1	Zause BILL NO. 107
2	INTRODUCED BY THE TIME THE
3	Requested by lept of Revenue
4	A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTIONS
5	84-401 AND 84-501, R.C.M. 1947, TO PROVIDE THAT ALL TAXABLE
6	PROPERTY MUST BE ASSESSED AT FORTY PERCENT OF ITS FULL CASH
7	VALUE AND STATING EXCEPTIONS. "
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S	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTAHA:
10	Section 1. Section 84-401, R.C.M. 1947, is amended to
11	read as follows:
12	*84-401. Property assessed at eash-valueexception
13	for-agricultural-lands. forty percent (40%) of its full cash
14	value exceptions. All taxable property must be assessed
15	at forty percent (40%) of its full cash value except:
16	(1) Properties in section 84-301, under Class One,
17	shall be assessed at one hundred percent (100%) of full cash
18	value.
19	(2) Moneys and credits in section 84-301, under Class
20	Five (a) shall be assessed at one hundred percent (100%) of
21	full cash value.
22	(3) Moneyed capital and shares of banks in section
23	84-301, shall be assessed at one hundred percent (100%) of
24	full cash value.
25	(4) The the assessment of agricultural lands shall be

based upon the productive capacity of the lands when valued 7 8 9 10 11 12 13 14 15 16 17 18 19 division or subdivision, by metes and bounds, or other 20 description sufficient to identify it, giving an estimate of 21 the number of acres, not exceeding in each and every tract

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thereon.

for agricultural purposes. All lands shall be valued as agricultural lands for tax purposes that meet qualifications of section 84-437.2, R.C.M. 1947. Land and the improvements thereon must be separately assessed. The taxable value of all property shall be determined by sections 84-301 and 84-308. Section 2. Section 84-501, R.C.M. 1947, is amended to read as follows: "84-501. Property--how listed. The state department of revenue must prepare an assessment book with appropriate headings, alphabetically arranged, in which must be listed all property within the state, and in which must be specified in separate columns, under the appropriate head: 1. The name of the person to whom the property is assessed. 2. Land, by township, range, section, or fractional section; and when such land is not a United States land

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six hundred and forty acres, locality, and the improvements

3. City and town lots, naming the city or town, and the

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- 4. All personal property, showing the number, kind,
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- 18 12. Taxable improvements owned by the person, firm,
- 19 association, or corporation located upon land exempt from
- 20 taxation must, as to the manner of assessment, be assessed
- 21 as other real estate upon the assessment roll. No value,
- 22 however, must be assessed against the exempt land, nor under
- 23 any circumstances must the land be charged with or become
- 24 responsible for the assessment made against any taxable
- 25 improvements located thereon.

- 1 13. The school, road, and other revenue districts in
- which each piece of property assessed is situated.
- 3 14. The total <u>assessed</u> value of all property.
- 4 l5. The figure one (1), in separate columns, opposite
- 5 the name of every person liable to pay a poll tax."

-End-

STATE OF MONTANA

REQUEST	NΩ	61-75
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FISCAL NOTE

Form BD-15

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į	In compliance with a written request received
•	for House Bill 107 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.
ś	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 provide that all taxable property must be assessed at 40% of its full cash value except property under Class one (100%), moneys and credits (100%), moneyed capitol and bank shares (100%) and agricultural land (based on productive capacity).

ASSUMPTIONS:

- 1. Most property in the state is currently assessed at 40% of full cash value except for real estate and improvements (34% in Yellowstone Co.), farm machinery (60%), agricultural products (100%), other machines (60%), goods wares and merchandise (60%), furniture and fixtures (60%), aircraft (55%), motor vehicles (662/3%), watercraft (58%), other personal property (60%), snowmobiles (662/3%).
- 2. Taxable value of all property under current law is estimated at \$1.260 billion in FY 76 and \$1.335 billion in FY 77.
- 3. The percentage of the assessed value of each category of property to the total assessed value of all property will remain fairly constant.
- 4. Based on an analysis of actual FY 74 assessed and taxable values, the effect of HB 107 would be to reduce the total taxable value by 5.3%.
- 5. Property is assessed in March and levies are applied in August. If HB 107 is passed, it will not become effective until July 1, 1975 which will be too late to reassess property for FY 76 tax collections. Thus, there will be no impact in Fy 76 under the proposed law.
- 6. Six mills will be levied for universities in FY 77; as much as eight mills may be levied for public school permissive levy.

FISCAL IMPACT:	(if 6 mill levy)	(if 14 mill levy)		
State property tax collections under current law	\$8,010,000	\$18,690,000		
Collections under proposed law	7,584,000	17,696,000		
Decrease in Collections	\$ 426,000	\$ 994,000		

♦ LOCAL IMPACT:

Loss to local governments could be significant. Fixed mill levies will raise less revenue necessitating increases in other levies. If maximum millage is currently being levied, a significant revenue loss could result, since loss in taxable value statewide will be \$67 million in FY76 and \$71 million in FY77. Assuming an average local government levy of 219 mills, loss in local government revenue statewide would be \$15 million in FY 76 and \$16 million in FY 77.

BUDGET DIRECTOR

Office of Budget and Program Planning

Date:

FY77

HB 0107/02

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assessed.

44th Legislature

Approved by Committee on <u>Texation</u>

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8	FERCENT OF ITS FULL CASH VALUE AND STATING EXCEPTIONS; AND
9	PROVIDING AN EFFECTIVE DATE.
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нв 0107/02

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- 9 SECTION 3. THIS ACT IS EFFECTIVE ON ITS PASSAGE AND
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HB- 107

нв 0107/02 HB 0107/02 44th Legislature

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