

THE NUMBER AND FORM IN WHICH THE QUESTION WILL APPEAR UPON  
THE OFFICIAL BALLOT AT THE GENERAL ELECTION, NOVEMBER 5, 1968,  
IS AS FOLLOWS:

INITIATIVE NO. 66

ATTORNEY GENERAL'S EXPLANATORY STATEMENT

This measure would reduce the taxable valuation of certain personal property. No real property would be affected. Under present law, a one mill levy on merchandise of a business worth \$10,000 is \$3.33; under this measure, it would be ten cents. A one mill levy on household goods worth \$10,000 is now \$2.00; under this measure it would be ten cents. A one mill tax on moneys and credits or on unprocessed agricultural products worth \$10,000 is now seventy cents; under this measure it would be ten cents.

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AN ACT AMENDING SECTION 84-301, REVISED CODES OF MONTANA, 1947, RELATING TO CLASSIFICATION OF PROPERTY FOR TAXATION, BY PROVIDING A SEPARATE CLASS FOR HOUSEHOLD GOODS, UNPROCESSED AGRICULTURAL PRODUCTS, STOCKS OF MERCHANDISE, AND MONEYS AND CREDITS; AND AMENDING SECTION 84-302, RELATING TO THE BASIS FOR IMPOSITION OF TAXES UPON THE DIFFERENT CLASSES OF PROPERTY, BY PROVIDING THE NEW CLASS ABOVE-MENTIONED SHALL BE TAXED ON THE BASIS OF ONE PER CENT OF TRUE AND FULL VALUE; REPEALING ALL ACTS AND PARTS OF ACTS IN CONFLICT HEREWITH.

- For Initiative Measure No. 66 Classification of Property For Taxation
- Against Said Measure No. 66

PETITION FOR INITIATIVE NO. 66

AN ACT AMENDING SECTION 84-301, REVISED CODES OF MONTANA, 1947, RELATING TO CLASSIFICATION OF PROPERTY FOR TAXATION, BY PROVIDING A SEPARATE CLASS FOR HOUSEHOLD GOODS, UNPROCESSED AGRICULTURAL PRODUCTS, STOCKS OF MERCHANDISE, AND MONEYS AND CREDITS; AND AMENDING SECTION 84-302, RELATING TO THE BASIS FOR IMPOSITION OF TAXES UPON THE DIFFERENT CLASSES OF PROPERTY, BY PROVIDING THE NEW CLASS ABOVE-MENTIONED SHALL BE TAXED ON THE BASIS OF ONE PER CENT OF TRUE AND FULL VALUE; REPEALING ALL ACTS AND PARTS OF ACTS IN CONFLICT HEREWITH.

BE IT ENACTED BY THE PEOPLE OF MONTANA:

Section 1. Section 84-301 of the Revised Codes of Montana of 1947 is amended to read as follows:

"84-301. (1999) Classification of property for taxation. For the purpose of taxation the taxable property in the state shall be classified as follows:

"Class One. The annual net proceeds of all mines and mining claims, after deducting only the expenses specified and allowed by section 84-5403; also where the right to enter upon land, to explore or prospect, or dig for oil, gas, coal or mineral is reserved in land by any person or corporation, the surface title to which has passed to another, the assessor and the state and county boards of equalization shall determine the value of the right to enter upon said tract of land for the purpose of digging, exploring, or prospecting for gas, oil, coal or minerals, and the same shall be placed in this classification for the purpose of taxation.

"Class Two. All agricultural and other tools, implements and machinery, gas and other engines and boilers, threshing machines and outfits used therewith, automobiles, motor trucks and other power-driven cars, vehicles of all kinds except mobile homes, boats and all watercraft, harness, saddlery and robes.

"Class Three. Livestock, poultry and the unprocessed products of both; furniture and fixtures of mercantile establishments; and all office or hotel furniture and fixtures.

"Class Four. (a) All land, town and city lots, with improvements, and all trailers affixed to land owned, leased, or under contract or purchase by the trailer owner, manufacturing and mining machinery, fixtures and supplies, except as otherwise provided by the constitution of Montana, and except as such property may be included in Class Five or Class Seven.

"(b) Mobile homes without regard to the ownership of the land upon which they are situated, except those held by a distributor or dealer of mobile homes as part of his stock in trade.

"Class Five. All poles, lines, transformers, transformer stations, meters, tools, improvements, machinery and other property used and owned by co-operative rural electrical and co-operative rural telephone associations organized under the laws of Montana.

"Class Six. Property formerly included in this class is now classified by section 84-308 of the Revised Codes of Montana, 1947.

"Class Seven. (a) All new industrial property. New industrial property shall mean any new industrial plant, including land, buildings, machinery and fixtures which, in the determination of the state board of equalization, is used by a new industry during the first three (3) years of operation not having been assessed prior to July 1, 1961, within the state of Montana. New industry shall mean any person, corporation, firm, partnership, association, or other group which establishes a new plant or plants in this state for the operation of a new industrial endeavor, as distinguished from a mere expansion, reorganization or merger of an existing industry or industries. Provided, however, that new industrial property shall be limited to

industries that manufacture, mill, mine, produce, process or fabricate materials, or do similar work in which capital and labor are employed and in which materials unserviceable in their natural state are extracted, processed or made fit for use or are substantially altered or treated so as to create commercial products or materials; and in no event shall the term new industrial property be included to mean property used by retail or wholesale merchants, commercial services of any type, agriculture, trades or professions. And provided further, that new industrial property shall not be included to mean property which is used or employed in any industrial plant which has been in operation in this state for three (3) years or longer. Any person, corporation, firm, partnership, association or other group seeking to qualify its property for inclusion in this class shall make application to the state board of equalization in such manner and form as may be required by said board.

"(b) Freeport merchandise. Freeport merchandise means those stocks of merchandise manufactured or produced outside this state which are in transit through this state and consigned to a warehouse or other storage facility, public or private, within this state, for storage in transit prior to shipment to a final destination outside the state, and which have acquired a taxable situs within the state.

"Stocks of merchandise do not lose their status as freeport merchandise because while in the storage facility they are assembled, bound, joined, processed, disassembled, divided, cut, broken in bulk, relabeled or repackaged.

"Any person, corporation, firm, partnership, association, or other group seeking to qualify its property for inclusion in this class shall make application to the state board of equalization in such manner or form as may be required by said board.

"The state board of equalization shall establish standards, rules and regulations for the guidance of county assessors and assessing freeport merchandise.

"Class Eight. Any improvement on real property valued at not more than fifteen thousand dollars (\$15,000), which is owned and actually occupied by a widow, with or without minor or dependent children, or by:

"(1) a widow sixty-two (62) years of age or older, whether with or without minor dependent children, or

"(2) a widower sixty-five (65) years of age or older, whether with or without minor dependent children, or

"(3) a widow with minor or dependent children regardless of age, or

"(4) a recipient of retirement benefits not exceeding one hundred fifty dollars (\$150) per month, if single, or two hundred fifty dollars (\$250) per month if married. Provided such owner and occupier is not gainfully employed to such an extent as would render him or her ineligible for social security benefits, should he or she be otherwise eligible for such benefits, and does not have income from all sources, excluding retirement benefits as mentioned in (4) hereinabove, in excess of one thousand five hundred dollars (\$1,500) per year. Provided, further, that one who applies for classification of property under this class must make an affidavit before the county assessor of the county in which said property is located, on a form as may be provided by the state board of equalization supplied without cost to the applicant, as to his income, if applicable, as to his retirement benefits, if applicable, or as to his marital status, if applicable, and to the fact that he or she actually occupies such improvements with right of the county welfare board to investigate the applicant, on the completion of the form, as to answers given on the form. Provided, further, that the value of said property shall not increase during the life of the recipient of retirement benefits or widow or widower covered under this class.

"Class Nine. All household goods and furniture, including clocks, musical instruments, sewing machines, wearing apparel of members of the family, and all personal property actually used by the owner for personal and domestic purposes, or for the furnishing or equipment of the family residence; stocks of merchandise of all sorts, except mobile homes; all moneys and credits, secured or unsecured, including all state, county, school district and other municipal bonds, warrants and securities, without any deduction or offset; provided, however, that the terms 'mon-

neys and credits' as herein used shall not embrace the moneyed capital employed in the banking business by any banking corporation or individual in this state; and all unprocessed agricultural products either on the farm or in storage, irrespective of whether said products are owned by the elevator, warehouse or flour mill owner or company storing the same, or any other person whomsoever, and excepting livestock and poultry and the unprocessed products of both.

"Class Ten. All property not included in the Nine (9) preceding classes."

Section 2. Section 84-302 of the Revised Codes of Montana of 1947 is amended to read as follows:

"84-302. (2000) Basis for imposition of taxes. As a basis for the imposition of taxes upon the different classes of property specified in the preceding section, a percentage of the true and full value of the property of each class shall be taken as follows:

- "Class 1. One hundred per cent (100%) of its true and full value.
- "Class 2. Twenty per cent (20%) of its true and full value.
- "Class 3. Thirty-three and one-third per cent (33 $\frac{1}{3}$ %) of its true and full value.
- "Class 4. Thirty per cent (30%) of its true and full value.
- "Class 5. Seven per cent (7%) of its true and full value.
- "Class 6. Forty per cent (40%) of its true and full value.
- "Class 7. Seven per cent (7%) of its true and full value.
- "Class 8. Twenty per cent (20%) of its true and full value.
- "Class 9. One per cent (1%) of its true and full value.
- "Class 10. Forty per cent (40%) of its true and full value."

Section 3. All acts and parts of acts in conflict herewith are hereby repealed.

VOTERS' INFORMATION PAMPHLET ON PROPOSED AMENDMENT TO  
THE CONSTITUTION OF THE STATE OF MONTANA WHICH WILL  
APPEAR ON THE OFFICIAL BALLOT FOR THE  
GENERAL ELECTION TO BE HELD NOVEMBER 5, 1968

Prepared by FRANK MURRAY, Secretary of State, pursuant to Section 23-201, Revised Codes of Montana, 1947

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ON THE QUESTION OF AMENDING THE  
CONSTITUTION OF THE STATE OF MONTANA BY INCREASING  
THE ALLOWANCE OF THE NUMBER FROM THREE TO SIX  
OF PROPOSED CONSTITUTIONAL AMENDMENTS  
TO BE VOTED ON AT THE SAME ELECTION

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Comparison of Existing Constitutional Provision and  
Proposed Constitutional Amendment is as follows:

The following is a true and exact copy of the PROPOSED AMENDMENT to Section 9, Article XIX of the Constitution of the State of Montana:

"Section 9. Amendments to this constitution may be proposed in either house of the legislative assembly, and if the same shall be voted for by two-thirds ( $\frac{2}{3}$ ) of the members elected to each house, such proposed amendments, together with the ayes and nays of each house thereon, shall be entered in full on their respective journals; and the secretary of state shall cause the said amendment or amendments to be published in full in at least one (1) newspaper in each county (if such there be) for three (3) months previous to the next general election for members to the legislative assembly; and at said election the said amendment or amendments shall be submitted to the qualified electors of the state for their approval or rejection and such as are approved by a majority of those voting thereon shall become part of the constitution. Should more amendments than one (1) be submitted at the same election, they shall be so prepared and distinguished by numbers or otherwise that each can be voted upon separately; provided, however, that not more than six (6) amendments to this constitution shall be submitted at the same election."

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The following is a true and exact copy of Section 9, Article XIX of the Constitution of the State of Montana as it exists at the present time:

"Sec. 9. Amendments to this constitution may be proposed in either house of the legislative assembly, and if the same shall be voted for by two-thirds of the members elect-

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ed to each house, such proposed amendments, together with the ayes and nays of each house thereon, shall be entered in full on their respective journals; and the secretary of state shall cause the said amendment or amendments to be published in full in at least one newspaper in each county (if such there be) for three months previous to the next general election for members to the legislative assembly; and at said election the said amendment or amendments shall be submitted to the qualified electors of the state for their approval or rejection and such as are approved by a majority of those voting thereon shall become part of the constitution. Should more amendments than one be submitted at the same election, they shall be so prepared and distinguished by numbers or otherwise that each can be voted upon separately; provided, however, that not more than three amendments to this constitution shall be submitted at the same election."