HOUSE BILL NO. 262

INTRODUCED BY HARRINGTON

IN THE HOUSE

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JANUARY 18, 1991	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
JANUARY 19, 1991	FIRST READING.
JANUARY 25, 1991	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
JANUARY 26, 1991	PRINTING REPORT.
JANUARY 30, 1991	SECOND READING, DO PASS.
JANUARY 31, 1991	ENGROSSING REPORT.
FEBRUARY 1, 1991	THIRD READING, PASSED. AYES, 79; NOES, 20.
	TRANSMITTED TO SENATE.
	IN THE SENATE
FEBRUARY 1, 1991	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
FEBRUARY 1, 1991 FEBRUARY 2, 1991	
	ON TAXATION.
FEBRUARY 2, 1991	ON TAXATION. FIRST READING. COMMITTEE RECOMMEND BILL BE
FEBRUARY 2, 1991 MARCH 12, 1991	ON TAXATION. FIRST READING. COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
FEBRUARY 2, 1991 MARCH 12, 1991 MARCH 13, 1991	ON TAXATION. FIRST READING. COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED. SECOND READING, CONCURRED IN. THIRD READING, CONCURRED IN.
FEBRUARY 2, 1991 MARCH 12, 1991 MARCH 13, 1991	ON TAXATION. FIRST READING. COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED. SECOND READING, CONCURRED IN. THIRD READING, CONCURRED IN. AYES, 48; NOES, 0.
FEBRUARY 2, 1991 MARCH 12, 1991 MARCH 13, 1991 MARCH 14, 1991	ON TAXATION. FIRST READING. COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED. SECOND READING, CONCURRED IN. THIRD READING, CONCURRED IN. AYES, 48; NOES, 0. RETURNED TO HOUSE.

REPORTED CORRECTLY ENROLLED.

1 Hause pill no. 262
2 INTRODUCED BY Haung

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE MEANING OF TAXABLE VALUATION AS USED IN THE CLASSIFICATION OF COUNTIES;

AMENDING SECTION 7-1-2111, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

Section 1. Section 7-1-2111, MCA, is amended to read:

*7-1-2111. Classification of counties. (1) For the purpose of regulating the compensation and salaries of all county officers, not otherwise provided for, and for fixing the penalties of officers' bonds, the counties of this state must be classified according to that percentage of the true and full valuation of the property in the counties upon which the tax levy is made, except for vehicles subject to taxation under 61-3-504(2), as follows:

- 19 (a) first class--all counties having a taxable
 20 valuation of \$50 million or over;
- 21 (b) second class--all counties having a taxable 22 valuation of more than \$30 million and less than \$50 23 million;
- 24 (c) third class--all counties having a taxable
 25 valuation of more than \$20 million and less than \$30



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- 2 (d) fourth class--all counties having a taxable
 3 valuation of more than \$15 million and less than \$20
 4 million:
- 5 (e) fifth class--all counties having a taxable 6 valuation of more than \$10 million and less than \$15 7 million;
- 8 (f) sixth class--all counties having a taxable
 9 valuation of more than \$5 million and less than \$10 million;
- 10 (g) seventh class--all counties having a taxable
 11 valuation of less than \$5 million.
- 12 (2) As used in this section, taxable valuation means
 13 the taxable value of taxable property in the county as of
 14 the time of determination plus:
- 15 (a) that portion of the taxable value of the county on 16 December 31, 1981, attributable to automobiles and trucks 17 having a rated capacity of three-quarters of a ton or less;
- 18 (b) that portion of the taxable value of the county on
 19 December 31, 1989, attributable to automobiles and trucks
 20 having a rated capacity of more than three-quarters of a ton
- 21 but less than or equal to 1 ton;
- 22 (c) the amount of interim production and new production 23 taxes levied, as provided in 15-23-607, divided by the 24 appropriate tax rates described in 15-23-607(2)(a) or (2)(b)
- 25 and multiplied by 60%; and

(d) the amount of value represented by new production
exempted from tax as provided in 15-23-612 multiplied by
60%, plus the value of any other production occurring after
December 31, 1988, multiplied by 60%; and
(e) 6% of the taxable value of the county on January 1
of each tax year."
NEW SECTION. Section 2. Retroactive applicability.

8 [This act] applies retroactively, within the meaning of

9 1-2-109, to taxable years beginning after December 31, 1989.

10 NEW SECTION. **Section 3**. Effective date. [This act] is

ll effective on passage and approval.

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-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0262, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act revising the meaning of taxable valuation as used in the classification of counties; and providing an immediate effective date and a retroactive applicability date.

FISCAL IMPACT:

The proposal may increase local government expenditures by increasing the salaries of some county officials. The proposal may change the classification of some counties. Generally, the proposal will change a county's class only if the taxable valuation of that county is within 6% of the lower limit of the next class bracket. For FY91, the proposal would impact the classification of three counties (data provided by Montana Association of Counties):

County	Old Class	New Class
Deer Lodge	6	5
Stillwater	4	3
Wibaux	5	4

TECHNICAL NOTES:

The proposal contains a retroactive applicability date that will impact FY91 County classification values.

ROD SUNDSTED, BUDGET DIRECTOR

DATE

Office of Budget and Program Planning

DAN HARRINGTON, PRIMARY SPONSOR

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Fiscal Note for <u>HB0262</u>, as <u>introduced</u>

APPROVED BY COMMITTEE ON TAXATION

INTRODUCED BY HAMINET NO. 262

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE MEANING OF

5 TAXABLE VALUATION AS USED IN THE CLASSIFICATION OF COUNTIES;

6 AMENDING SECTION 7-1-2111, MCA; AND PROVIDING AN IMMEDIATE

EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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- 24 (c) third class--all counties having a taxable
 25 valuation of more than \$20 million and less than \$30



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- 2 (d) fourth class--all counties having a taxable
- 3 valuation of more than \$15 million and less than \$20
- 4 million:
- 5 (e) fifth class--all counties having a taxable
- valuation of more than \$10 million and less than \$15
- 7 million:
- 8 (f) sixth class--all counties having a taxable
- 9 valuation of more than \$5 million and less than \$10 million;
- 10 (g) seventh class--all counties having a taxable
- 11 valuation of less than \$5 million.
- 12 (2) As used in this section, taxable valuation means
- 13 the taxable value of taxable property in the county as of
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- 15 (a) that portion of the taxable value of the county on
- 16 December 31, 1981, attributable to automobiles and trucks
- 17 having a rated capacity of three-quarters of a ton or less;
- (b) that portion of the taxable value of the county on
 - December 31, 1989, attributable to automobiles and trucks
- 20 having a rated capacity of more than three-quarters of a ton
- 21 but less than or equal to 1 ton;
- 22 (c) the amount of interim production and new production
- 23 taxes levied, as provided in 15-23-607, divided by the
- 24 appropriate tax rates described in 15-23-607(2)(a) or (2)(b)
- 25 and multiplied by 60%; and

SECOND READING

(d) the amount of value represented by new production
exempted from tax as provided in 15-23-612 multiplied by
60%, plus the value of any other production occurring after
December 31, 1988, multiplied by 60%; and
(e) 6% of the taxable value of the county on January 1
of each tax year."
NEW SECTION. Section 2. Retroactive applicability.
[This act] applies retroactively, within the meaning of
1-2-109, to taxable years beginning after December 31, 1989.
NEW SECTION. Section 3. Effective date. [This act] is
effective on passage and approval.

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2	INTRODUCED BY	Harunt	

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE MEANING OF TAXABLE VALUATION AS USED IN THE CLASSIFICATION OF COUNTIES; AMENDING SECTION 7-1-2111, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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- 24 (c) third class--all counties having a taxable
 25 valuation of more than \$20 million and less than \$30

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- 2 (d) fourth class--all counties having a taxable
- 3 valuation of more than \$15 million and less than \$20
- 4 million;
- 5 (e) fifth class--all counties having a taxable
- 6 valuation of more than \$10 million and less than \$15
- 7 million;

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- 8 (f) sixth class--all counties having a taxable
- 9 valuation of more than \$5 million and less than \$10 million;
- 10 (g) seventh class--all counties having a taxable
- 11 valuation of less than \$5 million.
- 12 (2) As used in this section, taxable valuation means
- 13 the taxable value of taxable property in the county as of
- 14 the time of determination plus:
 - (a) that portion of the taxable value of the county on
- 16 December 31, 1981, attributable to automobiles and trucks
- 17 having a rated capacity of three-quarters of a ton or less;
- 18 (b) that portion of the taxable value of the county on
- 19 December 31, 1989, attributable to automobiles and trucks
 - having a rated capacity of more than three-quarters of a ton
- 21 but less than or equal to 1 ton;
- (c) the amount of interim production and new production
- 23 taxes levied, as provided in 15-23-607, divided by the
- 24 appropriate tax rates described in 15-23-607(2)(a) or (2)(b)
- 25 and multiplied by 60%; and

Montana Legislative Council

THIRD READING

1	(d) the amount of value represented by new production
2	exempted from tax as provided in 15-23-612 multiplied by
3	60%, plus the value of any other production occurring after
4	December 31, 1988, multiplied by 60%; and
5	(e) 6% of the taxable value of the county on January 1
6	of each tax year."
7	NEW SECTION. Section 2. Retroactive applicability.
8	[This act] applies retroactively, within the meaning of
9	1-2-109, to taxable years beginning after December 31, 1989.
10	NEW SECTION. Section 3. Effective date. [This act] is
11	effective on passage and approval.

-End-

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52nd Legislature

HB 0262/02

1	HOUSE BILL NO. 262	1	million;
2	INTRODUCED BY HARRINGTON	2	(d) fourth classall counties having a taxable
3		3	valuation of more than \$15 million and less than \$20
4	A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE MEANING OF	4	million;
5	TAXABLE VALUATION AS USED IN THE CLASSIFICATION OF COUNTIES;	5	(e) fifth classall counties having a taxable
6	AMENDING SECTION 7-1-2111, MCA; AND PROVIDING AN IMMEDIATE	6	valuation of more than \$10 million and less than \$15
7	EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."	7	million;
8		8	(f) sixth classall counties having a taxable
9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	9	valuation of more than \$5 million and less than \$10 million;
10	Section 1. Section 7-1-2111, MCA, is amended to read:	10	(g) seventh classall counties having a taxable
11	"7-1-2111. Classification of counties. (1) For the	11	valuation of less than \$5 million.
12	purpose of regulating the compensation and salaries of all	12	(2) As used in this section, taxable valuation means
13	county officers, not otherwise provided for, and for fixing	13	the taxable value of taxable property in the county as of
14	the penalties of officers' bonds, the counties of this state	14	the time of determination plus:
15	must be classified according to that percentage of the true	15	(a) that portion of the taxable value of the county on
16	and full valuation of the property in the counties upon	16	December 31, 1981, attributable to automobiles and trucks
17	which the tax levy is made, except for vehicles subject to	17	having a rated capacity of three-quarters of a ton or less:
18	taxation under 61-3-504(2), as follows:	18	(b) that portion of the taxable value of the county on
19	(a) first classall counties having a taxable	19	December 31, 1989, attributable to automobiles and trucks
20	valuation of \$50 million or over;	20	having a rated capacity of more than three-quarters of a ton
21	(b) second classall counties having a taxable	21	but less than or equal to 1 ton;
22	valuation of more than \$30 million and less than \$50	22	(c) the amount of interim production and new production
23	million;	23	taxes levied, as provided in 15-23-607, divided by the
24	(c) third classall counties having a taxable	24	appropriate tax rates described in 15-23-607(2)(a) or (2)(b)
25	valuation of more than \$20 million and less than \$30	25	and multiplied by 60%; and

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(2)	As used in this section, taxable valuation means
the taxa	ole value of taxable property in the county as of
the time	of determination plus:
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December	31, 1981, attributable to automobiles and trucks
having a	rated capacity of three-quarters of a ton or less;
(b)	that portion of the taxable value of the county on
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having a	rated capacity of more than three-quarters of a ton
but less	than or equal to 1 ton;
(c)	the amount of interim production and new production

HB 0262/02

1	(d) the amount of value represented by new production
2	exempted from tax as provided in 15-23-612 multiplied by
3	60%, plus the value of any other production occurring after
4	December 31, 1988, multiplied by 60%; and
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9	1-2-109, to taxable years beginning after December 31, 1989.
10	NEW SECTION. Section 3. Effective date. [This act] is

-End-

effective on passage and approval.

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