

1 HOUSE BILL NO. 262
 2 INTRODUCED BY Hamm
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4 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
 7 EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

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

11 "7-1-2111. Classification of counties. (1) For the
 12 purpose of regulating the compensation and salaries of all
 13 county officers, not otherwise provided for, and for fixing
 14 the penalties of officers' bonds, the counties of this state
 15 must be classified according to that percentage of the true
 16 and full valuation of the property in the counties upon
 17 which the tax levy is made, except for vehicles subject to
 18 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

1 million;

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



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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-

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):


<u>County</u>	<u>Old Class</u>	<u>New Class</u>
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 1-22-91



DAN HARRINGTON, PRIMARY SPONSOR DATE
Fiscal Note for HB0262, as introduced 1-24-91
HB 262

APPROVED BY COMMITTEE
ON TAXATION

House BILL NO. 262
Hanna

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25 valuation of more than \$20 million and less than \$30

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