

SENATE BILL NO. 180

INTRODUCED BY M. LANG

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A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING WHICH AIRLINES ARE REGULARLY SCHEDULED AIRLINES FOR PURPOSES OF CENTRAL ASSESSMENT; AMENDING SECTIONS 15-23-401 AND 15-23-403, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 15-23-401, MCA, is amended to read:

"15-23-401. Definitions. As used in this part, unless the context requires otherwise, the following definitions apply:

(1) "Air commerce" means the transportation by aircraft of persons or property for hire in interstate, intrastate, or international transportation on regularly scheduled flights.

(2) "Aircraft" means a conveyance used or designed for navigation or flight through the air.

(3) "Equated plane hours" means hours spent by aircraft in flight or on the ground weighted according to the cargo capacity of each aircraft.

(4) "Flight property" means aircraft fully equipped, ready for flight used in air commerce.

(5) "Newly acquired aircraft" means an aircraft acquired and placed into service within the calendar year immediately preceding the current calendar year in which the report that is required by 15-23-402 is filed regardless of whether the aircraft acquired is new or used. Newly acquired aircraft includes an aircraft acquired and placed in service in calendar year 1997 provided that the aircraft was included in the report and the report was timely filed.

(6) "Newly acquired equipment" means equipment acquired and placed into service within the calendar year immediately preceding the current calendar year in which the report that is required by 15-23-402 is filed regardless of whether the equipment acquired is new or used. Newly acquired equipment includes equipment acquired and placed in service in calendar year 1997 provided that the equipment was included in the report and the report was timely filed.

(7) "Operating" or "operated" means landings or takeoffs during interstate flight.

(8) "Regularly scheduled flight" means a flight or aircraft taking off or landing in the state of Montana with

1 a maximum takeoff weight of more than 19,000 pounds.

2 ~~(8)~~(9) "Scheduled airline company" means any person who undertakes directly or indirectly to engage
3 in the business of scheduled air commerce."
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5 **Section 2.** Section 15-23-403, MCA, is amended to read:

6 **"15-23-403. Determination of value -- exception for new aircraft and supporting equipment --**
7 **notice.** (1) The department of revenue shall determine the full and true valuation of all property of each airline
8 operating in this state or used by each scheduled airline company in air commerce. Except as provided in
9 subsection (2), this valuation may be ascertained by:

10 (a) determining the full and true valuation of all property owned and operated by each scheduled airline
11 company; and

12 (b) allocating to the state of Montana from the total valuation a valuation that represents this state's
13 proper share of the valuation of the property, through the application of the ratios that are described in
14 15-23-402(8), (9), (10), and (11) against the total valuation.

15 (2) For a scheduled airline company operating within this state whose allocation of valuation within this
16 state, as determined under subsection (1)(b), is 50% or more, the department shall determine the valuation of
17 a newly acquired aircraft and newly acquired equipment to support that aircraft at 28% of full and true valuation
18 for the first year after acquisition. For each succeeding year, the department shall increase the valuation by 8%
19 over the previous year's valuation until the valuation equals full and true valuation.

20 (3) Aircraft with a maximum takeoff weight of 19,000 pounds or less is considered nonoperating property
21 and must be removed from the market value of a scheduled airline company.

22 ~~(3)~~(4) After making the assessment as provided in subsection (1) or (2), the department shall give written
23 notice of the assessment to the person or persons to whom the assessment is made."
24

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

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