Foreign vehicles used in gainful occupation to be registered -- reciprocity. (1) Before ~~any a~~ foreign licensed motor vehicle may be operated on the highways of this state for hire, compensation, or profit or before the owner ~~and/or~~ or user ~~thereof of the vehicle~~ uses the vehicle if ~~such the~~ the owner ~~and/or~~ or user is engaged in gainful occupation or business enterprise in the state, including highway work, the owner of the vehicle shall ~~make application~~ apply to a county treasurer for registration upon an application form furnished by the department. Upon satisfactory evidence of ownership submitted to the county treasurer and the payment of ~~property motor vehicle~~ taxes or fees in lieu of taxes, if appropriate, as required by 15-8-201, 15-8-202, 15-24-301, 61-3-504, ~~or~~ 61-3-537, or [section 33], the treasurer shall accept the application for registration and shall collect the regular license fee required for the vehicle.

(2) ~~The~~ Upon payment of the fees or taxes, the treasurer shall ~~thereupon~~ issue to the applicant a copy of the certificate

entitled "Owner's Certificate of Registration and Payment Receipt" and forward a duplicate copy of the certificate to the department. The treasurer shall at the same time issue to the applicant the proper license plates or other identification markers, which ~~shall~~ must at all times be displayed upon the vehicle when operated or driven upon roads and highways of this state during the effective period ~~of the life~~ of the license.

(3) The registration receipt ~~shall~~ does not constitute evidence of ownership but ~~shall~~ must be used only for registration purposes. ~~No~~ A Montana certificate of ownership ~~shall~~ may not be issued for this type of registration.

(4) This section is not applicable to ~~any~~ a vehicle covered by a valid and existing reciprocal agreement or declaration entered into under the provisions of the laws of Montana."

Section 38. Section 61-12-402, MCA, is amended to read:

"61-12-402. Notice to owner. (1) Within 72 hours after ~~any~~ a vehicle is removed and held by or at the direction of the Montana highway patrol, the highway patrol shall notify the sheriff of the county in which the vehicle was located at the time it was taken into custody ~~and~~ of the place where the vehicle is being held. In addition, the Montana highway patrol shall furnish the sheriff:

(a) a complete description of the vehicle, including year, make, model, serial number, and license number if available;

(b) any costs incurred to that date in the removal, storage, and custody of the vehicle; and

(c) any available information concerning its ownership.

(2) The sheriff or the city police shall make reasonable efforts to ascertain the name and address of the owner, lienholder, or person entitled to possession of the vehicle taken into custody under 61-12-401. If a name and address are ascertained, the sheriff or the city police shall notify the owner, ~~and~~ and lienholder, or person of the location of the vehicle.

(3) If the vehicle is registered in the office of the department, notice is considered to have been given when a ~~registered or~~ certified letter addressed to the registered owner of the vehicle and lienholder, if any, at the latest address shown by the records in the office of the department, return receipt requested and postage prepaid, is mailed at least 30 days before the vehicle is sold.

(4) If the identity of the last-registered owner cannot be determined, if the registration does not contain an address for the owner, or if it is impossible to determine with reasonable certainty the identity and addresses of all lienholders, notice by one publication in one newspaper of general circulation in the county where the motor vehicle was abandoned is sufficient to meet all requirements of notice pursuant to this part. The notice by publication ~~can~~ may contain multiple listings of abandoned

vehicles. The notice must be provided in the same manner as prescribed in 25-13-701(1)(b).

(5) If the abandoned vehicle is in the possession of a motor vehicle wrecking facility licensed under 75-10-511, the wrecking facility may make the required search to ascertain the name and address of the owner, lienholder, or person entitled to possession of the vehicle and shall give the notices required in subsections (2) through (4). The wrecking facility shall deliver to the sheriff or the city police a certificate describing the efforts made to ascertain the name and address of the owner, lienholder, or person entitled to possession of the vehicle and shall deliver to the sheriff or the city police proof of the notice given.

(6) A vehicle found by law enforcement officials to be a "junk vehicle", as defined by 75-10-501, and ~~certified as having an appraised~~ that has a value of \$500 or less, as determined by the department of revenue, may be directly submitted for disposal in accordance with the provisions of ~~part 5 of chapter 10,~~ Title 75, chapter 10, part 5, upon a release given by the sheriff or the city police. In the release, the sheriff or the city police shall include a description of the vehicle, including year, make, model, serial number, and license number if available. A release provided by the sheriff or the city police under this section must be transmitted to the motor vehicle wrecking facility and must be considered by that facility to meet the requirements for records under 75-10-512 and 75-10-513. Vehicles described in this section may be submitted for disposal without notice and without a required holding period."

NEW SECTION. Section 39. Legislative audit committee analysis. (1) The legislative audit committee shall conduct or have conducted an analysis of alternative methods of classification, valuation, and taxation of automobiles and trucks having a manufacturer's rated capacity of 1 ton or less. The analysis must include:

- (a) alternative methods of valuation and taxation;
- (b) imposition of a flat tax or fees in lieu of taxes;
- (c) multiyear licensing;
- (d) cost-effectiveness and public convenience of alternative methods of classifying motor vehicles and of collecting motor vehicle taxes or fees;
- (e) anticipated costs and revenue of alternative systems compared with the present system of classifying, valuing, and taxing motor vehicles; and
- (f) alternative methods for formulas based on revenue allocations to counties.

(2) The committee shall report the results of its analysis to the 56th legislature.

NEW SECTION. Section 40. Codification instruction. (1) [Sections 16 and 17] are intended to be codified as an integral part of Title 61, chapter 1, part 1, and the provisions of Title 61, chapter 1, part 1, apply to [sections 16 and 17].

(2) [Sections 32 and 33] are intended to be codified as an integral part of Title 61, chapter 3, part 5, and the provisions of Title 61, chapter 3, part 5, apply to [sections 32 and 33].

(3) [Sections 34 through 36] are intended to be codified as an integral part of Title 61, chapter 3, part 7, and the provisions of Title 61, chapter 3, part 7, apply to [sections 34 through 36].

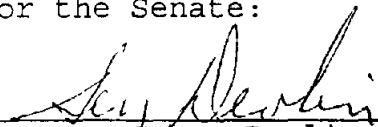
NEW SECTION. Section 41. Repealer. Sections 15-24-101, 15-24-102, 15-24-103, 15-24-104, 15-24-105, and 15-24-2501, MCA, are repealed.

NEW SECTION. Section 42. Effective dates -- applicability -- rulemaking. (1) Except for the purposes of subsection (2), [this act] is effective January 1, 1998, and applies to tax years beginning after December 31, 1997.

(2) For the purposes of promulgating administrative rules under 61-3-506 and conducting the analysis required by [section 39], [sections 25 and 39 and this section] are effective on passage and approval."

And that this FREE Conference Committee report be adopted.

For the Senate:



Senator Gerry Devlin, Chair




Senator Robert DePratu



Senator Mignon Waterman

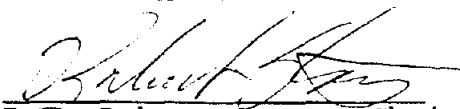


Amd. Coord.



Sec. of Senate

For the House:



Rep. Robert Story, Chair



Rep. "Sam" Rose



Rep. Robert Ream

SENATE BILL NO. 57

INTRODUCED BY WATERMAN, CHRISTIAENS, FOSTER, COLE, GAGE, STANG, HARRINGTON,
TROPILA, REAM, M. HANSON, HIBBARD, ANDERSON
BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE CLASSIFICATION, VALUATION,
AND TAXATION OF ~~CERTAIN~~ MOTOR VEHICLES; ~~TAXING AUTOMOBILES, TRUCKS HAVING A
MANUFACTURER'S RATED CAPACITY OF 1 TON OR LESS, VANS, AND SPORT UTILITY VEHICLES AT
2 PERCENT OF THE DEPRECIATED VALUE OF THE MANUFACTURER'S SUGGESTED RETAIL PRICE;
TAXING AUTOMOBILES, TRUCKS HAVING A MANUFACTURER'S RATED CAPACITY OF 1 TON OR LESS,
VANS, AND SPORT UTILITY VEHICLES AT 2 PERCENT OF THE DEPRECIATED VALUE OF THE
MANUFACTURER'S SUGGESTED RETAIL PRICE;~~ EXEMPTING FROM PROPERTY TAXATION BUSES,
TRUCKS HAVING A MANUFACTURER'S RATED CAPACITY OF MORE THAN 1 TON, TRUCK TRACTORS,
AND PERSONAL PROPERTY ATTACHED TO THESE EXEMPT VEHICLES; IMPOSING A FEE IN LIEU OF
PROPERTY TAXES ON BUSES, TRUCKS HAVING A MANUFACTURER'S RATED CAPACITY OF MORE
THAN 1 TON, AND TRUCK TRACTORS; PROVIDING FOR THE PRORATION OF THE FEE IN LIEU OF TAX;
CLARIFYING THAT SPECIAL MOBILE EQUIPMENT IS SUBJECT TO PROPERTY TAX; REPLACING THE TAX
ON QUADRICYCLES WITH A FEE IN LIEU OF TAX; ~~PROVIDING THAT A COUNTY TREASURER IS AN
AGENT OF THE DEPARTMENT OF REVENUE FOR THE PURPOSES OF ASSESSING CERTAIN MOTOR
VEHICLES UPON APPLICATION FOR REGISTRATION OR REREGISTRATION OF THE VEHICLE;~~ PROVIDING
FOR AN ANALYSIS OF ALTERNATIVE METHODS OF CLASSIFICATION, VALUATION, AND TAXATION OF
AUTOMOBILES AND TRUCKS HAVING A MANUFACTURER'S RATED CAPACITY OF 1 TON OR LESS;
AMENDING SECTIONS 7-1-2111, 15-6-138, 15-6-201, 15-8-111, ~~15-8-201~~, 15-8-201, 15-8-202,
15-16-202, 15-50-207; 20-9-141, 20-9-331, 20-9-333, 20-9-360, 20-9-501, 20-10-144, 20-10-146,
61-3-101, 61-3-208, 61-3-303, 61-3-456, ~~61-3-501~~, 61-3-501, 61-3-503, 61-3-504, 61-3-506, 61-3-507,
61-3-509, 61-3-520, 61-3-527, 61-3-535, 61-3-537, AND 61-3-701, ~~AND 61-12-402~~, AND 61-12-402,
MCA; REPEALING SECTIONS 15-24-101, 15-24-102, 15-24-103, 15-24-104, 15-24-105, AND
15-24-2501, MCA; AND PROVIDING EFFECTIVE DATES AND AN APPLICABILITY DATE."

STATEMENT OF INTENT



1 A statement of intent is required for this bill because 61-3-506 gives rulemaking authority to the
 2 department of justice to implement the new methods for the ~~valuation and taxation of light motor vehicles~~
 3 ~~and for the~~ VALUATION AND TAXATION OF LIGHT MOTOR VEHICLES AND FOR THE imposition of fees
 4 in lieu of tax on buses and trucks. The rules adopted by the department may contain criteria for
 5 determining ~~the manufacturer's suggested retail price, an alternative valuation when the manufacturer's~~
 6 ~~suggested retail price is unavailable, the date of manufacture for vehicles not commercially manufactured~~
 7 ~~for consumer purchase, and~~ THE MANUFACTURER'S SUGGESTED RETAIL PRICE, AN ALTERNATIVE
 8 VALUATION WHEN THE MANUFACTURER'S SUGGESTED RETAIL PRICE IS UNAVAILABLE, THE DATE OF
 9 MANUFACTURE FOR VEHICLES NOT COMMERCIALY MANUFACTURED FOR CONSUMER PURCHASE,
 10 AND the age and rated capacity of buses and trucks.

11 The legislature contemplates that the rules adopted by the department should address, at a
 12 minimum, the following:

13 ~~(1) the methods for determining the valuation of light motor vehicles for taxation purposes;~~

14 (1) THE METHODS FOR DETERMINING THE VALUATION OF LIGHT MOTOR VEHICLES FOR
 15 TAXATION PURPOSES;

16 ~~(2)(1)(2) the assessment and collection of taxes and fees on motor vehicles and buses and trucks;~~

17 AND

18 ~~(3) the methods for determining the manufacturer's suggested retail price for the valuation of motor~~
 19 ~~vehicles;~~

20 ~~(4) the procedures for establishing an equitable alternative value for vehicles that do not have a~~
 21 ~~published manufacturer's suggested retail price; and~~

22 (3) THE METHODS FOR DETERMINING THE MANUFACTURER'S SUGGESTED RETAIL PRICE FOR
 23 THE VALUATION OF MOTOR VEHICLES;

24 (4) THE PROCEDURES FOR ESTABLISHING AN EQUITABLE ALTERNATIVE VALUE FOR VEHICLES
 25 THAT DO NOT HAVE A PUBLISHED MANUFACTURER'S SUGGESTED RETAIL PRICE; AND

26 ~~(5)(2)(5) the procedures for determining the age and manufacturer's rated capacity for buses and~~
 27 ~~trucks.~~

28
 29 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

30

(Refer to Reference Bill)

1 Strike everything after the enacting clause and insert:

2

3

Section 1. Section 7-1-2111, MCA, is amended to read:

4

"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:

9

(a) first class--all counties having a taxable valuation of \$50 million or ~~over~~ more;

10

(b) second class--all counties having a taxable valuation of ~~more than~~ \$30 million or more and less than \$50 million;

12

(c) third class--all counties having a taxable valuation of ~~more than~~ \$20 million or more and less than \$30 million;

14

(d) fourth class--all counties having a taxable valuation of ~~more than~~ \$15 million or more and less than \$20 million;

16

(e) fifth class--all counties having a taxable valuation of ~~more than~~ \$10 million or more and less than \$15 million;

18

(f) sixth class--all counties having a taxable valuation of ~~more than~~ \$5 million or more and less than \$10 million;

20

(g) seventh class--all counties having a taxable valuation of less than \$5 million.

21

(2) As used in this section, taxable valuation means the taxable value of taxable property in the county as of the time of determination plus:

23

(a) that portion of the taxable value of the county on December 31, 1981, attributable to automobiles and trucks having a rated capacity of three-quarters of a ton or less;

25

(b) that portion of the taxable value of the county on December 31, 1989, attributable to automobiles and trucks having a manufacturer's rated capacity of more than three-quarters of a ton but less than or equal to 1 ton;

28

(c) that portion of the taxable value of the county on December 31, 1997, attributable to buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors;

30

(d) the value provided by the department of revenue under 15-36-324(10); and

1 ~~(d)~~(e) 6% of the taxable value of the county on January 1 of each tax year."

2

3 **Section 2.** Section 15-6-138, MCA, is amended to read:

4 **"15-6-138. Class eight property -- description -- taxable percentage.** (1) Class eight property
5 includes:

6 (a) all agricultural implements and equipment;

7 (b) all mining machinery, fixtures, equipment, tools that are not exempt under 15-6-201(1)(r), and
8 supplies except those included in class five;

9 (c) all manufacturing machinery, fixtures, equipment, tools that are not exempt under
10 15-6-201(1)(r), and supplies except those included in class five;

11 (d) all trailers and semitrailers, ~~including those prorated under 15-24-102,~~ except those subject to
12 ~~taxation under 61-3-504(2) or~~ exempt under 15-6-201(1)(v);

13 (e) all goods and equipment intended for rent or lease, except goods and equipment specifically
14 included and taxed in another class;

15 (f) ~~buses and trucks having a rated capacity of more than 1 ton, including those prorated under~~
16 ~~15-24-102;~~

17 ~~(g)~~ truck toppers weighing more than 300 pounds;

18 (g) special mobile equipment as defined in 61-1-104;

19 (h) furniture, fixtures, and equipment, except that specifically included in another class, used in
20 commercial establishments as defined in this section;

21 (i) x-ray and medical and dental equipment;

22 (j) citizens' band radios and mobile telephones;

23 (k) radio and television broadcasting and transmitting equipment;

24 (l) cable television systems;

25 (m) coal and ore haulers;

26 (n) theater projectors and sound equipment; and

27 (o) all other property not included in any other class in this part, except that property subject to
28 a fee in lieu of a property tax.

29 (2) As used in this section, "coal and ore haulers" means nonhighway vehicles that exceed 18,000
30 pounds per axle and that are primarily designed and used to transport coal, ore, or other earthen material

1 in a mining or quarrying environment.

2 (3) "Commercial establishment" includes any hotel; motel; office; petroleum marketing station; or
3 service, wholesale, retail, or food-handling business.

4 (4) Class eight property is taxed at:

5 (a) 9% of its market value for tax years ending on or before December 31, 1995;

6 (b) 8% of its market value for tax year 1996;

7 (c) 7% of its market value for tax year 1997; and

8 (d) 6% of its market value for tax years beginning after December 31, 1997."

9

10 **Section 3.** Section 15-6-201, MCA, is amended to read:

11 "**15-6-201. Exempt categories.** (1) The following categories of property are exempt from taxation:

12 (a) except as provided in 15-24-1203, the property of:

13 (i) the United States, except:

14 (A) if congress passes legislation that allows the state to tax property owned by the federal
15 government or an agency created by congress; or

16 (B) as provided in 15-24-1103;

17 (ii) the state, counties, cities, towns, and school districts;

18 (iii) irrigation districts organized under the laws of Montana and not operating for profit;

19 (iv) municipal corporations;

20 (v) public libraries; and

21 (vi) rural fire districts and other entities providing fire protection under Title 7, chapter 33;

22 (b) buildings, with land they occupy and furnishings in the buildings, owned by a church and used
23 for actual religious worship or for residences of the clergy, together with adjacent land reasonably
24 necessary for convenient use of the buildings;

25 (c) property used exclusively for agricultural and horticultural societies, for educational purposes,
26 and for nonprofit health care facilities, as defined in 50-5-101, licensed by the department of public health
27 and human services and organized under Title 35, chapter 2 or 3. A health care facility that is not licensed
28 by the department of public health and human services and organized under Title 35, chapter 2 or 3, is not
29 exempt.

30 (d) property that is:

- 1 (i) owned and held by an association or corporation organized under Title 35, chapter 2, 3, 20, or
2 21;
- 3 (ii) devoted exclusively to use in connection with a cemetery or cemeteries for which a permanent
4 care and improvement fund has been established as provided for in Title 35, chapter 20, part 3; and
- 5 (iii) not maintained and operated for private or corporate profit;
- 6 (e) property owned or property that is leased from a federal, state, or local governmental entity by
7 institutions of purely public charity if the property is directly used for purely public charitable purposes;
- 8 (f) evidence of debt secured by mortgages of record upon real or personal property in the state of
9 Montana;
- 10 (g) public museums, art galleries, zoos, and observatories not used or held for private or corporate
11 profit;
- 12 (h) all household goods and furniture, including but not limited to clocks, musical instruments,
13 sewing machines, and wearing apparel of members of the family, used by the owner for personal and
14 domestic purposes or for furnishing or equipping the family residence;
- 15 (i) a truck canopy cover or topper weighing less than 300 pounds and having no accommodations
16 attached. This property is also exempt from taxation under 61-3-504~~(2)~~ and 61-3-537.
- 17 (j) a bicycle, as defined in 61-1-123, used by the owner for personal transportation purposes;
- 18 (k) motor homes, travel trailers, and campers;
- 19 (l) all watercraft;
- 20 (m) motor vehicles, land, fixtures, buildings, and improvements owned by a cooperative association
21 or nonprofit corporation organized to furnish potable water to its members or customers for uses other than
22 the irrigation of agricultural land;
- 23 (n) the right of entry that is a property right reserved in land or received by mesne conveyance
24 (exclusive of leasehold interests), devise, or succession to enter land with a surface title that is held by
25 another to explore, prospect, or dig for oil, gas, coal, or minerals;
- 26 (o) property that is owned and used by a corporation or association organized and operated
27 exclusively for the care of persons with developmental disabilities, the mentally ill, or the vocationally
28 handicapped as defined in 18-5-101 and that is not operated for gain or profit and property owned and used
29 by an organization owning and operating facilities that are for the care of the retired, aged, or chronically
30 ill and that are not operated for gain or profit;

1 (p) all farm buildings with a market value of less than \$500 and all agricultural implements and
2 machinery with a market value of less than \$100;

3 (q) property owned by a nonprofit corporation that is organized to provide facilities primarily for
4 training and practice for or competition in international sports and athletic events and not held or used for
5 private or corporate gain or profit. For purposes of this subsection (1)(q), "nonprofit corporation" means
6 an organization exempt from taxation under section 501(c) of the Internal Revenue Code and incorporated
7 and admitted under the Montana Nonprofit Corporation Act.

8 (r) the first \$15,000 or less of market value of tools owned by the taxpayer that are customarily
9 hand-held and that are used to:

10 (i) construct, repair, and maintain improvements to real property; or

11 (ii) repair and maintain machinery, equipment, appliances, or other personal property;

12 (s) harness, saddlery, and other tack equipment;

13 (t) a title plant owned by a title insurer or a title insurance producer, as those terms are defined in
14 33-25-105;

15 (u) timber as defined in 15-44-102;

16 (v) all trailers and semitrailers that have a licensed gross weight of 26,000 pounds or more or that
17 are registered through a proportional registration agreement under 61-3-721. For purposes of this
18 subsection (1)(v), the terms "trailer" and "semitrailer" mean a vehicle with or without motive power that
19 is:

20 (i) designed and used only for carrying property;

21 (ii) designed and used to be drawn by a motor vehicle; and

22 (iii) either constructed so that no part of its weight rests upon the towing vehicle or constructed
23 so that some part of its weight and the weight of its load rests upon or is carried by another vehicle.

24 (w) all vehicles registered under 61-3-456;

25 (x) (i) buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors,
26 including buses, trucks, and truck tractors apportioned under Title 61, chapter 3, part 7; and

27 (ii) personal property that is attached to a bus, truck, or truck tractor that is exempt under
28 subsection (1)(x)(i); and

29 (y) motorcycles and quadricycles.

30 (2) (a) For the purposes of subsection (1)(e), the term "institutions of purely public charity" includes

1 any organization that meets the following requirements:

2 (i) The organization qualifies as a tax-exempt organization under the provisions of section 501(c)(3),
3 Internal Revenue Code, as amended.

4 (ii) The organization accomplishes its activities through absolute gratuity or grants. However, the
5 organization may solicit or raise funds by the sale of merchandise, memberships, or tickets to public
6 performances or entertainment or by other similar types of fundraising activities.

7 (b) For the purposes of subsection (1)(g), the term "public museums, art galleries, zoos, and
8 observatories" means governmental entities or nonprofit organizations whose principal purpose is to hold
9 property for public display or for use as a museum, art gallery, zoo, or observatory. The exempt property
10 includes all real and personal property reasonably necessary for use in connection with the public display
11 or observatory use. Unless the property is leased for a profit to a governmental entity or nonprofit
12 organization by an individual or for-profit organization, real and personal property owned by other persons
13 is exempt if it is:

14 (i) actually used by the governmental entity or nonprofit organization as a part of its public display;

15 (ii) held for future display; or

16 (iii) used to house or store a public display.

17 (3) The following portions of the appraised value of a capital investment in a recognized nonfossil
18 form of energy generation or low emission wood or biomass combustion devices, as defined in 15-32-102,
19 are exempt from taxation for a period of 10 years following installation of the property:

20 (a) \$20,000 in the case of a single-family residential dwelling;

21 (b) \$100,000 in the case of a multifamily residential dwelling or a nonresidential structure."

22

23 **Section 4.** Section 15-8-111, MCA, is amended to read:

24 **"15-8-111. Assessment -- market value standard -- exceptions.** (1) All taxable property must be
25 assessed at 100% of its market value except as otherwise provided.

26 (2) (a) Market value is the value at which property would change hands between a willing buyer
27 and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable
28 knowledge of relevant facts.

29 (b) If the department uses construction cost as one approximation of market value, the department
30 shall fully consider reduction in value caused by depreciation, whether through physical depreciation,

1 functional obsolescence, or economic obsolescence.

2 (c) Except as provided in subsection (3), the market value of ~~all motor trucks; special mobile~~
3 equipment and agricultural tools, implements, and machinery; ~~and vehicles of all kinds~~ is the average
4 wholesale value shown in national appraisal guides and manuals or the value ~~of the vehicle~~ before
5 reconditioning and profit margin. The department shall prepare valuation schedules showing the average
6 wholesale value when a national appraisal guide does not exist.

7 (3) The department may not adopt a lower or different standard of value from market value in
8 making the official assessment and appraisal of the value of property, except:

9 (a) the wholesale value for agricultural implements and machinery is the loan value as shown in
10 the Official Guide, Tractor and Farm Equipment, published by the national farm and power equipment
11 dealers association, St. Louis, Missouri;

12 (b) for agricultural implements and machinery not listed in the official guide, the department shall
13 prepare a supplemental manual in which the values reflect the same depreciation as those found in the
14 official guide; and

15 (c) as otherwise authorized in Title 15 and Title 61.

16 (4) For purposes of taxation, assessed value is the same as appraised value.

17 (5) The taxable value for all property is the percentage of market or assessed value established for
18 each class of property.

19 (6) The assessed value of properties in 15-6-131 through 15-6-133 is as follows:

20 (a) Properties in 15-6-131, under class one, are assessed at 100% of the annual net proceeds after
21 deducting the expenses specified and allowed by 15-23-503 or, if applicable, as provided in 15-23-515,
22 15-23-516, 15-23-517, or 15-23-518.

23 (b) Properties in 15-6-132, under class two, are assessed at 100% of the annual gross proceeds.

24 (c) Properties in 15-6-133, under class three, are assessed at 100% of the productive capacity of
25 the lands when valued for agricultural purposes. All lands that meet the qualifications of 15-7-202 are
26 valued as agricultural lands for tax purposes.

27 (d) Properties in 15-6-143, under class ten, are assessed at 100% of the forest productivity value
28 of the land when valued as forest land.

29 (7) Land and the improvements on the land are separately assessed when any of the following
30 conditions occur:

- 1 (a) ownership of the improvements is different from ownership of the land;
 2 (b) the taxpayer makes a written request; or
 3 (c) the land is outside an incorporated city or town."
 4

5 **Section 5.** Section 15-8-201, MCA, is amended to read:

6 **"15-8-201. General assessment day.** (1) The department shall, between January 1 and the second
 7 Monday of July in each year, ascertain the names of all taxable inhabitants and assess all property subject
 8 to taxation in each county. The department shall assess property to the person by whom it was owned or
 9 claimed or in whose possession or control it was at midnight of the preceding January 1. The department
 10 shall also ascertain and assess all mobile homes arriving in the county after midnight of the preceding
 11 January 1. A mistake in the name of the owner or supposed owner of real property does not invalidate the
 12 assessment.

13 (2) The procedure provided by this section does not apply to:

- 14 (a) motor vehicles ~~that are required by 15-8-202 to be assessed on January 1 or upon their~~
 15 ~~anniversary registration date;~~
 16 (b) motor homes, travel trailers, and campers;
 17 (c) watercraft;
 18 (d) livestock;
 19 (e) property defined in 61-1-104 as "special mobile equipment" that is subject to assessment for
 20 personal property taxes on the date that application is made for a special mobile equipment plate;
 21 (f) mobile homes held by a distributor or dealer of mobile homes as stock in trade; and
 22 (g) property subject to the provisions of 15-16-203.
 23 (3) Credits must be assessed as provided in 15-1-101(1)(f)."
 24

25 **Section 6.** Section 15-8-202, MCA, is amended to read:

26 **"15-8-202. Motor vehicle assessment by department of justice.** (1) ~~(a) The department shall, in~~
 27 ~~each year, ascertain and assess all motor vehicles, other than motor homes, travel trailers, and campers~~
 28 ~~or mobile homes, in each county subject to taxation as of January 1 or as of the anniversary registration~~
 29 ~~date of those vehicles as provided by law, subject to 61-3-313 through 61-3-316 and 61-3-501. The~~
 30 ~~assessment for~~ department of justice shall assess all motor light vehicles, must be made subject to

1 61-3-313 through 61-3-316 and 61-3-501, for taxation in accordance with 61-3-503.

2 (b) The department of justice shall determine the fee in lieu of tax for all buses, trucks having a
3 manufacturer's rated capacity of more than 1 ton, and truck tractors in accordance with [sections 32 and
4 33].

5 (c) ~~The motor vehicles~~ Taxes or fees in lieu of tax on motor vehicles under this subsection (1) must
6 be assessed or imposed in each year ~~to~~ on the persons ~~by whom~~ who owned or claimed the motor vehicles
7 or in whose possession or control ~~they were at midnight of January 1 or~~ the motor vehicle was on the
8 anniversary registration date, ~~whichever is applicable.~~

9 (2) A tax or fee in lieu of tax may not be assessed or imposed against motor vehicles subject to
10 taxation or to a fee in lieu of tax that constitute inventory of motor vehicle dealers as of January 1. These
11 vehicles and all other motor vehicles subject to taxation or a fee in lieu of tax that are brought into the state
12 subsequent to after January 1 as motor vehicle dealers' inventories must be assessed to their respective
13 purchasers as of the dates the vehicles are registered by the purchasers.

14 (3) "Purchasers" includes dealers who apply for registration or reregistration of motor vehicles,
15 except as otherwise provided by 61-3-502.

16 (4) Goods, wares, and merchandise of motor vehicle dealers, other than new motor vehicles and
17 new mobile homes, must be assessed at market value as of January 1."

18

19 **Section 7.** Section 15-16-202, MCA, is amended to read:

20 **"15-16-202. Boats, snowmobiles, and motor vehicles -- payment of current and back taxes and**
21 **fees.** (1) The fee in lieu of personal property taxes assessed against a boat for the year in which application
22 for decals is made and the immediately previous year must be paid before license decals may be issued
23 pursuant to 23-2-515.

24 (2) The fee in lieu of tax imposed on a snowmobile for the year in which application for registration
25 is made and the immediately previous year must be paid before a snowmobile may be registered pursuant
26 to 23-2-616.

27 (3) Except for mobile homes as defined in 15-1-101, the new motor vehicle sales tax and the
28 ~~personal property~~ motor vehicle tax or fee in lieu of tax imposed or assessed against a motor vehicle for
29 the current year and the immediately previous year must be paid before a motor vehicle may be registered
30 or reregistered pursuant to 61-3-303.

1 (4) The provisions of subsections (1) through (3) do not require payment of the immediately
2 previous year's taxes or fees if ~~such~~ the taxes or fees have already been paid."

3

4 **Section 8.** Section 15-50-207, MCA, is amended to read:

5 **"15-50-207. Credit against other taxes -- credit for personal property taxes and certain fees.** (1)

6 The additional license fees withheld or otherwise paid as provided ~~herein~~ in this chapter may be used as
7 a credit on the contractor's corporation license tax provided for in chapter 31 of this title or on the
8 contractor's income tax provided for in chapter 30, depending upon the type of tax the contractor is
9 required to pay under the laws of the state.

10 (2) Personal property taxes and the fee in lieu of tax on buses, trucks having a manufacturer's
11 rated capacity of more than 1 ton, or truck tractors as provided in [section 33] paid in Montana on any
12 personal property or vehicle of the contractor ~~which~~ that is used in the business of the contractor and is
13 located within this state may be credited against the license fees required under this chapter. However, in
14 computing the tax credit allowed by this section against the contractor's corporation license tax or income
15 tax, the ~~personal property~~ tax credit against the license fees ~~herein~~ required ~~shall~~ under this chapter may
16 not be considered as license fees paid for the purpose of ~~such~~ the income tax or corporation license tax
17 credit."

18

19 **Section 9.** Section 20-9-141, MCA, is amended to read:

20 **"20-9-141. Computation of general fund net levy requirement by county superintendent.** (1) The
21 county superintendent shall compute the levy requirement for each district's general fund on the basis of
22 the following procedure:

23 (a) Determine the funding required for the district's final general fund budget less the sum of direct
24 state aid and the special education allowable cost payment for the district by totaling:

25 (i) the district's nonisolated school BASE budget requirement to be met by a district levy as
26 provided in 20-9-303; and

27 (ii) any general fund budget amount adopted by the trustees of the district under the provisions
28 of 20-9-308 and 20-9-353, including any additional funding for a general fund budget that exceeds the
29 maximum general fund budget.

30 (b) Determine the money available for the reduction of the property tax on the district for the

- 1 general fund by totaling:
- 2 (i) the general fund balance reappropriated, as established under the provisions of 20-9-104;
- 3 (ii) amounts received in the last fiscal year for which revenue reporting was required for each of
- 4 the following:
- 5 (A) tuition payments for out-of-district pupils under the provisions of 20-5-321 through 20-5-323;
- 6 (B) revenue from ~~property~~ taxes and fees imposed under 23-2-517, 23-2-803, 61-3-504~~(2)~~,
- 7 61-3-521, 61-3-527, 61-3-537, section 33, and 67-3-204;
- 8 (C) oil and natural gas production taxes;
- 9 (D) interest earned by the investment of general fund cash in accordance with the provisions of
- 10 20-9-213(4);
- 11 (E) revenue from corporation license taxes collected from financial institutions under the provisions
- 12 of 15-31-702; and
- 13 (F) any other revenue received during the school fiscal year that may be used to finance the general
- 14 fund, excluding any guaranteed tax base aid; and
- 15 (iii) pursuant to subsection (4), anticipated revenue from coal gross proceeds under 15-23-703.
- 16 (c) Notwithstanding the provisions of subsection (2), subtract the money available to reduce the
- 17 property tax required to finance the general fund that has been determined in subsection (1)(b) from any
- 18 general fund budget amount adopted by the trustees of the district, up to the BASE budget amount, to
- 19 determine the general fund BASE budget levy requirement.
- 20 (d) Subtract any amount remaining after the determination in subsection (1)(c) from any additional
- 21 funding requirement to be met by an over-BASE budget amount, a district levy as provided in 20-9-303,
- 22 and any additional financing as provided in 20-9-353 to determine any additional general fund levy
- 23 requirements.
- 24 (2) The county superintendent shall calculate the number of mills to be levied on the taxable
- 25 property in the district to finance the general fund levy requirement for any amount that does not exceed
- 26 the BASE budget amount for the district by dividing the amount determined in subsection (1)(c) by the sum
- 27 of:
- 28 (a) the amount of guaranteed tax base aid that the district will receive for each mill levied, as
- 29 certified by the superintendent of public instruction; and
- 30 (b) the taxable valuation of the district divided by 1,000.

1 (3) The net general fund levy requirement determined in subsections (1)(c) and (1)(d) must be
2 reported to the county commissioners on the fourth Monday of August by the county superintendent as
3 the general fund net levy requirement for the district, and a levy must be set by the county commissioners
4 in accordance with 20-9-142.

5 (4) For each school district, the department of revenue shall calculate and report to the county
6 superintendent the amount of revenue anticipated for the ensuing fiscal year from revenue from coal gross
7 proceeds under 15-23-703."

8
9 **Section 10.** Section 20-9-331, MCA, is amended to read:

10 **"20-9-331. Basic county tax and other revenues for county equalization of the elementary district**
11 **BASE funding program.** (1) The county commissioners of each county shall levy an annual basic tax of 33
12 mills on the dollar of the taxable value of all taxable property within the county, except for property subject
13 to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, section 33, and
14 67-3-204, for the purposes of local and state BASE funding program support. The revenue collected from
15 this levy must be apportioned to the support of the elementary BASE funding programs of the school
16 districts in the county and to the state general fund in the following manner:

17 (a) In order to determine the amount of revenue raised by this levy that is retained by the county,
18 the sum of the estimated revenue identified in subsection (2) must be subtracted from the total of the BASE
19 funding programs of all elementary districts of the county.

20 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is
21 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds
22 to the state treasurer for deposit to the state general fund immediately upon occurrence of a surplus
23 balance and each subsequent month thereafter, with any final remittance due no later than June 20 of the
24 fiscal year for which the levy has been set.

25 (2) The revenue realized from the county's portion of the levy prescribed by this section and the
26 revenue from the following sources must be used for the equalization of the elementary BASE funding
27 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue
28 by the county treasurer in accordance with 20-9-212(1):

29 (a) the portion of the federal Taylor Grazing Act funds distributed to a county and designated for
30 the common school fund under the provisions of 17-3-222;

1 (b) the portion of the federal flood control act funds distributed to a county and designated for
2 expenditure for the benefit of the county common schools under the provisions of 17-3-232;

3 (c) all money paid into the county treasury as a result of fines for violations of law, except money
4 paid to a justice's court, and the use of which is not otherwise specified by law;

5 (d) any money remaining at the end of the immediately preceding school fiscal year in the county
6 treasurer's accounts for the various sources of revenue established or referred to in this section;

7 (e) any federal or state money distributed to the county as payment in lieu of property taxation,
8 including federal forest reserve funds allocated under the provisions of 17-3-213;

9 (f) gross proceeds taxes from coal under 15-23-703;

10 (g) oil and natural gas production taxes;

11 (h) anticipated local government severance tax payments for calendar year 1995 production as
12 provided in 15-36-325; and

13 (i) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,
14 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, section 33, and 67-3-204."

15
16 **Section 11.** Section 20-9-333, MCA, is amended to read:

17 **"20-9-333. Basic special levy and other revenue for county equalization of high school district**
18 **BASE funding program.** (1) The county commissioners of each county shall levy an annual basic special tax
19 for high schools of 22 mills on the dollar of the taxable value of all taxable property within the county,
20 except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-527,
21 61-3-537, section 33, and 67-3-204, for the purposes of local and state BASE funding program support.
22 The revenue collected from this levy must be apportioned to the support of the BASE funding programs of
23 high school districts in the county and to the state general fund in the following manner:

24 (a) In order to determine the amount of revenue raised by this levy that is retained by the county,
25 the sum of the estimated revenue identified in subsection (2) must be subtracted from the sum of the
26 county's high school tuition obligation and the total of the BASE funding programs of all high school
27 districts of the county.

28 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is
29 required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds
30 to the state treasurer for deposit to the state general fund immediately upon occurrence of a surplus

1 balance and each subsequent month thereafter, with any final remittance due no later than June 20 of the
2 fiscal year for which the levy has been set.

3 (2) The revenue realized from the county's portion of the levy prescribed in this section and the
4 revenue from the following sources must be used for the equalization of the high school BASE funding
5 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue
6 by the county treasurer in accordance with 20-9-212(1):

7 (a) any money remaining at the end of the immediately preceding school fiscal year in the county
8 treasurer's accounts for the various sources of revenue established in this section;

9 (b) any federal or state money distributed to the county as payment in lieu of property taxation,
10 including federal forest reserve funds allocated under the provisions of 17-3-213;

11 (c) gross proceeds taxes from coal under 15-23-703;

12 (d) oil and natural gas production taxes;

13 (e) anticipated local government severance tax payments for calendar year 1995 production as
14 provided in 15-36-325; and

15 (f) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,
16 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, section 33, and 67-3-204."

17

18 **Section 12.** Section 20-9-360, MCA, is amended to read:

19 "**20-9-360. State equalization aid levy.** (1) There is a levy of 40 mills imposed by the county
20 commissioners of each county on all taxable property within the state, except property for which a tax or
21 fee is required under 23-2-517, 23-2-803, 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, section 33, and
22 67-3-204. Except as provided in subsection (2), proceeds of the levy must be remitted to the state treasurer
23 and must be deposited to the credit of the state general fund for state equalization aid to the public schools
24 of Montana.

25 (2) For the benefit of each municipality that created an urban renewal area and adopted a tax
26 increment financing provision for the urban renewal area prior to July 1, 1990, the state treasurer shall
27 distribute each fiscal year from the state equalization aid levy to the municipality the amount, if any, equal
28 to the product of the incremental taxable value of the urban renewal area times the reduced school levy
29 for the area, each calculated for the fiscal year. The reduced school levy for a fiscal year is the difference
30 between the aggregate amount of all property tax levies for school purposes in the urban renewal area,

1 expressed in mills, in the fiscal year ended June 30, 1989, and the aggregate amount of all property tax
 2 levies for school purposes in the area or the district, expressed in mills, in the fiscal year, including the state
 3 equalization aid levy. The state treasurer shall distribute the amounts to municipalities in two equal
 4 installments on December 31 and June 30 of the fiscal year."

5
 6 **Section 13.** Section 20-9-501, MCA, is amended to read:

7 **"20-9-501. Retirement fund.** (1) The trustees of a district employing personnel who are members
 8 of the teachers' retirement system or the public employees' retirement system or who are covered by
 9 unemployment insurance or who are covered by any federal social security system requiring employer
 10 contributions shall establish a retirement fund for the purposes of budgeting and paying the employer's
 11 contributions to the systems. The district's contribution for each employee who is a member of the
 12 teachers' retirement system must be calculated in accordance with Title 19, chapter 20, part 6. The
 13 district's contribution for each employee who is a member of the public employees' retirement system must
 14 be calculated in accordance with 19-3-316. The district's contributions for each employee covered by any
 15 federal social security system must be paid in accordance with federal law and regulation. The district's
 16 contribution for each employee who is covered by unemployment insurance must be paid in accordance
 17 with Title 39, chapter 51, part 11.

18 (2) The trustees of a district required to make a contribution to a system referred to in subsection
 19 (1) shall include in the retirement fund of the preliminary budget the estimated amount of the employer's
 20 contribution. After the final retirement fund budget has been adopted, the trustees shall pay the employer
 21 contributions to the systems in accordance with the financial administration provisions of this title.

22 (3) When the final retirement fund budget has been adopted, the county superintendent shall
 23 establish the levy requirement by:

24 (a) determining the sum of the money available to reduce the retirement fund levy requirement by
 25 adding:

26 (i) any anticipated money that may be realized in the retirement fund during the ensuing school
 27 fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803,
 28 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, section 33, and 67-3-204;

29 (ii) oil and natural gas production taxes;

30 (iii) anticipated local government severance tax payments for calendar year 1995 production as

1 provided in 15-36-325;

2 (iv) coal gross proceeds taxes under 15-23-703;

3 (v) any fund balance available for reappropriation as determined by subtracting the amount of the
4 end-of-the-year fund balance earmarked as the retirement fund operating reserve for the ensuing school
5 fiscal year by the trustees from the end-of-the-year fund balance in the retirement fund. The retirement fund
6 operating reserve may not be more than 35% of the final retirement fund budget for the ensuing school
7 fiscal year and must be used for the purpose of paying retirement fund warrants issued by the district under
8 the final retirement fund budget.

9 (vi) any other revenue anticipated that may be realized in the retirement fund during the ensuing
10 school fiscal year, excluding any guaranteed tax base aid.

11 (b) notwithstanding the provisions of subsection (8), subtracting the money available for reduction
12 of the levy requirement, as determined in subsection (3)(a), from the budgeted amount for expenditures in
13 the final retirement fund budget.

14 (4) The county superintendent shall:

15 (a) total the net retirement fund levy requirements separately for all elementary school districts,
16 all high school districts, and all community college districts of the county, including any prorated joint
17 district or special education cooperative agreement levy requirements; and

18 (b) report each levy requirement to the county commissioners on the fourth Monday of August as
19 the respective county levy requirements for elementary district, high school district, and community college
20 district retirement funds.

21 (5) The county commissioners shall fix and set the county levy in accordance with 20-9-142.

22 (6) The net retirement fund levy requirement for a joint elementary district or a joint high school
23 district must be prorated to each county in which a part of the district is located in the same proportion as
24 the district ANB of the joint district is distributed by pupil residence in each county. The county
25 superintendents of the counties affected shall jointly determine the net retirement fund levy requirement
26 for each county as provided in 20-9-151.

27 (7) The net retirement fund levy requirement for districts that are members of special education
28 cooperative agreements must be prorated to each county in which the district is located in the same
29 proportion as the special education cooperative budget is prorated to the member school districts. The
30 county superintendents of the counties affected shall jointly determine the net retirement fund levy

1 requirement for each county in the same manner as provided in 20-9-151, and the county commissioners
2 shall fix and levy the net retirement fund levy for each county in the same manner as provided in 20-9-152.

3 (8) The county superintendent shall calculate the number of mills to be levied on the taxable
4 property in the county to finance the retirement fund net levy requirement by dividing the amount
5 determined in subsection (4)(a) by the sum of:

6 (a) the amount of guaranteed tax base aid that the county will receive for each mill levied, as
7 certified by the superintendent of public instruction; and

8 (b) the taxable valuation of the district divided by 1,000."
9

10 **Section 14.** Section 20-10-144, MCA, is amended to read:

11 **"20-10-144. Computation of revenue and net tax levy requirements for district transportation fund**
12 **budget.** Before the fourth Monday of July and in accordance with 20-9-123, the county superintendent
13 shall compute the revenue available to finance the transportation fund budget of each district. The county
14 superintendent shall compute the revenue for each district on the following basis:

15 (1) The "schedule amount" of the preliminary budget expenditures that is derived from the rate
16 schedules in 20-10-141 and 20-10-142 must be determined by adding the following amounts:

17 (a) the sum of the maximum reimbursable expenditures for all approved school bus routes
18 maintained by the district (to determine the maximum reimbursable expenditure, multiply the applicable rate
19 per bus mile by the total number of miles to be traveled during the ensuing school fiscal year on each bus
20 route approved by the county transportation committee and maintained by the district); plus

21 (b) the total of all individual transportation per diem reimbursement rates for the district as
22 determined from the contracts submitted by the district multiplied by the number of pupil-instruction days
23 scheduled for the ensuing school attendance year; plus

24 (c) any estimated costs for supervised home study or supervised correspondence study for the
25 ensuing school fiscal year; plus

26 (d) the amount budgeted on the preliminary budget for the contingency amount permitted in
27 20-10-143, except if the amount exceeds 10% of the total of subsections (1)(a), (1)(b), and (1)(c) or \$100,
28 whichever is larger, the contingency amount on the preliminary budget must be reduced to the limitation
29 amount and used in this determination of the schedule amount; plus

30 (e) any estimated costs for transporting a child out of district when the child has mandatory

1 approval to attend school in a district outside the district of residence.

2 (2) (a) The schedule amount determined in subsection (1) or the total preliminary transportation
3 fund budget, whichever is smaller, is divided by 2 and is used to determine the available state and county
4 revenue to be budgeted on the following basis:

5 (i) one-half is the budgeted state transportation reimbursement, except that the state transportation
6 reimbursement for the transportation of special education pupils under the provisions of 20-7-442 must be
7 50% of the schedule amount attributed to the transportation of special education pupils; and

8 (ii) one-half is the budgeted county transportation fund reimbursement and must be financed in the
9 manner provided in 20-10-146.

10 (b) When the district has a sufficient amount of cash for reappropriation and other sources of
11 district revenue, as determined in subsection (3), to reduce the total district obligation for financing to zero,
12 any remaining amount of district revenue and cash reappropriated must be used to reduce the county
13 financing obligation in subsection (2)(a)(ii) and, if the county financing obligations are reduced to zero, to
14 reduce the state financial obligation in subsection (2)(a)(i).

15 (c) The county revenue requirement for a joint district, after the application of any district money
16 under subsection (2)(b), must be prorated to each county incorporated by the joint district in the same
17 proportion as the ANB of the joint district is distributed by pupil residence in each county.

18 (3) The total of the money available for the reduction of property tax on the district for the
19 transportation fund must be determined by totaling:

20 (a) anticipated federal money received under the provisions of Title I of Public Law 81-874 or other
21 anticipated federal money received in lieu of that federal act;

22 (b) anticipated payments from other districts for providing school bus transportation services for
23 the district;

24 (c) anticipated payments from a parent or guardian for providing school bus transportation services
25 for a child;

26 (d) anticipated or reappropriated interest to be earned by the investment of transportation fund
27 cash in accordance with the provisions of 20-9-213(4);

28 (e) anticipated or reappropriated revenue from property taxes and fees imposed under 23-2-517,
29 23-2-803, 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, section 33, and 67-3-204;

30 (f) anticipated revenue from coal gross proceeds under 15-23-703;

- 1 (g) anticipated oil and natural gas production taxes;
- 2 (h) anticipated local government severance tax payments for calendar year 1995 production;
- 3 (i) anticipated transportation payments for out-of-district pupils under the provisions of 20-5-320
4 through 20-5-324;
- 5 (j) any other revenue anticipated by the trustees to be earned during the ensuing school fiscal year
6 that may be used to finance the transportation fund; and
- 7 (k) any fund balance available for reappropriation as determined by subtracting the amount of the
8 end-of-the-year fund balance earmarked as the transportation fund operating reserve for the ensuing school
9 fiscal year by the trustees from the end-of-the-year fund balance in the transportation fund. The operating
10 reserve may not be more than 20% of the final transportation fund budget for the ensuing school fiscal year
11 and is for the purpose of paying transportation fund warrants issued by the district under the final
12 transportation fund budget.
- 13 (4) The district levy requirement for each district's transportation fund must be computed by:
- 14 (a) subtracting the schedule amount calculated in subsection (1) from the total preliminary
15 transportation budget amount; and
- 16 (b) subtracting the amount of money available to reduce the property tax on the district, as
17 determined in subsection (3), from the amount determined in subsection (4)(a).
- 18 (5) The transportation fund levy requirements determined in subsection (4) for each district must
19 be reported to the county commissioners on the fourth Monday of August by the county superintendent
20 as the transportation fund levy requirements for the district, and the levy must be made by the county
21 commissioners in accordance with 20-9-142."

22
23 **Section 15.** Section 20-10-146, MCA, is amended to read:

24 **"20-10-146. County transportation reimbursement.** (1) The apportionment of the county
25 transportation reimbursement by the county superintendent for school bus transportation or individual
26 transportation that is actually rendered by a district in accordance with this title, board of public education
27 transportation policy, and the transportation rules of the superintendent of public instruction must be the
28 same as the state transportation reimbursement payment, except that:

29 (a) if any cash was used to reduce the budgeted county transportation reimbursement under the
30 provisions of 20-10-144(2)(b), the annual apportionment is limited to the budget amount;

1 (b) when the county transportation reimbursement for a school bus has been prorated between two
2 or more counties because the school bus is conveying pupils of more than one district located in the
3 counties, the apportionment of the county transportation reimbursement must be adjusted to pay the
4 amount computed under the proration; and

5 (c) when county transportation reimbursement is required under the mandatory attendance
6 agreement provisions of 20-5-321.

7 (2) The county transportation net levy requirement for the financing of the county transportation
8 fund reimbursements to districts is computed by:

9 (a) totaling the net requirement for all districts of the county, including reimbursements to a special
10 education cooperative or prorated reimbursements to joint districts or reimbursements under the mandatory
11 attendance agreement provisions of 20-5-321;

12 (b) determining the sum of the money available to reduce the county transportation net levy
13 requirement by adding:

14 (i) anticipated money that may be realized in the county transportation fund during the ensuing
15 school fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517,
16 23-2-803, 61-3-504(2), 61-3-521, 61-3-527, 61-3-537, section 33, and 67-3-204;

17 (ii) oil and natural gas production taxes;

18 (iii) anticipated local government severance tax payments for calendar year 1995 production;

19 (iv) coal gross proceeds taxes under 15-23-703;

20 (v) any fund balance available for reappropriation from the end-of-the-year fund balance in the
21 county transportation fund;

22 (vi) federal forest reserve funds allocated under the provisions of 17-3-213; and

23 (vii) other revenue anticipated that may be realized in the county transportation fund during the
24 ensuing school fiscal year; and

25 (c) subtracting the money available, as determined in subsection (2)(b), to reduce the levy
26 requirement from the county transportation net levy requirement.

27 (3) The net levy requirement determined in subsection (2)(c) must be reported to the county
28 commissioners on the fourth Monday of August by the county superintendent, and a levy must be set by
29 the county commissioners in accordance with 20-9-142.

30 (4) The county superintendent shall apportion the county transportation reimbursement from the

1 proceeds of the county transportation fund. The county superintendent shall order the county treasurer to
2 make the apportionments in accordance with 20-9-212(2) and after the receipt of the semiannual state
3 transportation reimbursement payments."

4
5 NEW SECTION. **Section 16. Light vehicle.** "Light vehicle" means a motor vehicle commonly
6 referred to as an automobile, van, sport utility vehicle, or truck having a manufacturer's rated capacity of
7 1 ton or less.

8
9 NEW SECTION. **Section 17. Sport utility vehicle.** "Sport utility vehicle" means a light vehicle
10 designed to transport 10 or fewer persons that is constructed on a truck chassis or that has special features
11 for occasional off-road use. The term does not include trucks having a manufacturer's rated capacity of 1
12 ton or less.

13
14 **Section 18.** Section 61-3-101, MCA, is amended to read:

15 **"61-3-101. Duties of department -- records.** (1) The department shall keep a record as specified
16 in this section of all motor vehicles, trailers, and semitrailers of every kind, ~~and~~ of certificates of registration
17 and ownership of those vehicles, and of all manufacturers and dealers in motor vehicles.

18 (2) The record must show the following:

19 (a) name of owner, residence address by street or rural route, town, and county, and mailing
20 address if different than residence address;

21 (b) name and address of conditional sales vendor, mortgagee, or other lienholder and amount due
22 under contract or lien;

23 (c) manufacturer of vehicle;

24 (d) manufacturer's designation of style of vehicle;

25 (e) identifying number;

26 (f) year of manufacture;

27 (g) character of motive power and shipping weight of vehicle as shown by the manufacturer;

28 (h) the distinctive license number assigned to the vehicle, if any;

29 (i) if a truck or trailer, the number of tons' capacity or GVW if imprinted on manufacturer's
30 identification plate;

1 (j) except as provided in 61-3-103, the name and complete address of any holder of a perfected
2 security interest in the vehicle; and

3 (k) other information that may from time to time be found desirable.

4 (3) The department shall file applications for registration received by it from ~~the~~ county treasurers
5 ~~of the state~~ and register the vehicles and the vehicle owners as follows:

6 (a) under the distinctive license number assigned to the vehicle by the county treasurer;

7 (b) alphabetically under the name of the owner;

8 (c) numerically under make and identifying number of the vehicle; and

9 (d) ~~other~~ another index of registration as the department considers expedient.

10 (4) The department shall determine the amount of motor vehicle taxes and fees to be collected at
11 the time of registration for each light vehicle subject to tax under 61-3-503 and for each bus, truck having
12 a manufacturer's rated capacity of more than 1 ton, and truck tractor subject to a fee in lieu of tax under
13 [sections 32 and 33]. The county treasurer shall collect the taxes and fees on each motor vehicle at the
14 time of its registration.

15 (5) Vehicle registration records and indexes and driver's license records and indexes may be
16 maintained by electronic recording and storage media.

17 (6)(6) In the case of dealers, the records must show the information contained in the application
18 for a dealer's license as required by 61-4-101 through 61-4-105, as well as the distinctive license number
19 assigned to the dealer.

20 (6)(7) In order to prevent an accumulation of unneeded records and files, regardless of any other
21 statutory requirements, the department may destroy all records and files that relate to vehicles that have
22 not been registered within the preceding 4 years and that do not have an active lien.

23 (7)(8) All records must be open to inspection during ~~all~~ reasonable business hours, and the
24 department shall furnish any information from the records upon payment by the applicant of the cost of the
25 information requested. Prior to providing the information, the department may require the applicant to
26 provide identification. However, the department may, by rule, reasonably restrict disclosure of information
27 on an owner or the owner's vehicle if the owner has requested in writing that the department not disclose
28 the information."

29

30 **Section 19.** Section 61-3-208, MCA, is amended to read:

1 **"61-3-208. Affidavit and bond for certificate.** (1) If an applicant for a ~~motor~~ vehicle certificate of
 2 title cannot provide the department with a certificate of title transferred to the applicant, the department
 3 may issue a certificate of title for the vehicle if the applicant furnishes an affidavit in a form prescribed by
 4 the department.

5 (2) The affidavit must be signed and sworn to before an officer authorized to administer oaths and
 6 affirmations. The affidavit must accompany the application for the certificate of title and include:

7 (a) the facts and circumstances through which the applicant acquired ownership and possession
 8 of the ~~motor~~ vehicle;

9 (b) information as required by the department to enable it to determine what security interests,
 10 liens, and encumbrances ~~against the motor vehicle~~, if any, are outstanding against the ~~motor~~ vehicle;

11 (c) the date and the amount secured by the security interests, liens, and encumbrances, if any; and

12 (d) a statement that the applicant has the right to have a certificate of title issued.

13 (3) If after examination of the application, affidavit, and any other evidence the department
 14 determines that a certificate of title for the ~~motor~~ vehicle should be issued to the applicant, the department
 15 shall require the applicant to file with the department a good and sufficient bond before issuing the
 16 certificate of title. The bond must be:

17 (a) in an amount equal to the average trade-in or wholesale value of the ~~motor~~ vehicle as
 18 determined ~~under the provisions of 61-3-503(1)(c)~~ by the applicable national appraisal guide for the vehicle
 19 as of January 1 for the year in which the application for certificate of title is made; When a national
 20 appraisal guide is not available for a vehicle, the department shall determine an alternative value for the
 21 vehicle.

22 (b) conditioned to indemnify a prior owner, lienholder, subsequent purchaser, secured creditor, or
 23 encumbrancer of the motor vehicle, and any respective successors in interest, against expenses, losses,
 24 or damages caused by the issuance of the certificate or by a defect in or undisclosed security interest upon
 25 the right, title, and interest of the applicant in the ~~motor~~ vehicle; and

26 (c) issued by a surety company authorized to do business in the state.

27 (4) Any interested person has a right of action to recover on the bond for a breach of its
 28 conditions, but the aggregate liability of the surety to all persons may not exceed the amount of the bond.

29 (5) Unless the department has been notified of a pending action to recover the bond, the
 30 department shall return the bond at the earlier of:

- 1 (a) 3 years from the date of issuance of the certificate of title; or
 2 (b) the date of surrender of the valid certificate of title to the department if the vehicle is no longer
 3 registered in this state."

4
 5 **Section 20.** Section 61-3-303, MCA, is amended to read:

6 **"61-3-303. Application for registration.** (1) Each owner of a motor vehicle operated or driven upon
 7 the public highways of this state shall for each motor vehicle owned, except as otherwise provided in this
 8 section, file or cause to be filed in the office of the county treasurer where the owner permanently resides
 9 at the time of making the application or, if the vehicle is owned by a corporation or used primarily for
 10 commercial purposes, in the taxing jurisdiction of the county where the vehicle is permanently assigned,
 11 an application for registration or reregistration ~~upon a blank on a form to be prepared and furnished~~
 12 prescribed by the department. The application must contain:

13 (a) the name and address of the owner, giving the county, school district, and town or city within
 14 whose corporate limits the motor vehicle is taxable, if taxable, or within whose corporate limits the owner's
 15 residence is located if the motor vehicle is not taxable;

16 (b) the name and address of the holder of any security interest in the motor vehicle;

17 (c) a description of the motor vehicle, including make, year model, engine or serial number,
 18 manufacturer's model or letter, gross weight, declared weight on all trucks for which the manufacturer's
 19 rated capacity is 1 ton or less, and type of body and, if a truck, the manufacturer's rated capacity;

20 (d) the declared weight on all trailers operating intrastate, except travel trailers or trailers and
 21 semitrailers registered as provided in 61-3-711 through 61-3-733; and

22 (e) other information that the department may require.

23 (2) A person who files an application for registration or reregistration of a motor vehicle, except
 24 of a mobile home as defined in 15-1-101(1), shall upon the filing of the application pay to the county
 25 treasurer:

26 (a) the registration fee, as provided in 61-3-311 and 61-3-321 or 61-3-456; and

27 (b) except as provided in 61-3-456 or unless it has been previously paid:

28 (i) the ~~personal property~~ motor vehicle taxes or fees in lieu of tax assessed or imposed against the
 29 vehicle for the current year of registration and the immediately previous year; or

30 (ii) the new motor vehicle sales tax against the vehicle for the current year of registration.

1 (3) The application may not be accepted by the county treasurer unless the payments required by
 2 subsection (2) accompany the application. The department ~~of revenue~~ may not assess or impose and the
 3 county treasurer may not collect taxes or fees for a period other than:

4 (a) the current year; and

5 (b) the immediately previous year if the vehicle was not registered or operated on the highways
 6 of the state, regardless of the period of time since the vehicle was previously registered or operated.

7 (4) The department ~~of revenue~~ may make full and complete investigation of the tax status of the
 8 vehicle. An applicant for registration or reregistration shall submit proof from the tax or other appropriate
 9 records of the proper county at the request of the department ~~of revenue~~."

10
 11 **Section 21.** Section 61-3-456, MCA, is amended to read:

12 **"61-3-456. Registration of motor vehicle owned and operated by Montana resident on active**
 13 **military duty stationed outside Montana.** (1) An owner of a motor vehicle who is a Montana resident on
 14 active military duty and stationed outside Montana may file with the department an application for the
 15 registration of the motor vehicle. The application must be sworn to before an officer authorized to
 16 administer oaths. The application must state:

17 (a) the name and address of the owner;

18 (b) the make, the gross weight, the year and number of the model, and the manufacturer's
 19 identification number and serial number of the motor vehicle; and

20 (c) that the vehicle is owned and operated by a Montana resident who is on active military duty
 21 and stationed outside Montana.

22 (2) The registration fee for a motor vehicle registered under subsection (1) is as provided in
 23 61-3-311 and 61-3-321.

24 (3) A vehicle registered under this section is not subject to:

25 (a) the taxes described in 61-3-303(2)(b);

26 (b) assessment under 15-8-202 or 61-3-503 or the fee in lieu of tax under [section 33]; or

27 (c) any of the fees provided in part 5 of this chapter."

28
 29 **Section 22.** Section 61-3-501, MCA, is amended to read:

30 **"61-3-501. When vehicle taxes and fees are due.** (1) ~~Property~~ Motor vehicle taxes, fees in lieu

1 of tax, new car taxes, and fees must be paid on the date of registration or reregistration of the vehicle.

2 (2) If the anniversary date for reregistration of a vehicle passes while the vehicle is owned and held
3 for sale by a licensed new or used car dealer, ~~property motor vehicle taxes or fees in lieu of tax~~ abate on
4 ~~such the~~ vehicle properly reported with the ~~department of revenue~~ county treasurer until the vehicle is sold
5 ~~and thereafter~~. After the sale, the purchaser shall pay the pro rata balance of the taxes or fees in lieu of
6 tax due and owing on the vehicle.

7 (3) In the event that a vehicle's registration period is changed under 61-3-315, all taxes or fees
8 in lieu of tax and other fees due ~~thereon shall~~ must be prorated and paid from the last day of the old period
9 until the first day of the new period in which the vehicle ~~shall be~~ is registered. ~~Thereafter~~ The taxes or fees
10 in lieu of tax and other fees must be paid from the first day of the new period for a minimum period of 1
11 year. When the change is to a later registration period, taxes and fees ~~shall~~ must be prorated and paid
12 based on the same tax year as the original registration period. Thereafter, during the appropriate anniversary
13 registration period, each vehicle ~~shall~~ must again ~~register or reregister~~ be registered or reregistered and ~~shall~~
14 pay all taxes and fees ~~due thereon~~ must be paid for a 12-month period."

15

16 **Section 23.** Section 61-3-503, MCA, is amended to read:

17 "**61-3-503. Assessment.** (1) Except as provided in 61-3-520 and subsection ~~(2)~~ (4) of this section,
18 the following apply to the taxation of motor vehicles:

19 ~~(a) Except as provided in subsections (1)(c) through (1)(e), a person who files an application for~~
20 ~~registration or reregistration of a motor vehicle shall before filing the application with the county treasurer~~
21 ~~submit the application to the department of revenue. The department of revenue shall enter on the~~
22 ~~application in a space to be provided for that purpose the market value and taxable value of the vehicle as~~
23 ~~of January 1 of the year for which the application for registration is made.~~

24 ~~(b) Except as provided in subsection (1)(c), motor vehicles are assessed for taxes on January 1 in~~
25 ~~each year irrespective of the time fixed by law for the assessment of other classes of personal property and~~
26 ~~irrespective of whether the levy and tax may be a lien upon real property within the state. A motor vehicle~~
27 ~~is not subject to assessment, levy, and taxation more than once in each year.~~

28 ~~(c)(a)~~ Vehicles subject to the provisions of 61-3-313 through 61-3-316 must be assessed as of the
29 first day of the registration period, using the ~~average trade-in or wholesale value as of January 1 of the year~~
30 ~~of assessment of the vehicle as contained in the most recent volume of the Mountain States Edition of the~~

1 ~~National Automobile Dealers Association (N.A.D.A.) Official Used Car Guide, the National Edition of~~
 2 ~~N.A.D.A. Appraisal Guides Official Older Used Car Guide, or another nationally published used vehicle or~~
 3 ~~appraisal guide approved by the department of revenue or, for a vehicle that was never listed in any edition~~
 4 ~~of the preceding guides, the retail value of the vehicle as determined by the department of revenue, and~~
 5 ~~depreciated 10% a year until a value of \$500 is reached, not including additions or deductions for options~~
 6 ~~and mileage but including additions or deductions, whether or not one of the preceding guides is used, for~~
 7 ~~diesel engines; and a depreciated value of the manufacturer's suggested retail price as determined in~~
 8 ~~subsection (2).~~

9 ~~(b) A lien for taxes and fees due on the vehicle occurs on the anniversary date of the registration~~
 10 ~~and continues until the fees and taxes have been paid. If the depreciated value shown in any of the~~
 11 ~~appraisal guides listed in this section is less than \$500, the department shall value the vehicle at \$500.~~

12 ~~(d) Quadricycles must be assessed, using the greater of the following:~~

13 ~~(i) \$250; or~~

14 ~~(ii) the average trade-in or wholesale value as of January 1 of the year of assessment of the vehicle~~
 15 ~~as contained in the most recent volume of the applicable National Edition of the N.A.D.A.~~
 16 ~~Motorcycle/Moped/ATV Appraisal Guide or N.A.D.A. Recreational Vehicle Appraisal Guide or another~~
 17 ~~nationally published used vehicle or appraisal guide approved by the department of revenue, not including~~
 18 ~~additions or deductions for options and mileage.~~

19 ~~(e) If a vehicle assessed under subsection (1)(c) or (1)(d) is not originally listed in the applicable~~
 20 ~~N.A.D.A. guide or other approved guide, the department of revenue shall depreciate the original f.o.b.~~
 21 ~~factory list price, f.o.b. port of entry list price, or the manufacturer's suggested list price, using the~~
 22 ~~following methods:~~

23 ~~(i) if the new car sales tax has been previously paid and the vehicle is less than 1 year in age, the~~
 24 ~~depreciation percentage is 20%; or~~

25 ~~(ii) if the vehicle is 1 year or older in age and it is not listed in any of the appraisal guides listed in~~
 26 ~~this section, the department of revenue shall determine the depreciation percentage to approximate the~~
 27 ~~average wholesale or trade-in values in the current N.A.D.A. guides or other approved guides referred to~~
 28 ~~in this subsection (1). For purposes of this subsection (1), the age of the vehicle is determined by~~
 29 ~~subtracting the manufacturer's model year of the vehicle from the calendar year of assessment.~~

30 ~~(f) When a minimum value of \$500 is reached, the value must remain at that minimum as long as~~

1 ~~the vehicle is registered.~~

2 ~~(g) If a previously registered vehicle is no longer listed in the applicable N.A.D.A. guide or other~~
 3 ~~approved guide, the department of revenue shall depreciate the value of the vehicle at the rate of 10% a~~
 4 ~~year until a minimum amount of \$500 is attained, and the value must remain at that amount as long as the~~
 5 ~~vehicle is registered.~~

6 (2) (a) Except as provided in subsections (2)(c) and (2)(d), the depreciated value for the taxation
 7 of light vehicles is computed by multiplying the manufacturer's suggested retail price by a percentage
 8 multiplier based on the type and age of the vehicle determined from the following table:

9	<u>Age of Vehicle</u>	<u>Type of Vehicle</u>			
10	<u>(in years)</u>	<u>Automobile</u>	<u>Truck</u>	<u>Van</u>	<u>Sport Utility</u>
11	<u>-1</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
12	<u>0</u>	<u>90</u>	<u>96</u>	<u>93</u>	<u>98</u>
13	<u>1</u>	<u>80</u>	<u>91</u>	<u>86</u>	<u>94</u>
14	<u>2</u>	<u>69</u>	<u>86</u>	<u>78</u>	<u>90</u>
15	<u>3</u>	<u>58</u>	<u>80</u>	<u>69</u>	<u>84</u>
16	<u>4</u>	<u>49</u>	<u>73</u>	<u>60</u>	<u>76</u>
17	<u>5</u>	<u>41</u>	<u>66</u>	<u>52</u>	<u>67</u>
18	<u>6</u>	<u>33</u>	<u>57</u>	<u>45</u>	<u>57</u>
19	<u>7</u>	<u>26</u>	<u>49</u>	<u>38</u>	<u>48</u>
20	<u>8</u>	<u>21</u>	<u>43</u>	<u>32</u>	<u>39</u>
21	<u>9</u>	<u>17</u>	<u>37</u>	<u>27</u>	<u>33</u>
22	<u>10</u>	<u>14</u>	<u>31</u>	<u>22</u>	<u>29</u>
23	<u>11</u>	<u>12</u>	<u>26</u>	<u>18</u>	<u>25</u>
24	<u>12</u>	<u>10</u>	<u>22</u>	<u>15</u>	<u>22</u>
25	<u>13</u>	<u>09</u>	<u>18</u>	<u>13</u>	<u>21</u>
26	<u>14</u>	<u>09</u>	<u>15</u>	<u>11</u>	<u>19</u>
27	<u>15</u>	<u>09</u>	<u>13</u>	<u>09</u>	<u>17</u>
28	<u>16</u>	<u>09</u>	<u>12</u>	<u>09</u>	<u>15</u>

29 (b) The age for the light vehicle is determined by subtracting the manufacturer's model year of the
 30 vehicle from the calendar year for which the tax is due.

1 (c) If the value of the vehicle determined under subsection (2)(a) is \$500 or less, the value of the
 2 vehicle is \$500 and the value must remain at that amount as long as the vehicle is registered.

3 (d) The depreciated value of a light vehicle that is 17 years old or older is computed by depreciating
 4 the value obtained for the vehicle at 16 years old as determined under subsection (2)(a) by 10% a year until
 5 a minimum value of \$500 is attained. The value must remain at that amount as long as the vehicle is
 6 registered.

7 (3) (a) For the purposes of this section, "manufacturer's suggested retail price" means the price
 8 suggested by the manufacturer for each given type, style, or model of light vehicle produced and first made
 9 available for retail sale by the manufacturer.

10 (b) The manufacturer's suggested retail price is based on standard equipment of a vehicle and does
 11 not contain price additions or deductions for optional accessories.

12 (c) When a manufacturer's suggested retail price is unavailable for a motor vehicle, the department
 13 shall determine an alternative valuation for the vehicle.

14 ~~(2)(4)~~ The provisions of subsections ~~(1)(a)~~ (1) through ~~(1)(g)~~ (3) do not apply to buses, trucks
 15 having a manufacturer's rated capacity of more than 1 ton, truck tractors, motorcycles, motor homes,
 16 quadricycles, travel trailers, campers, or mobile homes as defined in 15-1-101(1)."

17
 18 **Section 24.** Section 61-3-504, MCA, is amended to read:

19 **"61-3-504. Computation of tax.** (1) ~~The amount of taxes on a motor light vehicle, other than an~~
 20 ~~automobile, truck having a rated capacity of 1 ton or less, motorcycle, quadricycle, motor home, travel~~
 21 ~~trailer, camper, or mobile home, is computed and determined by the county treasurer on the basis of the~~
 22 ~~levy of the year preceding the current year of application for registration or reregistration.~~

23 ~~(2) The amount of tax on an automobile or truck having a rated capacity of 1 ton or less, except~~
 24 ~~for vehicles registered under 61-3-456 or owned by disabled veterans qualifying for special license plates~~
 25 ~~under 61-3-332(10)(c)(i)(A) or 61-3-426(2), and on a quadricycle is 2% of the value determined under~~
 26 ~~61-3-503.~~

27 ~~(3)(2)~~ The amount of tax on fleet vehicles subject to the provisions of 61-3-318 is 1% of the value
 28 determined under 61-3-503.

29 ~~(4) For all taxable motor vehicles, the amount of tax is entered on the application form in a space~~
 30 ~~provided for that purpose."~~

1 **Section 25.** Section 61-3-506, MCA, is amended to read:

2 "**61-3-506. Rules.** ~~(1) The department of revenue shall adopt rules for the payment of property~~
3 ~~taxes and the~~ department of transportation shall adopt rules for the payment of new car taxes under the
4 provisions of 61-3-313 through 61-3-316, 61-3-501, and 61-3-520. ~~The department of revenue may adopt~~
5 ~~rules for the proration of taxes for the implementation and administration of 61-3-313 through 61-3-316,~~
6 ~~61-3-501, and 61-3-520, but shall specifically provide that new car taxes shall be for a 12-month period~~

7 (2) The department of justice may adopt rules:

8 (a) for the assessment and collection of taxes and fees on light vehicles, including the proration of
9 taxes under 61-3-520; and

10 (b) for the imposition and collection of fees in lieu of tax, including the proration of fees in lieu of
11 tax under 61-3-520, on buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck
12 tractors, including criteria for determining the vehicle's age and manufacturer's rated capacity."

13

14 **Section 26.** Section 61-3-507, MCA, is amended to read:

15 "**61-3-507. Exemption.** ~~(1) A motor vehicle subject to anniversary date registration as provided~~
16 ~~in 61-3-313 through 61-3-316 is exempt from the provisions of 61-3-503(1)(b).~~

17 ~~(2)~~ A vehicle that is exempt from taxation under 15-6-215 or subject to the provisions of 61-3-520
18 is exempt from all other taxes and fees generally imposed on a vehicle by this part."

19

20 **Section 27.** Section 61-3-509, MCA, is amended to read:

21 "**61-3-509. Disposition of taxes.** (1) Except as provided in subsection (2), the county treasurer
22 shall, after deducting the district court fee, credit all taxes on motor vehicles and fees in lieu of tax on
23 motorcycles, quadricycles, motor homes, travel trailers, ~~and campers~~, buses, trucks having a
24 manufacturer's rated capacity of more than 1 ton, and truck tractors collected under 61-3-504, 61-3-521,
25 61-3-527, ~~and 61-3-537, and [section 33]~~ to a motor vehicle suspense fund, ~~and at~~. At some time between
26 March 1 and March 10 of each year and every 60 days after that date, the county treasurer shall distribute
27 the money in the motor vehicle suspense fund in the relative proportions required by the levies for state,
28 county, school district, and municipal purposes in the same manner as personal property taxes are
29 distributed.

30 (2) The county treasurer shall deduct as a district court fee 7% of the amount of the 2% tax

1 collected on ~~an automobile or truck having a rated capacity of 1 ton or less~~ light vehicles. The county
 2 treasurer shall credit the fee for district courts to a separate suspense account and shall forward the amount
 3 in the account to the state treasurer at the time that the county treasurer distributes money from the motor
 4 vehicle suspense fund. The state treasurer shall credit amounts received under this subsection to the
 5 general fund to be used for purposes of state funding of ~~the~~ district court expenses as provided in
 6 3-5-901."

7
 8 **Section 28.** Section 61-3-520, MCA, is amended to read:

9 **"61-3-520. ~~Taxation of~~ Taxes and fees on vehicles used exclusively in filming motion pictures or**
 10 **television commercials.** (1) A vehicle used exclusively in the filming of motion pictures or television
 11 commercials that has been in the state for a period exceeding 180 consecutive days in a calendar year ~~must~~
 12 ~~be assessed~~ is subject to assessment or a fee in lieu of tax as if the vehicle were not used exclusively for
 13 filming motion pictures or television commercials, but the assessment or fee in lieu of tax must be prorated
 14 as provided in subsection (2).

15 (2) The taxes assessed or the fees in lieu of tax imposed under subsection (1) must be prorated
 16 by dividing the number of days in excess of 180 consecutive days in the calendar year by 365.

17 (3) (a) Taxes on a vehicle imposed pursuant to this section must be collected as provided in Title
 18 15, chapter 16, part 1, for the collection of personal property taxes generally.

19 (b) Fees on a vehicle imposed pursuant to this section must be collected as provided in this
 20 chapter."

21
 22 **Section 29.** Section 61-3-527, MCA, is amended to read:

23 **"61-3-527. Fee in lieu of tax for motorcycles and quadricycles -- schedule of fees.** (1) (a) There
 24 is a fee in lieu of property tax imposed on motorcycles and quadricycles. The fee is in addition to annual
 25 registration fees.

26 (b) The fee imposed by subsection (1)(a) ~~need~~ is not required to be paid by a dealer for motorcycles
 27 or quadricycles that constitute inventory of the dealership.

28 (2) The owner of a motorcycle or quadricycle shall pay a fee based on the age of the motorcycle
 29 or quadricycle and the size of the engine, as follows:

30 (a) The fee schedule for a motorcycle or quadricycle with an engine that measures from 1 cubic

1 centimeter to 600 cubic centimeters is as follows:

2 (i) less than 2 years old, \$30;

3 (ii) 2 years old and less than 5 years old, \$25;

4 (iii) 5 years old and less than 11 years old, \$15; and

5 (iv) 11 years old and older, \$10.

6 (b) The fee schedule for a motorcycle or quadricycle with an engine that measures from 601 cubic
7 centimeters to 1,000 cubic centimeters is as follows:

8 (i) less than 2 years old, \$70;

9 (ii) 2 years old and less than 5 years old, \$55;

10 (iii) 5 years old and less than 11 years old, \$40; and

11 (iv) 11 years old and older, \$30.

12 (c) The fee schedule for a motorcycle or quadricycle with an engine that measures 1,001 cubic
13 centimeters and larger is as follows:

14 (i) less than 2 years old, \$110;

15 (ii) 2 years old and less than 5 years old, \$90;

16 (iii) 5 years old and less than 11 years old, \$65; and

17 (iv) 11 years old and older, \$40.

18 (d) The age of a motorcycle or quadricycle is determined by subtracting the manufacturer's
19 designated model year from the current calendar year."

20

21 **Section 30.** Section 61-3-535, MCA, is amended to read:

22 "**61-3-535. Vehicle reregistration by mail -- ~~renewal cards reminder notice~~ and reregistration notice**
23 **by mail.** (1) ~~Except as provided in subsection (2), an owner of the following types of motor vehicles may~~
24 ~~reregister by mail:~~

25 ~~(a) light vehicles, quadricycles, and other vehicles subject to tax under 61-3-504(2); and~~

26 ~~(b) motorcycles, travel trailers, campers, and motor homes subject to a fee in lieu of tax under~~
27 ~~61-3-521 and 61-3-527.~~

28 ~~(2) The option to reregister by mail need only be made available for vehicles, motor homes, and~~
29 ~~travel trailers registered at the close of the expiring registration period in the name of the applicant for~~
30 ~~reregistration and only if The department may allow the owner of a motor vehicle to renew the registration~~

1 of a vehicle by mail when the value, age, length, weight, or other criteria used to determine the tax or fee
 2 for a particular type of vehicle is available to the department by electronic means.

3 ~~(3)(2) The department shall develop a procedure to facilitate the reregistration by mail of the~~
 4 ~~vehicles listed in subsection (1). The Any mail reregistration procedure developed by the department must~~
 5 include a procedure to facilitate automated handling of mail reregistration or recertification.

6 ~~(4) The procedure implemented by the department to permit reregistration or camper decal~~
 7 ~~application by mail must and must provide for a written reminder notice by mail to a vehicle owner of the~~
 8 requirement to reregister the owner's vehicle with the county treasurer or to apply for the annual camper
 9 decal.

10 ~~(5)(3) The department shall adopt rules to implement the mail reregistration and decal application~~
 11 procedure."

12

13 **Section 31.** Section 61-3-537, MCA, is amended to read:

14 **"61-3-537. (Temporary) Local option vehicle tax.** (1) A county may impose a local vehicle tax on
 15 vehicles subject to a ~~property~~ tax under 61-3-504(2) at a rate of up to 0.5% of the value determined under
 16 61-3-503, in addition to the tax imposed under 61-3-504(2).

17 (2) A local vehicle tax is payable at the same time and in the same manner as the tax imposed
 18 under 61-3-504(2). The first priority of the local vehicle tax is for district court funding, and the tax is
 19 distributed as follows:

20 (a) 50% to the county; and

21 (b) the remaining 50% to the county and the incorporated cities and towns within the county,
 22 apportioned on the basis of population. The distribution to a city or town is determined by multiplying the
 23 amount of money available by the ratio of the population of the city or town to the total county population.
 24 The distribution to the county is determined by multiplying the amount of money available by the ratio of
 25 the population of unincorporated areas within the county to the total county population.

26 (3) The governing body of a county may impose, revise, or revoke a local vehicle tax by adopting
 27 a resolution before July 1, after conducting a public hearing on the proposed resolution. The resolution may
 28 provide for the distribution of the local vehicle tax. (Terminates June 30, 2005--sec. 2, 3, Ch. 217, L.
 29 1995.)

30 **61-3-537. (Effective July 1, 2005) Local option vehicle tax.** (1) A county may impose a local

1 vehicle tax on vehicles subject to a ~~property~~ tax under 61-3-504(2) at a rate of up to 0.5% of the value
 2 determined under 61-3-503, in addition to the tax imposed under 61-3-504(2).

3 (2) A local vehicle tax is payable at the same time and in the same manner as the tax imposed
 4 under 61-3-504(2) and is distributed in the same manner, based on the registration address of the owner
 5 of the motor vehicle.

6 (3) The governing body of a county may impose, revise, or revoke a local vehicle tax by adopting
 7 a resolution before July 1, after conducting a public hearing on the proposed resolution."
 8

9 **NEW SECTION. Section 32. Definitions.** As used in [section 33] and this section, unless the
 10 context requires otherwise, the following definitions apply:

11 (1) "Bus" has the same meaning as provided in 61-1-115.

12 (2) "Manufacturer's rated gross combined weight" means the manufacturer's published weight of
 13 the allowable load for a truck tractor and trailer combined and includes the weight of the truck tractor and
 14 the trailer.

15 (3) "Manufacturer's rated gross vehicle weight" means the manufacturer's published weight of the
 16 allowable load for a truck and includes the weight of the truck.

17 (4) "Truck" means a motor vehicle designed to carry an entire load. The truck may consist of a
 18 chassis and body or a chassis-cab and body or it may be of unitized construction so that the body and cab
 19 appear to be a single unit.

20 (5) "Truck tractor" has the same meaning as provided in 61-1-108.
 21

22 **NEW SECTION. Section 33. Schedule of fees for buses, motor vehicles having rated capacity of**
 23 **more than 1 ton, and truck tractors -- proration -- exemption.** (1) (a) There is a fee in lieu of property tax
 24 imposed on buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors.
 25 The fee is in addition to annual registration fees.

26 (b) The fee imposed by subsection (1)(a) is not required to be paid by a dealer of buses, trucks, or
 27 truck tractors that constitute inventory of the dealership.

28 (2) Subject to the conditions of subsection (4), the owner of a bus, truck with a manufacturer's
 29 rated capacity of more than 1 ton, or truck tractor shall pay a fee in lieu of tax based on the age and
 30 manufacturer's rated capacity of the vehicle according to the following schedule:

1	<u>Age of Vehicle</u>	<u>Rated Capacity (in pounds)</u>			
		16,999 or less	17,000-26,999	27,000-54,999	55,000 or more
2	(in years)				
3	1 or less	\$234	\$334	\$568	\$750
4	2	218	300	500	600
5	3	200	268	440	532
6	4	184	234	368	484
7	5	166	218	320	390
8	6	150	200	268	334
9	7	132	182	234	294
10	8	116	166	200	250
11	9	100	150	184	218
12	10	82	116	158	184
13	11-12	66	100	134	152
14	13-14	56	74	104	122
15	15-16	50	60	76	94
16	17-18	36	52	58	72
17	19-20	26	38	44	52
18	21 or more	20	24	32	40

19 (3) The age of the vehicle is determined by subtracting the manufacturer's model year of the vehicle
20 from the calendar year for which the fee in lieu of tax is due.

21 (4) (a) The manufacturer's rated capacity for a bus or truck with a manufacturer's rated capacity
22 of more than 1 ton is the manufacturer's rated gross vehicle weight.

23 (b) The manufacturer's rated capacity for a truck tractor is the manufacturer's rated gross combined
24 weight.

25 (5) A motor vehicle brought into the state or otherwise used for the exclusive purpose of filming
26 motion pictures or television commercials is exempt from the fee in lieu of tax if the vehicle does not remain
27 in the state for a period in excess of 180 consecutive days in a calendar year.

28 (6) Except as provided in 61-3-520, the fee in lieu of tax on a vehicle subject to this section that
29 is brought or driven into this state by a nonresident person for hire, compensation, or profit must be
30 prorated according to the ratio that the remaining number of months in the year bears to the total number

1 of months in the year.

2 (7) (a) The fee in lieu of tax on a vehicle subject to this section that is registered in the state for the
3 first time must be prorated as provided in subsection (6).

4 (b) The fee in lieu of tax on a vehicle subject to this section that is reregistered in the state is for
5 a full year.

6 (8) The fee in lieu of tax may not be refunded.

7

8 **NEW SECTION. Section 34. Assessment of proportionally registered interstate motor vehicle fleets**

9 -- **payment of tax or fee in lieu of tax required for registration.** (1) (a) Except as provided in subsection (2),
10 the department of transportation shall determine the fee for the purpose of imposing the fee in lieu of tax
11 as provided in [sections 32 and 33] on buses, trucks having a manufacturer's rated capacity of more than
12 1 ton, and truck tractors, in interstate motor vehicle fleets that are proportionally registered under the
13 provisions of 61-3-711 through 61-3-733. The fee must be apportioned on the ratio of total miles traveled
14 to in-state miles traveled as prescribed by 61-3-721. The fee in lieu of tax on interstate motor vehicle fleets
15 is imposed upon application for proportional registration and must be paid by the persons who own or claim
16 the fleet or in whose possession or control the fleet is at the time of the application.

17 (b) With respect to an original application for a fleet that has a situs in Montana for the purpose
18 of the fee in lieu of tax under this part or any other provision of the laws of Montana, the fee in lieu of tax
19 on fleet vehicles must be prorated according to the ratio that the remaining number of months in the year
20 bears to the total number of months in the year.

21 (2) For the purpose of taxation, the department of transportation shall assess light vehicles, as
22 defined in [section 16], that are part of an interstate motor vehicle fleet as follows:

23 (a) The value of each vehicle is determined in the same manner as provided in 61-3-503.

24 (b) The value determined under subsection (2)(a) multiplied by the percent of miles traveled in
25 Montana, as prescribed by 61-3-721, is the market value.

26 (c) The sum of the market value of all vehicles subject to tax under this subsection (2) multiplied
27 by 2% is the tax for the entire fleet.

28 (d) With respect to an original application for a fleet that has a situs in Montana for the purpose
29 of taxation under this part or any other provision of the laws of Montana, the taxes on taxable vehicles are
30 determined as provided in subsection (2)(b).

1 (e) Vehicles taxed as part of a fleet under this subsection (2) are not subject to the local option tax
2 imposed under 61-3-537.

3 (3) With respect to a renewal application for a fleet, taxable vehicles are assessed and taxed for
4 a full year and for all other vehicles the fee in lieu of tax is imposed for a full year.

5 (4) Vehicles contained in a fleet for which current taxes or fees, or both, have been assessed and
6 paid may not be assessed or charged fees under this section upon presentation to the department of proof
7 of payment of taxes, fees, or both for the current registration year. The payment of fleet vehicle taxes, fees
8 in lieu of tax, and license fees is a condition precedent to proportional registration or reregistration of an
9 interstate motor vehicle fleet.

10 (5) All taxes and fees collected on motor vehicle fleets under this chapter must be deposited and
11 distributed as provided in [section 36].

12

13 **NEW SECTION. Section 35. Situs in state of proportionally registered fleets -- collection of taxes**
14 **and fees.** (1) For the purposes of this part, any vehicle previously registered or that has had application for
15 registration made under the provisions of 61-3-711 through 61-3-733 has a situs in Montana for the
16 purposes of taxation or the fee in lieu of tax.

17 (2) The department of transportation shall collect the fleet vehicle taxes, the fees in lieu of tax, and
18 license fees prescribed in this part.

19

20 **NEW SECTION. Section 36. Deposit and distribution of taxes and fees on proportionally registered**
21 **fleets.** The taxes, fees in lieu of tax, and license fees collected under this part must be deposited with the
22 state treasurer for distribution to the general fund of each county on the following basis:

23 (1) for fleet vehicle taxes and fees in lieu of tax, according to the ratio of the taxable valuation of
24 each county to the total state taxable valuation; and

25 (2) for fleet vehicle license fees, according to the ratio of vehicle license fees, other than fees
26 derived from interstate motor vehicle fleets, collected in each county to the sum of all fleet vehicle fees
27 collected in all the counties.

28

29 **Section 37.** Section 61-3-701, MCA, is amended to read:

30 **"61-3-701. Foreign vehicles used in gainful occupation to be registered -- reciprocity.** (1) Before

1 ~~any a~~ foreign licensed motor vehicle may be operated on the highways of this state for hire, compensation,
 2 or profit or before the owner ~~and/or or~~ user ~~thereof of the vehicle~~ uses the vehicle if ~~such the~~ owner ~~and/or~~
 3 ~~or~~ user is engaged in gainful occupation or business enterprise in the state, including highway work, the
 4 owner of the vehicle shall ~~make application~~ apply to a county treasurer for registration upon an application
 5 form furnished by the department. Upon satisfactory evidence of ownership submitted to the county
 6 treasurer and the payment of ~~property~~ motor vehicle taxes or fees in lieu of taxes, if appropriate, as required
 7 by 15-8-201, 15-8-202, 15-24-301, 61-3-504, ~~or~~ 61-3-537, or [section 33], the treasurer shall accept the
 8 application for registration and shall collect the regular license fee required for the vehicle.

9 (2) ~~The~~ Upon payment of the fees or taxes, the treasurer shall ~~thereupon~~ issue to the applicant a
 10 copy of the certificate entitled "Owner's Certificate of Registration and Payment Receipt" and forward a
 11 duplicate copy of the certificate to the department. The treasurer shall at the same time issue to the
 12 applicant the proper license plates or other identification markers, which ~~shall~~ must at all times be displayed
 13 upon the vehicle when operated or driven upon roads and highways of this state during the effective period
 14 ~~of the life~~ of the license.

15 (3) The registration receipt ~~shall~~ does not constitute evidence of ownership but ~~shall~~ must be used
 16 only for registration purposes. ~~No~~ A Montana certificate of ownership ~~shall~~ may not be issued for this type
 17 of registration.

18 (4) This section is not applicable to ~~any a~~ vehicle covered by a valid and existing reciprocal
 19 agreement or declaration entered into under the provisions of the laws of Montana."
 20

21 **Section 38.** Section 61-12-402, MCA, is amended to read:

22 **"61-12-402. Notice to owner.** (1) Within 72 hours after ~~any a~~ vehicle is removed and held by or
 23 at the direction of the Montana highway patrol, the highway patrol shall notify the sheriff of the county in
 24 which the vehicle was located at the time it was taken into custody ~~and~~ of the place where the vehicle is
 25 being held. In addition, the Montana highway patrol shall furnish the sheriff:

26 (a) a complete description of the vehicle, including year, make, model, serial number, and license
 27 number if available;

28 (b) any costs incurred to that date in the removal, storage, and custody of the vehicle; and

29 (c) any available information concerning its ownership.

30 (2) The sheriff or the city police shall make reasonable efforts to ascertain the name and address

1 of the owner, lienholder, or person entitled to possession of the vehicle taken into custody under
 2 61-12-401. If a name and address are ascertained, the sheriff or the city police shall notify the owner, ~~and~~
 3 lienholder, or person of the location of the vehicle.

4 (3) If the vehicle is registered in the office of the department, notice is considered to have been
 5 given when a ~~registered or~~ certified letter addressed to the registered owner of the vehicle and lienholder,
 6 if any, at the latest address shown by the records in the office of the department, return receipt requested
 7 and postage prepaid, is mailed at least 30 days before the vehicle is sold.

8 (4) If the identity of the last-registered owner cannot be determined, if the registration does not
 9 contain an address for the owner, or if it is impossible to determine with reasonable certainty the identity
 10 and addresses of all lienholders, notice by one publication in one newspaper of general circulation in the
 11 county where the motor vehicle was abandoned is sufficient to meet all requirements of notice pursuant
 12 to this part. The notice by publication ~~can~~ may contain multiple listings of abandoned vehicles. The notice
 13 must be provided in the same manner as prescribed in 25-13-701(1)(b).

14 (5) If the abandoned vehicle is in the possession of a motor vehicle wrecking facility licensed under
 15 75-10-511, the wrecking facility may make the required search to ascertain the name and address of the
 16 owner, lienholder, or person entitled to possession of the vehicle and shall give the notices required in
 17 subsections (2) through (4). The wrecking facility shall deliver to the sheriff or the city police a certificate
 18 describing the efforts made to ascertain the name and address of the owner, lienholder, or person entitled
 19 to possession of the vehicle and shall deliver to the sheriff or the city police proof of the notice given.

20 (6) A vehicle found by law enforcement officials to be a "junk vehicle", as defined by 75-10-501,
 21 and ~~certified as having an appraised~~ that has a value of \$500 or less, as determined by the department of
 22 ~~revenue~~, may be directly submitted for disposal in accordance with the provisions of ~~part 5 of chapter 10,~~
 23 Title 75, chapter 10, part 5, upon a release given by the sheriff or the city police. In the release, the sheriff
 24 or the city police shall include a description of the vehicle, including year, make, model, serial number, and
 25 license number if available. A release provided by the sheriff or the city police under this section must be
 26 transmitted to the motor vehicle wrecking facility and must be considered by that facility to meet the
 27 requirements for records under 75-10-512 and 75-10-513. Vehicles described in this section may be
 28 submitted for disposal without notice and without a required holding period."
 29

30 NEW SECTION. **Section 39. Legislative audit committee analysis.** (1) The legislative audit

1 committee shall conduct or have conducted an analysis of alternative methods of classification, valuation,
2 and taxation of automobiles and trucks having a manufacturer's rated capacity of 1 ton or less. The
3 analysis must include:

4 (a) alternative methods of valuation and taxation;

5 (b) imposition of a flat tax or fees in lieu of taxes;

6 (c) multiyear licensing;

7 (d) cost-effectiveness and public convenience of alternative methods of classifying motor vehicles
8 and of collecting motor vehicle taxes or fees;

9 (e) anticipated costs and revenue of alternative systems compared with the present system of
10 classifying, valuing, and taxing motor vehicles; and

11 (f) alternative methods for formulas based on revenue allocations to counties.

12 (2) The committee shall report the results of its analysis to the 56th legislature.

13

14 **NEW SECTION. Section 40. Codification instruction.** (1) [Sections 16 and 17] are intended to be
15 codified as an integral part of Title 61, chapter 1, part 1, and the provisions of Title 61, chapter 1, part 1,
16 apply to [sections 16 and 17].

17 (2) [Sections 32 and 33] are intended to be codified as an integral part of Title 61, chapter 3, part
18 5, and the provisions of Title 61, chapter 3, part 5, apply to [sections 32 and 33].

19 (3) [Sections 34 through 36] are intended to be codified as an integral part of Title 61, chapter 3,
20 part 7, and the provisions of Title 61, chapter 3, part 7, apply to [sections 34 through 36].

21

22 **NEW SECTION. Section 41. Repealer.** Sections 15-24-101, 15-24-102, 15-24-103, 15-24-104,
23 15-24-105, and 15-24-2501, MCA, are repealed.

24

25 **NEW SECTION. Section 42. Effective dates -- applicability -- rulemaking.** (1) Except for the
26 purposes of subsection (2), [this act] is effective January 1, 1998, and applies to tax years beginning after
27 December 31, 1997.

28 (2) For the purposes of promulgating administrative rules under 61-3-506 and conducting the
29 analysis required by [section 39], [sections 25 and 39 and this section] are effective on passage and
30 approval.

-END-