

## 1 HOUSE BILL NO. 217

2 INTRODUCED BY T. RICHMOND

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4 A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING CERTAIN AMATEUR RADIO STATION PROPERTY  
5 FROM PROPERTY TAXES; AMENDING SECTIONS 15-6-138 AND 15-6-219, MCA; AND PROVIDING AN  
6 IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

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10 **Section 1.** Section 15-6-138, MCA, is amended to read:

11 **"15-6-138. Class eight property -- description -- taxable percentage.** (1) Class eight property  
12 includes:

13 (a) all agricultural implements and equipment that are not exempt under 15-6-207 or 15-6-220;

14 (b) all mining machinery, fixtures, equipment, tools that are not exempt under 15-6-219, and supplies  
15 except those included in class five under 15-6-135;

16 (c) for oil and gas production, all:

17 (i) machinery;

18 (ii) fixtures;

19 (iii) equipment, including flow lines and gathering lines, pumping units, oil field storage tanks, water  
20 storage tanks, water disposal injection pumps, gas compressor and dehydrator units, communication towers, gas  
21 metering shacks, treaters, gas separators, water flood units, and gas boosters, together with equipment that is  
22 skidable, portable, or movable;

23 (iv) tools that are not exempt under 15-6-219; and

24 (v) supplies except those included in class five;

25 (d) all manufacturing machinery, fixtures, equipment, tools, except a certain value of hand-held tools and  
26 personal property related to space vehicles, ethanol manufacturing, and industrial dairies and milk processors  
27 as provided in 15-6-220, and supplies except those included in class five;

28 (e) all goods and equipment that are intended for rent or lease, except goods and equipment that are  
29 specifically included and taxed in another class or that are rented under a purchase incentive rental program as  
30 defined in 15-6-202(4);

- 1 (f) special mobile equipment as defined in 61-1-101;
- 2 (g) furniture, fixtures, and equipment, except that specifically included in another class, used in  
3 commercial establishments as defined in this section;
- 4 (h) x-ray and medical and dental equipment;
- 5 (i) citizens' band radios and mobile telephones;
- 6 (j) radio and television broadcasting and transmitting equipment, except amateur radio station equipment  
7 as provided in 15-6-219;
- 8 (k) cable television systems;
- 9 (l) coal and ore haulers;
- 10 (m) theater projectors and sound equipment; and
- 11 (n) all other property that is not included in any other class in this part, except that property that is subject  
12 to a fee in lieu of a property tax.
- 13 (2) As used in this section, the following definitions apply:
- 14 (a) "Coal and ore haulers" means nonhighway vehicles that exceed 18,000 pounds an axle and that are  
15 primarily designed and used to transport coal, ore, or other earthen material in a mining or quarrying environment.
- 16 (b) "Commercial establishment" includes any hotel, motel, office, petroleum marketing station, or service,  
17 wholesale, retail, or food-handling business.
- 18 (c) "Flow lines and gathering lines" means pipelines used to transport all or part of the oil or gas  
19 production from an oil or gas well to an interconnection with a common carrier pipeline as defined in 69-13-101,  
20 a pipeline carrier as defined in 49 U.S.C. 15102(2), or a rate-regulated natural gas transmission or oil  
21 transmission pipeline regulated by the public service commission or the federal energy regulatory commission.
- 22 (3) Except as provided in 15-24-1402 and 15-24-2102, class eight property is taxed at:
- 23 (a) for the first \$6 million of taxable market value in excess of the exemption amount in subsection (4),  
24 1.5%; and
- 25 (b) for all taxable market value in excess of \$6 million, 3%.
- 26 (4) The first \$100,000 of market value of class eight property of a person or business entity is exempt  
27 from taxation.
- 28 (5) The gas gathering facilities of a stand-alone gas gathering company providing gas gathering services  
29 to third parties on a contractual basis, owning more than 500 miles of gas gathering lines in Montana, and  
30 centrally assessed in tax years prior to 2009 must be treated as a natural gas transmission pipeline subject to

1 central assessment under 15-23-101. For purposes of this subsection, the gas gathering line ownership of all  
2 affiliated companies, as defined in section 1504(a) of the Internal Revenue Code, 26 U.S.C. 1504(a), must be  
3 aggregated for purposes of determining the 500-mile threshold."

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5 **Section 2.** Section 15-6-219, MCA, is amended to read:

6 **"15-6-219. Personal and other property exemptions.** The following categories of property are exempt  
7 from taxation:

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

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

11 (a) construct, repair, and maintain improvements to real property; or

12 (b) repair and maintain machinery, equipment, appliances, or other personal property;

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

16 (4) a bicycle, as defined in 61-8-102, used by the owner for personal transportation purposes;

17 (5) items of personal property intended for rent or lease in the ordinary course of business if each item  
18 of personal property satisfies all of the following:

19 (a) the acquired cost of the personal property is less than \$15,000;

20 (b) the personal property is owned by a business whose primary business income is from rental or lease  
21 of personal property to individuals and no one customer of the business accounts for more than 10% of the total  
22 rentals or leases during a calendar year; and

23 (c) the lease of the personal property is generally on an hourly, daily, weekly, semimonthly, or monthly  
24 basis;

25 (6) space vehicles and all machinery, fixtures, equipment, and tools used in the design, manufacture,  
26 launch, repair, and maintenance of space vehicles that are owned by businesses engaged in manufacturing and  
27 launching space vehicles in the state or that are owned by a contractor or subcontractor of that business and that  
28 are directly used for space vehicle design, manufacture, launch, repair, and maintenance; ~~and~~

29 (7) a title plant owned by a title insurer or a title insurance producer, as those terms are defined in  
30 33-25-105; and

