

SENATE BILL NO. 438

INTRODUCED BY B. BROWN, HARRINGTON, HALLIGAN, ECK, CRIPPEN,
MAZUREK, T. BECK, REAM, STANG, HAGER, ELLISON, GILBERT,
M. HANSON, SCHYE
BY REQUEST OF THE SENATE TAXATION COMMITTEE

IN THE SENATE

FEBRUARY 19, 1991 INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

 FIRST READING.

FEBRUARY 23, 1991 COMMITTEE RECOMMEND BILL
DO PASS. REPORT ADOPTED.

FEBRUARY 25, 1991 PRINTING REPORT.

 ON MOTION, CONSIDERATION PASSED
FOR THE DAY.

FEBRUARY 26, 1991 SECOND READING, DO PASS.

FEBRUARY 27, 1991 ENGROSSING REPORT.

 THIRD READING, PASSED.
AYES, 47; NOES, 0.

IN THE HOUSE

MARCH 4, 1991 INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

 FIRST READING.

APRIL 13, 1991 COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

APRIL 16, 1991 SECOND READING, CONCURRED IN.

APRIL 17, 1991 THIRD READING, CONCURRED IN.
AYES, 98; NOES, 1.

 RETURNED TO SENATE.

IN THE SENATE

APRIL 17, 1991 RECEIVED FROM HOUSE.

 SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *Senate* BILL NO. *438*
 2 INTRODUCED BY *Bob Brown* *Harrington Kelly* *Eck*
 3 BY REQUEST OF THE SENATE TAXATION COMMITTEE *Meyers*
 4 *F. Bud Ream* *Along* *Hager* *Edison*
 5 A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING FROM
 6 BENEFICIAL USE TAXATION RAILROAD TRACKS AND RIGHT-OF-WAY
 7 OWNED BY THE UNITED STATES; AMENDING SECTION 15-24-1203,
 8 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A
 9 RETROACTIVE APPLICABILITY DATE."

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

11 **Section 1.** Section 15-24-1203, MCA, is amended to read:

12 "15-24-1203. Privilege tax on gainful use of tax-exempt
 13 property -- exceptions. After March 17, 1969, there is
 14 imposed and shall be collected a tax upon the possession or
 15 other beneficial use enjoyed by any private individual,
 16 association, or corporation of any property, real or
 17 personal, which for any reason is exempt from taxation. No
 18 tax may be imposed upon the possession or other beneficial
 19 use of buildings owned by public entities and located upon
 20 public airports. However, privately owned buildings located
 21 on such airport property are subject to tax. No tax shall be
 22 imposed upon the possession or other beneficial use of
 23 public lands occupied under the terms of mineral, timber, or
 24 grazing leases or permits issued by the United States or the

1 state of Montana or upon any easement unless the lease,
 2 permit, or easement entitles the lessee or permittee to
 3 exclusive possession of the premises to which the lease,
 4 permit, or easement relates. The tax shall be imposed upon
 5 the possession or other beneficial use of an electric
 6 transmission line and associated facilities, except that
 7 lines and facilities of a design capacity of less than 500
 8 kilovolts shall not be subject to the tax. The tax may not
 9 be imposed upon the possession or other beneficial use of
 10 railroad right-of-way or track owned by the United States or
 11 acquired by the state pursuant to Title 60, chapter 11, part
 12 1, as long as the state or the United States retains
 13 ownership and the right-of-way or track is used exclusively
 14 for rail transportation."

15 **NEW SECTION. Section 2.** Effective date -- retroactive
 16 applicability. [This act] is effective on passage and
 17 approval and applies retroactively, within the meaning of
 18 1-2-109, to tax years beginning after December 31, 1986.

-End-



-2- INTRODUCED BILL SB 438

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0438, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:


An act exempting from beneficial use taxation railroad tracks and right-of-way owned by the United States; and providing an immediate effective date and a retroactive applicability date.

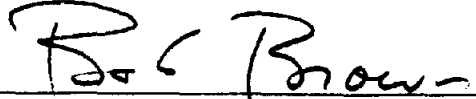
ASSUMPTIONS:

1. The taxable value of railroad right-of-way or track owned by the United States in Montana has been \$0 in each tax year from 1987 to the present.

FISCAL IMPACT:

The proposal will have no impact to state or local government expenditures or revenues.


ROD SUNDSTED, BUDGET DIRECTOR 2-21-91 DATE
Office of Budget and Program Planning


ROBERT (BOB) BROWN, PRIMARY SPONSOR 2/22/91 DATE
Fiscal Note for SB0438, as introduced SB 438

APPROVED BY COMMITTEE
ON TAXATION

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 3 BY REQUEST OF THE SENATE TAXATION COMMITTEE *Maguire*
 4 *F. Bond, Ream, Long, Heger, Ellison, Sime*
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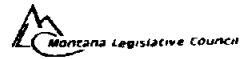
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 18 tax may be imposed upon the possession or other beneficial
 19 use of buildings owned by public entities and located upon
 20 public airports. However, privately owned buildings located
 21 on such airport property are subject to tax. No tax shall be
 22 imposed upon the possession or other beneficial use of
 23 public lands occupied under the terms of mineral, timber, or
 24 grazing leases or permits issued by the United States or the
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1 state of Montana or upon any easement unless the lease,
 2 permit, or easement entitles the lessee or permittee to
 3 exclusive possession of the premises to which the lease,
 4 permit, or easement relates. The tax shall be imposed upon
 5 the possession or other beneficial use of an electric
 6 transmission line and associated facilities, except that
 7 lines and facilities of a design capacity of less than 500
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 9 be imposed upon the possession or other beneficial use of
 10 railroad right-of-way or track owned by the United States or
 11 acquired by the state pursuant to Title 60, chapter 11, part
 12 1, as long as the state or the United States retains
 13 ownership and the right-of-way or track is used exclusively
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-End-



-2-
SECOND READING
SB 438

1 *Senate* BILL NO. *438*
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 3 BY REQUEST OF THE SENATE TAXATION COMMITTEE *Magnus*
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