

1 HOUSE BILL NO. 439

2 INTRODUCED BY RICHARDS, BABCOCK, FAGG

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ENCOURAGE
5 REHABILITATION, RENOVATION AND RECONSTRUCTION OF REAL ESTATE
6 IMPROVEMENTS BY PLACING THE INCREMENTAL INCREASE IN THE
7 VALUE OF SUCH IMPROVEMENT ATTRIBUTABLE TO SUCH
8 REHABILITATION, RENOVATION AND RECONSTRUCTION INTO A NEW
9 CLASS FOR PROPERTY TAXATION PURPOSES; AMENDING SECTIONS
10 84-301 AND 84-302, R.C.M. 1947."
11

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

13 Section 1. Section 84-301, R.C.M. 1947, is amended to
14 read as follows:

15 "84-301. Classification of property for taxation. For
16 the purpose of taxation the taxable property in the state
17 shall be classified as follows:

18 Class One. The annual net proceeds of all mines and
19 mining claims, after deducting only the expenses specified
20 and allowed by section 84-5403; also where the right to
21 enter upon land, to explore or prospect, or dig for oil,
22 gas, coal or mineral is reserved in land or received by
23 mesne conveyance (exclusive of leasehold interests), devise
24 or succession by any person or corporation, the surface
25 title to which has passed to or remains in another, the

1 state department of revenue shall determine the value of the
2 right to enter upon said tract of land for the purpose of
3 digging, exploring, or prospecting for gas, oil, coal or
4 minerals, and the same shall be placed in this
5 classification for the purpose of taxation.

6 Class Two. All agricultural and other tools,
7 implements and machinery, gas and other engines and boilers,
8 threshing machines and outfits used therewith, automobiles,
9 motor trucks and other power-driven cars, vehicles of all
10 kinds except mobile homes, boats and all watercraft,
11 harness, saddlery and robes and except as provided in Class
12 Five (b) of this section, all poles, lines, transformers,
13 transformer stations, meters, tools, improvements, machinery
14 and other property used and owned by all persons, firms,
15 corporations, and other organizations which are engaged in
16 the business of furnishing telephone communications,
17 exclusively to rural areas, or to rural areas and cities and
18 towns provided that any such city or town has a population
19 of eight hundred (800) persons or less; and provided
20 further, that the average circuit miles for each station on
21 the system is more than one and one-quarter (1 1/4) miles.

22 Class Three. Livestock, poultry and unprocessed
23 products of both; stocks of merchandise of all sorts,
24 together with furniture and fixtures used therewith, except
25 mobile homes; and all office or hotel furniture and

1 fixtures.

2 Class Four. (a) All land, town and city lots, with
3 improvements, except improvements included in Class Nine,
4 and all trailers affixed to land owned, leased, or under
5 contract or purchase by the trailer owner, manufacturing and
6 mining machinery, fixtures and supplies, except as otherwise
7 provided by the constitution of Montana, and except as such
8 property may be included in Class Five, Class Seven or Class
9 Eight.

10 (b) Mobile homes without regard to the ownership of
11 the land upon which they are situated, except those held by
12 a distributor or dealer of mobile homes as part of his stock
13 in trade, and except as such property may be included in
14 Class Eight.

15 Class Five. (a) All moneys and credits, secured or
16 unsecured, including all state, county, school district and
17 other municipal bonds, warrants and securities, without any
18 deduction or offset; provided, however, that the terms
19 "moneys and credits" as herein used shall not embrace the
20 moneyed capital employed in the banking business by any
21 banking corporation or individual in this state.

22 (b) All poles, lines, transformers, transformer
23 stations, meters, tools, improvements, machinery and other
24 property used and owned by co-operative rural electrical and
25 co-operative rural telephone associations organized under

1 the laws of Montana except those within the incorporated
2 limits of a city or town in which less than ninety-five per
3 cent (95%) of the electric consumers and/or telephone users
4 are served by a co-operative organization, and as to the
5 property enumerated in this sub-section (b) within
6 incorporated limits of a city or town in which less than
7 ninety-five per cent (95%) of the electric consumers or
8 users will be served by a co-operative organization, such
9 property shall be put in Class Two.

10 (c) All unprocessed agricultural products either on
11 the farm or in storage, irrespective of whether said
12 products are owned by the elevator, warehouse or flour mill
13 owner or company storing the same, or any other person
14 whomsoever, except all perishable fruits and vegetables in
15 farm storage and owned by the producer, and excepting
16 livestock and poultry and the unprocessed products of both.

17 (d) The dwelling house, and the lot on which it is
18 erected, owned and occupied by any resident of the state,
19 who has been honorably discharged from active service in any
20 branch of the armed forces, who is rated one hundred per
21 cent (100%) disabled due to a service-connected disability
22 by the United States veterans administration or its
23 successors.

24 In the event of the veteran's death, the dwelling
25 house, and the lot on which it is erected, so long as the

1 widow remains unmarried and the owner and occupant of the
2 property, shall remain within this classification.

3 Class Six. Property formerly included in this class is
4 now classified by section 84-308, R.C.M. 1947.

5 Class Seven. (a) All new industrial property. New
6 industrial property shall mean any new industrial plant,
7 including land, buildings, machinery and fixtures which, in
8 the determination of the state department of revenue, is
9 used by a new industry during the first three (3) years of
10 operation not having been assessed prior to July 1, 1961,
11 within the state of Montana. New industry shall mean any
12 person, corporation, firm, partnership, association, or
13 other group which establishes a new plant or plants in this
14 state for the operation of a new industrial endeavor, as
15 distinguished from a mere expansion, reorganization, or
16 merger of an existing industry or industries. Provided,
17 however, that new industrial property shall be limited to
18 industries that manufacture, mill, mine, produce, process or
19 fabricate materials, or do similar work in which capital and
20 labor are employed and in which materials unserviceable in
21 their natural state are extracted, processed or made fit for
22 use or are substantially altered or treated so as to create
23 commercial products or materials; and in no event shall the
24 term new industrial property be included to mean property
25 used by retail or wholesale merchants, commercial services

1 of any type, agriculture, trades or professions. And
2 provided further, that new industrial property shall not be
3 included to mean property which is used or employed in any
4 industrial plant which has been in operation in this state
5 for three (3) years or longer. Any person, corporation,
6 firm, partnership, association or other group seeking to
7 qualify its property for inclusion in this class shall make
8 application to the state department of revenue in such
9 manner and form as may be required by said department.

10 Class Eight. Any improvement on real property,
11 trailers affixed to land or mobile home belonging to any
12 person who qualifies under any one or more of the
13 hereinafter set forth categories, valued at not more than
14 seventeen thousand five hundred dollars (\$17,500), which is
15 owned or under a contract for deed, and which is actually
16 occupied by:

17 (1) a widow sixty-two (62) years of age or older,
18 whether with or without minor dependent children, who
19 qualifies under the income limitations of (4), or

20 (2) a widower sixty-five (65) years of age or older,
21 whether with or without minor dependent children, who
22 qualifies under the income limitations of (4), or

23 (3) a widow with minor or dependent children
24 regardless of age, who qualifies under the income
25 limitations of (4), or

1 (4) a recipient of retirement benefits whose income
 2 from all sources is not more than four thousand dollars
 3 (\$4,000) for a single person and five thousand two hundred
 4 dollars (\$5,200) for a married couple per annum. Provided,
 5 further, that one who applies for classification of property
 6 under this class must make an affidavit to the state
 7 department of revenue on a form as may be provided by the
 8 state department of revenue supplied without cost to the
 9 applicant, as to his income, if applicable, as to his
 10 retirement benefits, if applicable, or, as to his marital
 11 status, if applicable, and to the fact that he or she
 12 actually occupies such improvements with right of the county
 13 welfare board to investigate the applicant, on the
 14 completion of the form, as to answers given on the form.
 15 Provided, further, that the value of said property shall not
 16 increase during the life of the recipient of retirement
 17 benefits or widow or widower covered under this class. For
 18 purposes of the affidavit required for classification of
 19 property under this class, it shall be sufficient if the
 20 applicant signs a statement swearing to or affirming the
 21 correctness of the information supplied, whether or not the
 22 statement is signed before a person authorized to administer
 23 oaths, and mails the application and statement to the
 24 department of revenue. This signed statement shall be
 25 treated as a statement under oath or equivalent affirmation

1 for purposes of section 94-7-203, R.C.M. 1947, relating to
 2 the criminal offense of false swearing.

3 Class Nine. The incremental increase in the value of
 4 real estate attributable to rehabilitation, renovation, or
 5 reconstruction.

6 Class ~~Nine~~ Ten. All property not included in the ~~eight~~
 7 ~~four~~ nine (9) preceding classes."

8 Section 2. Section 84-302, R.C.M. 1947, is amended to
 9 read as follows:

10 "84-302. Basis for imposition of taxes. As a basis for
 11 the imposition of taxes upon the different classes of
 12 property specified in the preceding section, a percentage of
 13 the true and full value of the property of each class shall
 14 be taken as follows:

15 Class 1. One hundred per cent (100%) of its true and
 16 full value.

17 Class 2. Twenty per cent (20%) of its true and full
 18 value.

19 Class 3. Thirty-three and one-third per cent (33 1/3%)
 20 of its true and full value.

21 Class 4. Thirty per cent (30%) of its true and full
 22 value.

23 Class 5. Seven per cent (7%) of its true and full
 24 value.

25 Class 6. As specified in section 84-308, R.C.M. 1947.

1 Class 7. Seven per cent (7%) of its true and full
2 value.

1 of this act.

-End-

3 Class 8. Fifteen per cent (15%) of its true and full
4 value.

5 Class 9. Six percent (6%) of the true and full value
6 for the first full year following completion of the
7 rehabilitation, renovation or reconstruction of the
8 improvement; twelve percent (12%) of the true and full value
9 for the second full year following completion of the
10 rehabilitation, renovation or reconstruction of the
11 improvement; eighteen percent (18%) of the true and full
12 value for the third full year following completion of the
13 rehabilitation, renovation, or reconstruction of the
14 improvement; twenty-four percent (24%) of the true and full
15 value for the fourth full year following completion of the
16 rehabilitation, renovation or reconstruction of the
17 improvement; and thirty percent (30%) for the fifth full
18 year following completion of the rehabilitation, renovation
19 or reconstruction of the improvement and for every year
20 thereafter.

21 Class 9 10. Forty per cent (40%) of its true and full
22 value."

23 Section 3. The department of revenue shall advise each
24 real property owner to whom it mails property tax notices in
25 November 1975 of the provisions contained in class nine (9)

SECOND READING

MISSING

STATE OF MONTANA

REQUEST NO. 210-75

FISCAL NOTE

Form BD-15

In compliance with a written request received February 11, 19 75, there is hereby submitted a Fiscal Note for House Bill 439 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 establish a separate property taxation classification for the rehabilitation, renovation, and reconstruction of real estate improvements. The taxable value increases with the age of the improvement.

ASSUMPTIONS:

- Improvements are considered Class four property under current law and are taxable at 30% of assessed value.
- After the fifth full year following completion of the rehabilitation, renovation or reconstruction, the improvements will be taxed at the same rate as under current law.
- House Bill 439 would have an effect on approximately \$11,000,000 in assessed value of improvements in FY 77.
- There would be no impact on FY 76 collections since the bill would not be in effect until after the assessment date for 1976 property tax purposes.
- The Department of Revenue would incur an estimated \$50,000 additional costs per year.
- Six mills will be levied for universities in FY 77. As much as eight mills may be necessary in support of public school permissive levy in FY 77. An average local mill levy of 219 mills is assumed.

FISCAL IMPACT:

	FY 77 if 6 mill levy	FY 77 if 14 mill levy
Revenue:		
Property tax collections on affected property under current law	\$ 19,800	\$ 46,200
Property tax collections under proposed law	3,960	9,240
Decrease in tax collections	<u>\$ 15,840</u>	<u>\$ 36,960</u>
Expenditure:		
Increased costs to the Department of Revenue	<u>\$ 50,000</u>	<u>\$ 50,000</u>

LOCAL IMPACT:

Local government units would experience a decrease in property tax collections of an estimated \$578,000 in FY 77.

CONCLUSIONS:

Enactment of House Bill 439 would result in a revenue loss to the state of approximately \$16,000 to \$37,000 and an increase in expenditures of \$100,000 in the 1975-77 biennium. Local governments would experience a revenue loss of approximately \$578,000 during the same time period.

LONG-RANGE IMPACT:

The taxable value as a percent of assessed value for the incremental increase in value of real estate attributable to rehabilitation, renovation, or reconstruction, begins at 6% for the first year following completion, and increases 6% per year until it reaches 30% after the fifth year following completion. Thus, the revenue loss on any particular improvement under House Bill 439 will decrease each year until the taxable value reaches 30% (current level).

Michael B. Paelling
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/17/75

HOUSE BILL NO. 439

INTRODUCED BY RICHARDS, BABCOCK, FAGG

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

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state department of revenue shall determine the value of the right to enter upon said tract of land for the purpose of digging, exploring, or prospecting for gas, oil, coal or minerals, and the same shall be placed in this classification for the purpose of taxation.

Class Two. All agricultural and other tools, implements and machinery, gas and other engines and boilers, threshing machines and outfits used therewith, automobiles, motor trucks and other power-driven cars, vehicles of all kinds except mobile homes, boats and all watercraft, harness, saddlery and robes and except as provided in Class Five (b) of this section, all poles, lines, transformers, transformer stations, meters, tools, improvements, machinery and other property used and owned by all persons, firms, corporations, and other organizations which are engaged in the business of furnishing telephone communications, exclusively to rural areas, or to rural areas and cities and towns provided that any such city or town has a population of eight hundred (800) persons or less; and provided further, that the average circuit miles for each station on the system is more than one and one-quarter (1 1/4) miles.

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17 (d) The dwelling house, and the lot on which it is
18 erected, owned and occupied by any resident of the state,
19 who has been honorably discharged from active service in any
20 branch of the armed forces, who is rated one hundred per
21 cent (100%) disabled due to a service-connected disability
22 by the United States veterans administration or its
23 successors.

24 In the event of the veteran's death, the dwelling
25 house, and the lot on which it is erected, so long as the

1 widow remains unmarried and the owner and occupant of the
2 property, shall remain within this classification.

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 3 (\$4,000) for a single person and five thousand two hundred
 4 dollars (\$5,200) for a married couple per annum. Provided,
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 8 state department of revenue supplied without cost to the
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 10 retirement benefits, if applicable, or, as to his marital
 11 status, if applicable, and to the fact that he or she
 12 actually occupies such improvements with right of the county
 13 welfare board to investigate the applicant, on the
 14 completion of the form, as to answers given on the form.
 15 Provided, further, that the value of said property shall not
 16 increase during the life of the recipient of retirement
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 19 property under this class, it shall be sufficient if the
 20 applicant signs a statement swearing to or affirming the
 21 correctness of the information supplied, whether or not the
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 23 oaths, and mails the application and statement to the
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14 improvement; twenty-four percent (24%) of the true and full
15 value for the fourth full year following completion of the
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17 improvement; and thirty percent (30%) for the fifth full
18 year following completion of the rehabilitation, renovation
19 or reconstruction of the improvement and for every year
20 thereafter.

21 Class 9 10. Forty per cent (40%) of its true and full
22 value."

23 Section 3. The department of revenue shall advise each
24 real property owner to whom it mails property tax notices in
25 November 1975 of the provisions contained in class nine (9)

1 of this act.

-End-

March 25, 1975

SENATE COMMITTEE ON AGRICULTURE, LIVESTOCK AND IRRIGATION

AMENDMENTS TO HOUSE BILL NO. 539

That House Bill No. 539, third reading, be amended as follows:

1. Amend page 3, section 3, line 19.
Following: "manner"
Strike: "."
Insert: ";"
2. Amend page 3, section 3, line 19.
Following: line 19
Insert: "(6) seek and develop alternative methods of effective and safe insect control."
3. Amend page 5, section 4, line 4.
Following: "AREA."
Insert: "The call for the meeting shall include public notice at least five (5) days in advance."
4. Amend page 5, section 4, lines 12 through 14 and line 15.
Following: "SHALL"
Strike: "RULE ON THE PETITION PRIOR TO PRODUCERS MEETING ON THE PROPOSED PROGRAM. THE COUNTY COMMISSIONERS' DECISION SHALL BE BASED UPON THE FINDINGS OF FACT CONCERNING THE INSECT INFESTATION"
Insert: "grant such petition"

March 26, 1975

SENATE COMMITTEE ON TAXATION
AMENDMENTS TO HOUSE BILL NO. 439

That House Bill No. 439, third reading, be amended as follows:

1. Amend title, line 8
Following: line 7
Strike: "REHABILITATION, RENOVATION AND RECONSTRUCTION"
Insert: "repairing, maintenance or improving existing improvements"
2. Amend page 8, section 1, lines 4 and 5.
Following: "to"
Strike: "rehabilitation, renovation, or reconstruction"
Insert: "repairing, maintaining or improving existing improvements"
3. Amend page 9, section 2, lines 7 and 8.
Following: line 6
Strike: "rehabilitation, renovation or reconstruction of the im-
provement"
Insert: "repair, maintenance or improving of existing improvements"
4. Amend page 9, section 2, lines 10 and 11.
Following: line 9
Strike: "rehabilitation, renovation or reconstruction of the
improvement"
Insert: "repair, maintenance or improving of existing improve-
ments"
5. Amend page 9, section 2, lines 13 and 14.
Following: line 12
Strike: "rehabilitation, renovation, or reconstruction of the
improvement"
Insert: "repair, maintenance or improving of existing improvements"
6. Amend page 9, section 2, lines 16 and 17.
Following: line 15
Strike: "rehabilitation, renovation or reconstruction of the
improvement"
Insert: "repair, maintenance or improving of existing improvements"
7. Amend page 9, section 2, lines 18 and 19.
Following: "the"
Strike: "rehabilitation, renovation or reconstruction of the
improvement"
Insert: "repair, maintenance or improving of existing improvements"

AND AS SO AMENDED, BE CONCURRED IN

March 28, 1975

SENATE COMMITTEE OF THE WHOLE

AMENDMENTS OF HOUSE BILL NO. 539

That House Bill No. 539, third reading, be amended as follows:

1. Amend page 2, section 1, line 6.
Following: line 6
Insert: "(5) "Alternative control program" means a system of controlling insect pest populations through biological or other means not involving toxic chemicals."
2. Amend page 3, section 3, line 1.
Following: "programs"
Insert: ", which shall be the least harmful to beneficial insects among effective available substance"

Amend Senate Committee on Agriculture, Livestock and Irrigation Amendments, dated March 24, 1975, as follows:

3. Amend amendment No. 2.
Strike: Amendment 2 in its entirety
Insert: "(6) consider, prior to conducting or approving any cropland spraying program, whether an alternative control program would be as efficient as spraying on a ratio of total costs to total benefits and to state a summary of such consideration in a notice of intent published under subsection (3) of this section. If the alternative control program is more efficient, the department may conduct or approve such a program. In such event, any reference to a cropland spraying program in this act includes the alternative control program."

And amend House Bill 539, third reading, as follows:

4. Amend page 3, section 3, line 7.
Following: "a"
Strike: "daily"
5. Amend page 5, section 4, line 3.
Following: "NEEDED,"
Insert: "by independently substantiating the department's finding of fact that a condition of insect pest infestation exists,"

Amend Senate Committee on Agriculture, Livestock and Irrigation Amendments, dated March 24, 1975, as follows:

6. Amend amendment No. 4, insertion paragraph, line 1.
Strike: "grant such petition"

7. Amend page 5, section 4, line 4.
Following: "PRODUCERS"
Insert: ", landowners and other potentially affected taxpayers"
8. Amend page 5, section 4, line 6.
Following: "PRODUCERS"
Insert: "and landowners"
9. Amend page 5, section 4, line 10.
Following: "PETITION"
Strike: "THE COUNTY COMMISSIONERS WITH A"
Insert: "by"
10. Amend page 5, section 4, line 12.
Following: "THE"
Insert: "department or"
11. Amend page 5, section 4, line 12.
Following: "SHALL"
Insert: "refrain from spraying any land petitioned to be excluded. Such excluded land remains subject to assessment under section 5 of this act."

HOUSE BILL NO. 439

INTRODUCED BY RICHARDS, BABCOCK, FAGG

A BILL FOR AN ACT ENTITLED: "AN ACT TO ENCOURAGE REHABILITATION, RENOVATION AND RECONSTRUCTION OF REAL ESTATE IMPROVEMENTS BY PLACING THE INCREMENTAL INCREASE IN THE VALUE OF SUCH IMPROVEMENT ATTRIBUTABLE TO SUCH ~~REHABILITATION,--RENOVATION--AND--RECONSTRUCTION~~ REPAIRING, MAINTENANCE OR IMPROVING EXISTING IMPROVEMENTS INTO A NEW CLASS FOR PROPERTY TAXATION PURPOSES; AMENDING SECTIONS 84-301 AND 84-302, R.C.M. 1947."

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

Section 1. Section 84-301, R.C.M. 1947, is amended to read as follows:

"84-301. Classification of property for taxation. For the purpose of taxation the taxable property in the state shall be classified as follows:

Class One. The annual net proceeds of all mines and mining claims, after deducting only the expenses specified and allowed by section 84-5403; also where the right to enter upon land, to explore or prospect, or dig for oil, gas, coal or mineral is reserved in land or received by mesne conveyance (exclusive of leasehold interests), devise or succession by any person or corporation, the surface

title to which has passed to or remains in another, the state department of revenue shall determine the value of the right to enter upon said tract of land for the purpose of digging, exploring, or prospecting for gas, oil, coal or minerals, and the same shall be placed in this classification for the purpose of taxation.

Class Two. All agricultural and other tools, implements and machinery, gas and other engines and boilers, threshing machines and outfits used therewith, automobiles, motor trucks and other power-driven cars, vehicles of all kinds except mobile homes, boats and all watercraft, harness, saddlery and robes and except as provided in Class Five (b) of this section, all poles, lines, transformers, transformer stations, meters, tools, improvements, machinery and other property used and owned by all persons, firms, corporations, and other organizations which are engaged in the business of furnishing telephone communications, exclusively to rural areas, or to rural areas and cities and towns provided that any such city or town has a population of eight hundred (800) persons or less; and provided further, that the average circuit miles for each station on the system is more than one and one-quarter (1 1/4) miles.

Class Three. Livestock, poultry and unprocessed products of both; stocks of merchandise of all sorts, together with furniture and fixtures used therewith, except

1 mobile homes; and all office or hotel furniture and
2 fixtures.

3 Class Four. (a) All land, town and city lots, with
4 improvements, except improvements included in Class Nine,
5 and all trailers affixed to land owned, leased, or under
6 contract or purchase by the trailer owner, manufacturing and
7 mining machinery, fixtures and supplies, except as otherwise
8 provided by the constitution of Montana, and except as such
9 property may be included in Class Five, Class Seven or Class
10 Eight.

11 (b) Mobile homes without regard to the ownership of
12 the land upon which they are situated, except those held by
13 a distributor or dealer of mobile homes as part of his stock
14 in trade, and except as such property may be included in
15 Class Eight.

16 Class Five. (a) All moneys and credits, secured or
17 unsecured, including all state, county, school district and
18 other municipal bonds, warrants and securities, without any
19 deduction or offset; provided, however, that the terms
20 "moneys and credits" as herein used shall not embrace the
21 moneyed capital employed in the banking business by any
22 banking corporation or individual in this state.

23 (b) All poles, lines, transformers, transformer
24 stations, meters, tools, improvements, machinery and other
25 property used and owned by co-operative rural electrical and

1 co-operative rural telephone associations organized under
2 the laws of Montana except those within the incorporated
3 limits of a city or town in which less than ninety-five per
4 cent (95%) of the electric consumers and/or telephone users
5 are served by a co-operative organization, and as to the
6 property enumerated in this sub-section (b) within
7 incorporated limits of a city or town in which less than
8 ninety-five per cent (95%) of the electric consumers or
9 users will be served by a co-operative organization, such
10 property shall be put in Class Two.

11 (c) All unprocessed agricultural products either on
12 the farm or in storage, irrespective of whether said
13 products are owned by the elevator, warehouse or flour mill
14 owner or company storing the same, or any other person
15 whomsoever, except all perishable fruits and vegetables in
16 farm storage and owned by the producer, and excepting
17 livestock and poultry and the unprocessed products of both.

18 (d) The dwelling house, and the lot on which it is
19 erected, owned and occupied by any resident of the state,
20 who has been honorably discharged from active service in any
21 branch of the armed forces, who is rated one hundred per
22 cent (100%) disabled due to a service-connected disability
23 by the United States veterans administration or its
24 successors.

25 In the event of the veteran's death, the dwelling

1 house, and the lot on which it is erected, so long as the
 2 widow remains unmarried and the owner and occupant of the
 3 property, shall remain within this classification.

4 Class Six. Property formerly included in this class is
 5 now classified by section 84-308, R.C.M. 1947.

6 Class Seven. (a) All new industrial property. New
 7 industrial property shall mean any new industrial plant,
 8 including land, buildings, machinery and fixtures which, in
 9 the determination of the state department of revenue, is
 10 used by a new industry during the first three (3) years of
 11 operation not having been assessed prior to July 1, 1961,
 12 within the state of Montana. New industry shall mean any
 13 person, corporation, firm, partnership, association, or
 14 other group which establishes a new plant or plants in this
 15 state for the operation of a new industrial endeavor, as
 16 distinguished from a mere expansion, reorganization, or
 17 merger of an existing industry or industries. Provided,
 18 however, that new industrial property shall be limited to
 19 industries that manufacture, mill, mine, produce, process or
 20 fabricate materials, or do similar work in which capital and
 21 labor are employed and in which materials unserviceable in
 22 their natural state are extracted, processed or made fit for
 23 use or are substantially altered or treated so as to create
 24 commercial products or materials; and in no event shall the
 25 term new industrial property be included to mean property

1 used by retail or wholesale merchants, commercial services
 2 of any type, agriculture, trades or professions. And
 3 provided further, that new industrial property shall not be
 4 included to mean property which is used or employed in any
 5 industrial plant which has been in operation in this state
 6 for three (3) years or longer. Any person, corporation,
 7 firm, partnership, association or other group seeking to
 8 qualify its property for inclusion in this class shall make
 9 application to the state department of revenue in such
 10 manner and form as may be required by said department.

11 Class Eight. Any improvement on real property,
 12 trailers affixed to land or mobile home belonging to any
 13 person who qualifies under any one or more of the
 14 hereinafter set forth categories, valued at not more than
 15 seventeen thousand five hundred dollars (\$17,500), which is
 16 owned or under a contract for deed, and which is actually
 17 occupied by:

18 (1) a widow sixty-two (62) years of age or older,
 19 whether with or without minor dependent children, who
 20 qualifies under the income limitations of (4), or

21 (2) a widower sixty-five (65) years of age or older,
 22 whether with or without minor dependent children, who
 23 qualifies under the income limitations of (4), or

24 (3) a widow with minor or dependent children
 25 regardless of age, who qualifies under the income

1 limitations of (4), or
 2 (4) a recipient of retirement benefits whose income
 3 from all sources is not more than four thousand dollars
 4 (\$4,000) for a single person and five thousand two hundred
 5 dollars (\$5,200) for a married couple per annum. Provided,
 6 further, that one who applies for classification of property
 7 under this class must make an affidavit to the state
 8 department of revenue on a form as may be provided by the
 9 state department of revenue supplied without cost to the
 10 applicant, as to his income, if applicable, as to his
 11 retirement benefits, if applicable, or, as to his marital
 12 status, if applicable, and to the fact that he or she
 13 actually occupies such improvements with right of the county
 14 welfare board to investigate the applicant, on the
 15 completion of the form, as to answers given on the form.
 16 Provided, further, that the value of said property shall not
 17 increase during the life of the recipient of retirement
 18 benefits or widow or widower covered under this class. For
 19 purposes of the affidavit required for classification of
 20 property under this class, it shall be sufficient if the
 21 applicant signs a statement swearing to or affirming the
 22 correctness of the information supplied, whether or not the
 23 statement is signed before a person authorized to administer
 24 oaths, and mails the application and statement to the
 25 department of revenue. This signed statement shall be

1 treated as a statement under oath or equivalent affirmation
 2 for purposes of section 94-7-203, R.C.M. 1947, relating to
 3 the criminal offense of false swearing.

4 Class Nine. The incremental increase in the value of
 5 real estate attributable to ~~rehabilitation--renovation--or~~
 6 reconstruction REPAIRING, MAINTAINING OR IMPROVING EXISTING
 7 IMPROVEMENTS.

8 Class ~~Nine~~ Ten. All property not included in the ~~eight~~
 9 ~~four~~ nine (9) preceding classes."

10 * Section 2. Section 84-302, R.C.M. 1947, is amended to
 11 read as follows:

12 "84-302. Basis for imposition of taxes. As a basis for
 13 the imposition of taxes upon the different classes of
 14 property specified in the preceding section, a percentage of
 15 the true and full value of the property of each class shall
 16 be taken as follows:

17 Class 1. One hundred per cent (100%) of its true and
 18 full value.

19 Class 2. Twenty per cent (20%) of its true and full
 20 value.

21 Class 3. Thirty-three and one-third per cent (33 1/3%)
 22 of its true and full value.

23 Class 4. Thirty per cent (30%) of its true and full
 24 value.

25 Class 5. Seven per cent (7%) of its true and full

1 value.

2 Class 6. As specified in section 84-308, R.C.M. 1947.

3 Class 7. Seven per cent (7%) of its true and full
4 value.

5 Class 8. Fifteen per cent (15%) of its true and full
6 value.

7 Class 9. Six percent (6%) of the true and full value
8 for the first full year following completion of the

9 rehabilitation, renovation or reconstruction of the

10 improvement REPAIR, MAINTENANCE OR IMPROVING OF EXISTING

11 IMPROVEMENTS; twelve percent (12%) of the true and full
12 value for the second full year following completion of the

13 rehabilitation, renovation or reconstruction of the

14 improvement REPAIR, MAINTENANCE OR IMPROVING OF EXISTING

15 IMPROVEMENTS; eighteen percent (18%) of the true and full
16 value for the third full year following completion of the

17 rehabilitation, renovation or reconstruction of the

18 improvement REPAIR, MAINTENANCE OR IMPROVING OF EXISTING

19 IMPROVEMENTS; twenty-four percent (24%) of the true and full
20 value for the fourth full year following completion of the

21 rehabilitation, renovation or reconstruction of the

22 improvement REPAIR, MAINTENANCE OR IMPROVING OF EXISTING

23 IMPROVEMENTS; and thirty percent (30%) for the fifth full
24 year following completion of the rehabilitation, renovation

25 or reconstruction of the improvement REPAIR, MAINTENANCE OR

1 IMPROVING OF EXISTING IMPROVEMENTS and for every year
2 thereafter.

3 Class 9 10. Forty per cent (40%) of its true and full
4 value."

5 Section 3. The department of revenue shall advise each
6 real property owner to whom it mails property tax notices in
7 November 1975 of the provisions contained in Class Nine (9)
8 of this act.

-End-