

EXHIBIT 1  
DATE 3.11.05  
HB 413

Amendments to House Bill No. 413  
1st Reading Copy

Requested by Representative Dee Brown

For the House Taxation Committee

Prepared by Jeff Martin  
March 9, 2005 (10:18am)

1. Title, page 1, line 5.

Strike: "FEE"

Insert: "TAX"

Strike: "LENGTH"

Insert: "AGE"

2. Title, page 1, line 5 through line 6.

Strike: "PROVIDING" on line 5 through "HOME" on line 6

Insert: "LIMITING THE ADDITIONAL TAX TO MOTOR HOMES THAT ARE LESS  
THAN 6 YEARS OLD"

3. Title, page 1, line 7.

Strike: "SECTION"

Insert: "SECTIONS 15-8-202, 15-15-201, 61-3-456,"

Following: "61-3-522,"

Insert: "AND 61-3-701,"

4. Page 1, line 11 through line 21.

Strike: section 1 in its entirety

Insert: "Section 1. Section 15-8-202, MCA, is amended to read:

"15-8-202. Motor vehicle assessment by department of justice. (1) (a) The department of justice shall determine the registration fee on light vehicles in accordance with 61-3-560 through 61-3-562.

(b) For the purposes of the local option vehicle tax under 61-3-537, the department of justice shall assess all light vehicles, subject to 61-3-313 through 61-3-316 and 61-3-501, for taxation in accordance with 61-3-503.

(c) 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 61-3-528 and 61-3-529.

(d) The department of justice shall determine the tax on motor homes in accordance with 61-3-522.

(d) Taxes, registration fees, or fees in lieu of tax on a motor vehicle under this subsection (1) must be assessed or imposed in each year on the person who owned or claimed the motor

~~vehicles~~ vehicle or in whose possession or control the motor vehicle was on the anniversary registration date.

(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 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.

(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.

(5) (a) The department of justice is authorized to appear in any proceeding before a county tax appeal board, the state tax appeal board, or a court that seeks to dispute an assessment made by the department pursuant to the authority granted under this section.

(b) For the purposes of proceedings before county tax appeal boards or the state tax appeal board, service of the application required under 15-15-201 must be made on the attorney general. A copy of any application giving rise to a proceeding before a county tax appeal board or the state tax appeal board must also be served on the county treasurer of the county in which the vehicle that is the subject of the proceeding was registered."

{Internal References to 15-8-202:

15-8-115 x 15-15-201 a 61-3-456 a 61-3-701 a}"

**Insert: "Section 2. Section 15-15-201, MCA, is amended to read:**

**"15-15-201. Motor vehicle tax appeals -- payment and protest of local option taxes or fees in lieu of tax on motor vehicles.** (1) (a) A taxpayer who seeks to appeal the imposition of taxes on motor homes, local option taxes on light vehicles, or fees in lieu of tax assessed against a motor vehicle and imposed by the department of justice under authority of 15-8-202 shall file a written application for the appeal not later than 30 days after the anniversary date for reregistration, as determined by 61-3-315, of the vehicle that is the subject of the appeal. The application must be on a form prescribed by the department of justice in consultation with the state tax appeal board.

(b) The application must include a specific explanation of the basis for the taxpayer's appeal. The basis for appeal must be related to the factors to be considered and applied by the department of justice under 61-3-503, 61-3-506, 16-3-522, 61-3-528, and 61-3-529.

(2) (a) The treasurer of the county or municipality is not required to deposit taxes on motor homes, local option vehicle

taxes, or fees in lieu of tax on a motor vehicle paid under protest in the special fund designated as a protest fund as required for property taxes under 15-1-402. The taxes or fees paid under protest may be reported and distributed in the same manner as those received without protest.

(b) If a refund is payable as a result of the taxpayer prevailing in a tax appeal or court proceeding concerning the protested motor vehicle taxes or fees, a refund may be made in accordance with 15-16-603.

(3) (a) A motor vehicle tax appeal may be heard by the county tax appeal board during its next regularly scheduled session if the application for the appeal was filed by December 1. If during its current session, a county tax appeal board refuses or fails to hear a taxpayer's application that was timely filed by December 1, then the taxpayer's application is considered to be granted on the day following the board's final meeting for that year.

(b) A motor vehicle tax appeal filed after December 1 may be held over by the board to a session in the following year. If a taxpayer's application that was timely filed after December 1 of the current session of the county tax appeal board is held over to a session in the following year and if the county tax appeal board refuses or fails to hear the application during the following session, then the application is considered to be granted on the day following the board's final meeting for that year."

{Internal References to 15-15-201:

15-8-202 a 15-15-103 x 15-16-603x}"

Insert: "Section 3. 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) As an incentive for military service, an owner of a motor vehicle who is a Montana resident who entered active military duty from Montana and who is 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 meets the qualifications of subsection (1) and 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(5)(b);

(b) assessment under 15-8-202, or 61-3-503, or 61-3-522, the fee in lieu of tax under 61-3-529, or the registration fee under 61-3-560 through 61-3-562; or

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

{Internal References to 61-3-456:

15-6-201 x 61-3-303 x 61-3-303 x 61-3-560 x}"

**Renumber:** subsequent sections

5. Page 1, line 26.

**Strike:** "\$750"

**Insert:** "\$260"

6. Page 1, line 27.

**Strike:** "690"

**Insert:** "240"

7. Page 1, line 28.

**Strike:** "585"

**Insert:** "205"

8. Page 1, line 29.

**Strike:** "450"

**Insert:** "160"

9. Page 1, line 30.

**Strike:** "375"

**Insert:** "135"

10. Page 2, line 1.

**Strike:** "300"

**Insert:** "110"

11. Page 2, line 2.

**Strike:** "225"

**Insert:** "85"

12. Page 2, line 3.

**Strike:** "195"

**Insert:** "75"

13. Page 2, line 4 through line 7.

**Strike:** subsection (2) in its entirety

**Insert:** "(2) (a) In addition to the fee imposed under subsection (1), there is a tax on motor homes less than 6 years old as determined in this subsection (2). The following apply to the taxation of motor homes:

(i) For the purposes of imposing the tax under this subsection (2), motor homes must be assessed on the date on which the motor home is registered or reregistered, using the depreciated value of the manufacturer's suggested retail price as determined in subsection (2)(d).

(ii) A lien for fees and taxes due on the vehicle occurs on the date of the registration or reregistration and continues until the fees and taxes have been paid.

(b) (i) The depreciated value for the taxation of a motor home is computed by multiplying the manufacturer's suggested retail price by a percentage multiplier based on the age of the vehicle determined as follows:

Age of Vehicle (in years)	Percentage Multiplier
-1 to 0	90%
1	80
2	69
3	58
4	49
5	41
6 years old and older	0

(ii) The age for the motor home is determined as provided in subsection (3).

(c) The amount of taxes on a motor home, except motor homes registered under 61-3-456, is 0.25% of the value determined under this subsection (2).

(d) (i) 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 motor home produced and first made available for retail sale by the manufacturer.

(ii) The manufacturer's suggested retail price is based on standard equipment of a motor home and does not contain price additions or deductions for optional accessories.

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

14. Page 2, line 14 through line 15.

**Strike:** section 3 in its entirety

**"Section 5.** Section 61-3-701, MCA, is amended to read:

**"61-3-701. Out-of-state vehicles used in gainful occupation to be registered -- reciprocity.** (1) Before a motor vehicle that

is registered in another jurisdiction may be operated on the highways of this state for hire, compensation, or profit or before the owner or user of the vehicle uses the vehicle if the owner or user is engaged in gainful occupation or business enterprise in the state, including highway work, the owner of the vehicle shall register the vehicle at the office of a county treasurer or an authorized agent of the department. Upon satisfactory evidence of ownership submitted to the county treasurer or the department's authorized agent and the payment of taxes, fees in lieu of taxes, or registration fees, if appropriate, as required by ~~15-8-201~~, 15-8-202, 15-24-301, 61-3-522, 61-3-529, 61-3-537, or 61-3-560 and 61-3-561, the treasurer or authorized agent shall enter the vehicle for registration purposes only on the electronic registry maintained by the department under 61-3-101.

(2) Upon payment of the fees or taxes, the treasurer or the department's authorized agent shall issue to the vehicle owner a registration receipt and the proper license plates or other identification markers. The license plates or identification markers must at all times be displayed upon the vehicle when operated or driven upon roads and highways of this state during the registration period indicated on the receipt.

(3) The registration receipt does not constitute evidence of ownership but must be used only for registration purposes. A Montana certificate of title may not be issued for a vehicle registered under this section.

(4) This section is not applicable to a vehicle covered by a valid and existing reciprocal agreement or declaration entered into under Montana law."

{ Internal References to 61-3-701:

61-3-303 x      61-3-303 x      61-3-703 x      61-3-704x }

**Renumber:** subsequent section

- END -