

1 HOUSE BILL NO. 18
 2 INTRODUCED BY DAN YARDLEY

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION
 5 34-202, R.C.M. 1947, TO EXEMPT FROM TAXATION A PARSONAGE
 6 ASSOCIATED WITH A PLACE OF WORSHIP; AND PROVIDING AN
 7 EFFECTIVE DATE."

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

10 Section 1. Section 34-202, R.C.M. 1947, is amended to
 11 read as follows:

12 "34-202. Exemptions from taxation. (1) The property of
 13 the United States, the state, counties, cities, towns,
 14 school districts, municipal corporations, public libraries,
 15 all unprocessed, perishable fruits and vegetables in farm
 16 storage and owned by the producer, such other property as is
 17 used exclusively for agricultural and horticultural
 18 societies, for educational purposes, places of actual
 19 religious worship, and one (1) parsonage associated with
 20 each place of worship and actually used as a dwelling for a
 21 minister, priest or other official of the particular
 22 religious denomination, hospitals and places of burial not
 23 used or held for private or corporate profit, and
 24 institutions of purely public charity, evidence of debt
 25 secured by mortgages of record upon real or personal

1 property in the state of Montana, and public art galleries
 2 and public observatories not used or held for corporate
 3 profit, are exempt from taxation, but no more land private
 4 or corporate profit, are exempt from taxation, but no more
 5 land than is necessary for such purpose is exempt; provided,
 6 the term "institutions of purely public charity" as used in
 7 this act shall include organizations owning and operating
 8 facilities for the care of the retired or aged or
 9 chronically ill which are not operated for gain or profit;
 10 provided, that the terms public art galleries and public
 11 observatories used in this act shall mean only such art
 12 galleries and observatories whether of public or private
 13 ownership, as are open to the public, without charge or fee
 14 at all reasonable hours, and are used for the purpose of
 15 education only, and also when a clubhouse or building
 16 erected by or belonging to any society or organization of
 17 honorably discharged United States soldiers, sailors or
 18 marines who served in army or navy of United States, is used
 19 exclusively for educational, fraternal, benevolent or purely
 20 public charitable purposes, rather than for gain or profit,
 21 together with the library and furniture necessarily used in
 22 any such building, and all property, real or personal, in
 23 the possession of legal guardians of incompetent veterans of
 24 the World War or minor dependents of such veterans, where
 25 such property is funds or derived from funds received from

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1 the United States as pension, compensation, insurance,
 2 adjusted compensation, or gratuity, shall be exempt from all
 3 taxation as property of the United States while held by the
 4 guardian, but not after title passes to the veteran or minor
 5 in his or her own right on account of removal of legal
 6 disability.

7 (2) All household goods and furniture, including
 8 clocks, musical instruments, sewing machines, wearing
 9 apparel of members of the family actually used by the owner
 10 for personal and domestic purposes, or for furnishing or
 11 equipping the family residence are exempt from taxation.

12 (3) Freeport merchandise shall be exempt from
 13 taxation. Freeport merchandise means those stocks of
 14 merchandise manufactured or produced outside this state
 15 which are in transit through this state and consigned to a
 16 warehouse or other storage facility, public or private,
 17 within this state, for storage in transit prior to shipment
 18 to a final destination outside the state, and which have
 19 acquired a taxable situs within the state.

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

24 Any person, corporation, firm, partnership,
 25 association, or other group seeking to qualify its property

1 for inclusion in this class shall make application to the
 2 state department of revenue in such manner or form as may be
 3 required by the department."

4 Section 2. Effective date. This act is effective on
 5 passage and approval.

-End-

STATE OF MONTANA

REQUEST NO. 11-75

FISCAL NOTE

Form BD-15

In compliance with a written request received January 7, 19 75, there is hereby submitted a Fiscal Note for House Bill 18 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to exempt from taxation a parsonage associated with a place of worship, effective on passage and approval.

ASSUMPTIONS:

1. Taxable value of parsonages in the state is \$1,664,474 and will not increase significantly in FY 76 and FY 77.
2. Six mills will be levied for universities in FY 76 and FY 77. As much as 8 mills may be necessary in support of public school permissive levy in FY 77.

FISCAL IMPACT:

	FY 76		FY 77	
	State	Local Govt.	State	Local Govt.
(1) Decrease in tax collections assuming a six mill state levy in FY 76 and FY 77; 219 mill local levy	<u>\$9,987</u>	<u>\$364,520</u>	<u>\$9,987</u>	<u>\$364,520</u>
(2) Decrease in tax collections assuming a six mill state levy in FY 76 and 14 mills in FY 77; 219 mill local levy.	<u>\$9,987</u>	<u>\$364,520</u>	<u>\$23,300</u>	<u>\$364,520</u>

CONCLUSION:

Enactment of House Bill 18 would result in a revenue loss of approximately \$20,000 to \$33,000 to the state and \$729,000 to local government during the biennium.

TECHNICAL NOTE:

Section 1, subsection 3 (line 12 to end, pages 3 & 4) was deleted by Chapter 376, Laws of 1974. If the intent is to include Section 1(3) as an amendment to this bill, it should be underlined.


BUDGET DIRECTOR

Office of Budget and Program Planning

Date: January 10, 1975