



AN ACT ENSURING THE AVAILABILITY OF MONTANA AMMUNITION; ENCOURAGING THE FORMATION OF BUSINESS IN MONTANA PRIMARILY ENGAGED IN THE MANUFACTURE OF AMMUNITION COMPONENTS; PROVIDING EXEMPTIONS FROM PROPERTY TAXES; CLARIFYING THAT THE FIREARMS LIABILITY LAW APPLIES TO AMMUNITION COMPONENTS MANUFACTURED IN MONTANA; EXPANDING ECONOMIC DEVELOPMENT CRITERIA TO ENCOMPASS THE MANUFACTURE OF AMMUNITION COMPONENTS; AMENDING SECTIONS 15-6-219, 27-1-720, 90-1-118, AND 90-1-202, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, AN APPLICABILITY DATE, AND A TERMINATION DATE.

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

Section 1. Short title. [Sections 1 through 6] may be cited as the "Montana Ammunition Availability Act".

Section 2. Legislative findings. (1) In recognition that the people of Montana have reserved to themselves the individual right to bear arms in Article II, section 12, of the Montana constitution, the legislature finds that both this right and the firearms that the people possess are at serious risk if the people cannot obtain ammunition for firearms. An adequate source of ammunition is an indivisible and essential part of the right to bear arms. The people of Montana are totally dependent upon a very few manufacturers of smokeless propellant, small arms primers, and cartridge cases located in other states for small arms ammunition used in Montana.

(2) The legislature intends to encourage the manufacture of smokeless propellant, small arms primers, and cartridge cases within the borders of Montana to ensure availability of small arms ammunition for the people of Montana and to fully implement the right to bear arms that the people have reserved to themselves.

Section 3. Definitions. As used in [sections 1 through 6], the following definitions apply:

- (1) "Ammunition components" means propellants, primers, and cartridge cases.
- (2) "Black powder" means a propellant made from potassium or sodium nitrate, charcoal, and sulfur or a substitute for black powder made differently that is used for conventional small arms or antique or replica arms.

(3) "Cartridge cases" means the casings that contain and hold together the propellant, primer, and bullet, which may be formed from brass, aluminum, steel, plastic, or some combination of those or other materials.

(4) "Primary business" means a manufacturer in which more than one-half of its product produced is and more than one-half of its gross income comes from sales of ammunition components.

(5) "Propellant" includes smokeless propellant and black powder.

(6) "Small arms" means pistols, revolvers, rifles, shotguns, and other similar devices that are portable by one person, the possession and use of which are protected by Article II, section 12, of the Montana constitution.

(7) "Small arms primers" means the priming component for a round of ammunition intended for use in small arms that is usually made of a cup, an anvil, and a shock-sensitive chemical compound and is designed to ignite the propellant in an ammunition cartridge for conventional small arms.

(8) "Smokeless propellant" means a chemical substance designed to expel a projectile from small arms through burning and expansion at a quick but controlled burning rate.

Section 4. Property tax exemption for manufacturing of ammunition components -- conditions -- real property exemption applies to safety zone. (1) A person or entity in this state engaged in the primary business of the manufacture of ammunition components that meets the conditions in subsections (2) through (4) is exempt from:

(a) property taxes levied for state educational purposes under 15-10-108, 20-9-331, 20-9-333, 20-9-360, and 20-25-439; and

(b) business equipment tax levied pursuant to 15-6-138.

(2) A person or entity in this state engaged in the primary business of the manufacture of ammunition components is exempt from property taxation as provided under subsection (1) if the person's or entity's business meets the following conditions:

(a) the products of the business are and remain available to commercial and individual consumers in the state;

(b) the business sells its products to in-state commercial and individual consumers for a price no greater than that for out-of-state purchasers, including any products that leave the state regardless of destination or purchaser; and

(c) the business does not enter into any agreement or contract that could actually or potentially command or commit all of its production to out-of-state consumers or interfere with or prohibit sales and provision of products to in-state consumers.

(3) The exemptions allowed under subsection (1) apply only to the property and business activity attributable to the manufacture of ammunition components.

(4) The real property exemption allowed under subsection (1)(a) encompasses any property within 500 yards of a structure used for the manufacture of ammunition components or of any structure used for storage of products manufactured onsite.

Section 5. Tort liability. The provisions of 27-1-720 apply to ammunition components manufactured in Montana.

Section 6. Economic development. The establishment of a primary business is a qualified economic development purpose pursuant to 90-1-117 through 90-1-119 and Title 90, chapter 1, part 2.

Section 7. Section 15-6-219, MCA, is amended to read:

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

- (1) harness, saddlery, and other tack equipment;
- (2) 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:
 - (a) construct, repair, and maintain improvements to real property; or
 - (b) repair and maintain machinery, equipment, appliances, or other personal property;
- (3) 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;
- (4) a bicycle, as defined in 61-8-102, used by the owner for personal transportation purposes;
- (5) items of personal property intended for rent or lease in the ordinary course of business if each item of personal property satisfies all of the following:

- (a) the acquired cost of the personal property is less than \$15,000;
- (b) the personal property is owned by a business whose primary business income is from rental or lease of personal property to individuals and no one customer of the business accounts for more than 10% of the total rentals or leases during a calendar year; and
- (c) the lease of the personal property is generally on an hourly, daily, weekly, semimonthly, or monthly basis;
- (6) space vehicles and all machinery, fixtures, equipment, and tools used in the design, manufacture, launch, repair, and maintenance of space vehicles that are owned by businesses engaged in manufacturing and launching space vehicles in the state or that are owned by a contractor or subcontractor of that business and that are directly used for space vehicle design, manufacture, launch, repair, and maintenance; ~~and~~
- (7) a title plant owned by a title insurer or a title insurance producer, as those terms are defined in 33-25-105; and
- (8) personal property used in the manufacture of ammunition components as provided in [section 4]."

Section 8. Manufacturer of ammunition components -- exemption from statewide property taxes.

As provided in [section 4], property used in the manufacture of ammunition components is exempt from the property taxes levied for state educational purposes under 15-10-108, 20-9-331, 20-9-333, 20-9-360, and 20-25-439. The exemption must be administered and applied for as provided in [sections 1 through 6].

Section 9. Section 27-1-720, MCA, is amended to read:

"27-1-720. Liability -- defect in design of firearms or ammunition. (1) In a products liability action, no firearm, ammunition component that was manufactured in Montana, or ammunition may be considered defective in design on the basis that the benefits of the product do not outweigh the risk of injury posed by its potential to cause serious injury, damage, or death when discharged.

(2) For purposes of this section:

- (a) the potential of a firearm or ammunition to cause serious injury, damage, or death when discharged does not make the product defective in design; and
- (b) injuries or damages resulting from the discharge of a firearm or ammunition are not proximately caused by its potential to cause serious injury, damage, or death but are proximately caused by the actual

discharge of the product.

(3) The provisions of this section do not affect a products liability cause of action based upon the improper selection of design alternatives."

Section 10. Section 90-1-118, MCA, is amended to read:

"90-1-118. Small business eligibility criteria. (1) To be eligible for a state matching grant under 90-1-117 through 90-1-119, a business shall provide evidence to the department of commerce that the business meets all of the following criteria:

~~(1)~~(a) the business is a for-profit sole proprietorship, partnership, limited liability company, limited liability partnership, or corporation registered with the secretary of state under Title 35 and has its principal place of business in this state;

~~(2)~~(b) the business has received a phase I award under a small business innovative research grant or small business technology transfer grant from a participating federal agency in response to a specific federal solicitation;

~~(3)~~(c) the business meets all federal eligibility requirements for a small business innovative research grant or a small business technology transfer grant;

~~(4)~~(d) the business is not concurrently receiving funding from other state funding programs that duplicate the purpose stated in 90-1-117;

~~(5)~~(e) the business certifies that at least 51% of the research described in the business's proposal for phase II funding under a small business innovative research grant or small business technology transfer grant is to be conducted in this state and that the business will remain a Montana-based business for the duration of a phase II project under a small business innovative research grant or small business technology transfer grant; and

~~(6)~~(f) the business demonstrates an ability to conduct research for the business's phase II proposal under the small business innovative research grant or small business technology transfer grant.

(2) As provided in [section 6], manufacturing ammunition components is a qualified economic development purpose."

Section 11. Section 90-1-202, MCA, is amended to read:

"90-1-202. Purpose. (1) The legislature finds and declares that economic development is a public purpose. The purpose of the big sky economic development program is to assist in economic development for Montana that will:

- ~~(1)~~(a) create good-paying jobs for Montana residents;
- ~~(2)~~(b) promote long-term, stable economic growth in Montana;
- ~~(3)~~(c) encourage local economic development organizations;
- ~~(4)~~(d) create partnerships between the state, local governments, tribal governments, and local economic development organizations that are interested in pursuing these same economic development goals;
- ~~(5)~~(e) retain or expand existing businesses;
- ~~(6)~~(f) provide a better life for future generations through greater economic growth and prosperity in Montana; and
- ~~(7)~~(g) encourage workforce development, including workforce training and job creation, in high-poverty counties by providing targeted assistance.

(2) As provided in [section 6], manufacturing ammunition components is a qualified economic development purpose."

Section 12. Codification instruction. (1) [Sections 1 through 6] are intended to be codified as an integral part of Title 30, chapter 20, and the provisions of Title 30, chapter 20, apply to [sections 1 through 6].

(2) [Section 8] is intended to be codified as an integral part of Title 15, chapter 24, and the provisions of Title 15, chapter 24, apply to [section 8].

Section 13. Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

Section 14. Effective date. [This act] is effective on passage and approval.

Section 15. Applicability. [This act] applies to tax years beginning after December 31, 2015.

Section 16. Termination. [Sections 4, 7, and 8] terminate December 31, 2024.

- END -

I hereby certify that the within bill,
SB 0122, originated in the Senate.

Secretary of the Senate

President of the Senate

Signed this _____ day
of _____, 2015.

Speaker of the House

Signed this _____ day
of _____, 2015.

SENATE BILL NO. 122

INTRODUCED BY M. ROSENDALE, J. BRENDEN, D. BROWN, A. DOANE, C. GLIMM, B. KEENAN,
A. KNUDSEN, M. MONFORTON, F. MOORE, D. MORTENSEN, R. PINOCCI, T. RICHMOND,
D. SALOMON, K. WHITE, A. WITTICH

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