

SENATE BILL NO. 370

INTRODUCED BY DEVINE

(BY REQUEST DEPARTMENT OF REVENUE)

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR ALTERNATIVE METHODS OF APPORTIONING UTILITY ASSESSMENTS TO THE COUNTIES AND AMENDING SECTIONS 84-708.1, 84-803, AND 84-906, R.C.M. 1947."

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

Section 1. Section 84-708.1, R.C.M. 1947, is amended to read as follows:

"84-708.1. Powers and duties of the state department of revenue. (1) To annually assess the franchise, roadway, roadbeds, rails, and rolling stock, and all other property of all railroads, and the pole lines and rights of way and all other property of all telegraph and telephone lines, electric power and transmission lines, ditches, canals, and flumes, and other similar property, constituting a single and continuous property operated in more than one (1) county in the state, or more than one (1) state. and to To apportion such assessments to the counties in which such properties are located on a mileage basis, or in the case of telegraph or telephone microwave electronic equipment, which has no physical connection with the total system, but is an

integral part of such system, apportion the valuation for assessment of such company in this state among the several counties of this state in such proportion as will fairly represent the valuation for assessment within each such county, utilizing commonly recognized methods of apportioning as shall be just and equitable, provided, however, that or if the property of any company assessable under this section is of such a character that its value cannot reasonably be apportioned on the basis of mileage, the department may adopt such other method or basis of apportionment to the county or counties in which the property is situated as may be just and proper. All lots and parcels of real estate not included in right of way, with the buildings, structures, and improvements thereon, dams and power houses, depots, stations, shops, and other buildings, erected upon right of way, furniture, machinery, and other personal property, shall not be considered as a part of any such single and continuous property, but which is not part of any such single and continuous property, shall be considered as separate and distinct therefrom, and shall be assessed by the agent of the department of revenue in the county wherein they are situate.

(2) To transmit to the county clerk of each county its apportionment of all assessments made by the department.

(3) To adjust and equalize the valuation of taxable

1 property among the several counties, and the different
 2 classes of taxable property in any county and in the several
 3 counties and between individual taxpayers; supervise and
 4 review the acts of agents of the department; change,
 5 increase or decrease valuations made by its agents; and
 6 exercise such authority and do all things necessary to
 7 secure a fair, just and equitable valuation of all taxable
 8 property among counties between the different classes of
 9 property and between individual taxpayers.

10 (4) To have and exercise general supervision over the
 11 administration of the assessment and tax laws of the state,
 12 and over its agents and any officers of municipal
 13 corporations, having any duties to perform under any of the
 14 laws of this state relating to taxation to the end that all
 15 assessments of property be made relatively just and equal at
 16 true value in substantial compliance with law, and to
 17 supervise the administration of all revenue laws of the
 18 state and assist in their enforcement. Further, the state
 19 department of revenue is empowered to organize, and it shall
 20 be its duty to schedule and hold area schools within the
 21 state for appraisers and assessors as often as is deemed
 22 necessary in the judgment of the department and the costs of
 23 such appraisers and assessors attending shall be borne by
 24 the state. Further, the department shall determine if there
 25 is a need for a taxing, assessing, and appraising school,

1 and such school shall be held, when deemed necessary. The
 2 department shall notify all assessors and appraisers at
 3 least six (6) months before such school is scheduled and it
 4 shall be the duty of all assessors and appraisers to attend
 5 and the cost of their attendance shall be borne by the
 6 state.

7 (5) To confer with, advise and direct officers of
 8 municipal corporations as to their duties, with respect to
 9 taxation, under the statutes of the state.

10 (6) To direct proceedings, actions and prosecutions to
 11 be instituted to enforce the laws relating to the penalties,
 12 liabilities and punishment of public officials and persons,
 13 or their agents, for failure or neglect to comply with the
 14 provisions of the statutes governing the revenue of the
 15 state or municipal corporations; and to cause complaints to
 16 be made against assessors and other public officers to the
 17 proper district court for their removal from office for
 18 official misconduct or neglect of duty.

19 (7) To require county attorneys to assist in the
 20 commencement and prosecution of actions and proceedings for
 21 penalties, forfeitures, removals and punishment for
 22 violations of the laws of the state in respect to the
 23 assessment of property and other revenue laws, in their
 24 respective counties.

25 (8) To collect annually from the proper officers of the

1 municipal corporations information as to the assessment of
 2 property, collection of taxes, receipts from licenses and
 3 other sources, the expenditure of public funds for all
 4 purposes, and such other information as may be needful and
 5 helpful in the work of the department in such form and upon
 6 such blanks as the department shall prescribe; and it shall
 7 be the duty of all public officers so called upon to fill
 8 out properly and return promptly to the department all
 9 blanks so transmitted and in every way aid the department in
 10 its work; to examine the records of all municipal
 11 corporations for such purposes as are deemed needful or
 12 helpful by the department.

13 (9) In its discretion, to inspect and examine, or cause
 14 an inspection and examination of the records of the officers
 15 of any municipality, whenever such officer shall have
 16 failed, neglected or refused to return properly the
 17 information required by this section within the time set by
 18 the department. Upon completion of such inspection and
 19 examination the department shall transmit to the clerk, or
 20 other proper official of the municipality, a statement of
 21 the expenses incurred by the department to secure the
 22 necessary information. Within sixty (60) days after the
 23 receipt by the municipality of the above statement, the same
 24 shall be audited, as other claims of the municipal
 25 corporation are audited and shall be paid into the state

1 treasury and if the same is not so paid the attorney general
 2 shall institute an action, in the proper court, against the
 3 municipality to recover the same.

4 The officers responsible for the furnishing of the
 5 information collected pursuant to this section, shall be
 6 jointly and severally liable for any loss the municipality
 7 may suffer, through their delinquency; and no payment shall
 8 be made to them for salary, or on any other account, until
 9 the cost of such inspection and examination as provided
 10 above shall have been paid into the treasury, or to the
 11 proper officers of such municipality. They shall also be
 12 subject to such other fines and penalties as prescribed by
 13 law.

14 (10) To require persons, as defined above, to furnish
 15 information concerning their capital, funded or other debt,
 16 current assets and liabilities, cost and value of property,
 17 earnings, operating and other expenses, taxes and all other
 18 facts which may enable the department to ascertain the value
 19 of the relative burdens borne by all kinds of property and
 20 occupations in the state.

21 (11) To summon witnesses to appear and give evidence,
 22 and to produce records, books, papers and documents relating
 23 to any matter which the department shall have authority to
 24 investigate and determine.

25 (12) To cause the deposition of witnesses residing

1 within or without the state, or absent therefrom, to be
 2 taken upon notice to the interested party, if any, in like
 3 manner that depositions are taken in actions pending in the
 4 district court, in any matter which the department shall
 5 have authority to investigate and determine.

6 (13) To examine into all cases where evasion or
 7 violation of the laws for taxation of property, proceeds,
 8 occupation or business is alleged, complained of or
 9 discovered, and to ascertain wherein existing laws are
 10 ineffective or are improperly or negligently administered.

11 (14) To investigate the tax systems of other states and
 12 countries and to formulate and recommend legislation for the
 13 better administration of the fiscal laws so as to secure
 14 just and equal taxation and improvement in the system of
 15 taxation and the economical expenditure of public revenue in
 16 the state.

17 (15) To consult and confer with the governor of the
 18 state upon the subject of taxation, the administration of
 19 the laws relating thereto and the progress of the work of
 20 the department, and to furnish the governor such assistance
 21 as he may require.

22 (16) To transmit to the governor and to each member of
 23 the legislature twenty (20) days before the meeting of the
 24 legislature, a report of the department, showing all the
 25 taxable property of the state and the value of the same in

1 tabulated form, with recommendations for improvements in the
 2 system of taxation, together with such measures as may be
 3 formulated for the consideration of the legislature; and to
 4 include therein a report showing the selling price of
 5 gasoline at the wholesale level in prime market centers of
 6 Montana and in surrounding states during the biennium, with
 7 indexes tabulated at sufficient intervals to show the
 8 comparative state price structures."

9 Section 2. Section 84-803, R.C.M. 1947, is amended to
 10 read as follows:

11 "84-803. Duties of the state department of revenue
 12 respecting statement. The state department of revenue must,
 13 within the time mentioned, in the preceding section,
 14 transmit by mail to the agent of the department in each
 15 county, to which such apportionment is made, a statement in
 16 detail sufficient for identification and location of the
 17 property, showing the assessed value per mile of the same
 18 and the assessed value using such other methods referred to
 19 in section 84-708.1, R.C.M. 1947, as fixed by a prorata
 20 distribution per mile of the assessed value of the whole
 21 franchise, roadway, roadbed, rails, and rolling stock of
 22 such railroad, within the state, and the amount apportioned
 23 to the county and to each taxing subdivision thereof. The
 24 agent of the department of revenue in each county must enter
 25 the statement on the assessment roll of the county."

1 Section 3. Section 84-906, R.C.M. 1947, is amended to
2 read as follows:

3 "84-906. Transmission of statement of amount
4 apportioned to counties. The state department of revenue,
5 must, not later than the second Monday of July, transmit or
6 mail to the agent of the department in each county to which
7 such apportionment has been made, a statement showing ~~the~~
8 ~~length-of~~ the property in such county; a description of the
9 same sufficient for identification; the assessed value of
10 the same as determined by the department; and the amount
11 apportioned to the county. The agent of the department must
12 enter the statement on the assessment roll or book of the
13 county, and enter the amount of the assessment apportioned
14 to the county in the column of the assessment roll or book
15 which shows the total value of all property for taxation in
16 the county."

-End-

Approved by Committee
on Taxation

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and continuous property operated in more than one (1) county
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distinct therefrom, and shall be assessed by the agent of
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(2) To transmit to the county clerk of each county its

1 apportionment of all assessments made by the department.

2 (3) To adjust and equalize the valuation of taxable
3 property among the several counties, and the different
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3 Section 3. Section 84-906, R.C.M. 1947, is amended to
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7 must, not later than the second Monday of July, transmit or
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16 to the county in the column of the assessment roll or book
17 which shows the total value of all property for taxation in
18 the county."

-End-

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19 (15) To consult and confer with the governor of the
20 state upon the subject of taxation, the administration of
21 the laws relating thereto and the progress of the work of
22 the department, and to furnish the governor such assistance
23 as he may require.

24 (16) To transmit to the governor and to each member of
25 the legislature twenty (20) days before the meeting of the

1 legislature, a report of the department, showing all the
2 taxable property of the state and the value of the same in
3 tabulated form, with recommendations for improvements in the
4 system of taxation, together with such measures as may be
5 formulated for the consideration of the legislature; and to
6 include therein a report showing the selling price of
7 gasoline at the wholesale level in prime market centers of
8 Montana and in surrounding states during the biennium, with
9 indexes tabulated at sufficient intervals to show the
10 comparative state price structures."

11 Section 2. Section 84-803, R.C.M. 1947, is amended to
12 read as follows:

13 "84-803. Duties of the state department of revenue
14 respecting statement. The state department of revenue must,
15 within the time mentioned, in the preceding section,
16 transmit by mail to the agent of the department in each
17 county, to which such apportionment is made, a statement in
18 detail sufficient for identification and location of the
19 property, showing the assessed value per mile of the same
20 and the assessed value using such other methods referred to
21 in section 84-708.1, R.C.M. 1947, as fixed by a prorata
22 distribution per mile of the assessed value of the whole
23 franchise, roadway, roadbed, rails, and rolling stock of
24 such railroad, within the state, and the amount apportioned
25 to the county and to each taxing subdivision thereof. The

1 agent of the department of revenue in each county must enter
2 the statement on the assessment roll of the county."

3 Section 3. Section 84-906, R.C.M. 1947, is amended to
4 read as follows:

5 "84-906. Transmission of statement of amount
6 apportioned to counties. The state department of revenue,
7 must, not later than the second Monday of July, transmit or
8 mail to the agent of the department in each county to which
9 such apportionment has been made, a statement showing the
10 ~~length-of~~ the property in such county; a description of the
11 same sufficient for identification; the assessed value of
12 the same as determined by the department; and the amount
13 apportioned to the county. The agent of the department must
14 enter the statement on the assessment roll or book of the
15 county, and enter the amount of the assessment apportioned
16 to the county in the column of the assessment roll or book
17 which shows the total value of all property for taxation in
18 the county."

-End-

HOUSE OF REPRESENTATIVES

March 19, 1975

HOUSE COMMITTEE ON TAXATION AMENDMENT TO SENATE BILL 370.

Amend Senate Bill 370 in the third reading copy as follows:

1. Amend page 9, section 3, line 9.
Following: "showing"
Insert: "the length or amount of"

AS SO AMENDED
BE CONCURRED IN

1 SENATE BILL NO. 370
 2 INTRODUCED BY DEVINE
 3 (BY REQUEST DEPARTMENT OF REVENUE)
 4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR
 6 ALTERNATIVE METHODS OF APPORTIONING UTILITY ASSESSMENTS TO
 7 THE COUNTIES AND AMENDING SECTIONS 84-708.1, 84-803, AND
 8 84-906, R.C.M. 1947."

9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 11 Section 1. Section 84-708.1, R.C.M. 1947, is amended
 12 to read as follows:

13 "84-708.1. Powers and duties of the state department
 14 of revenue. (1) To annually assess the franchise, roadway,
 15 roadbeds, rails, and rolling stock, and all other property
 16 of all railroads, and the pole lines and rights of way and
 17 all other property of all telegraph and telephone lines,
 18 electric power and transmission lines, ditches, canals, and
 19 flumes, and other similar property, constituting a single
 20 and continuous property operated in more than one (1) county
 21 in the state, or more than one (1) state. and to To
 22 apportion such assessments to the counties in which such
 23 properties are located on a mileage basis, ~~or in the case of~~
 24 ~~telegraph or telephone microwave electronic equipment, which~~
 25 ~~has no physical connection with the total system, but is an~~

1 ~~integral part of such system, apportion the valuation for~~
 2 ~~assessment of such company in this state among the several~~
 3 ~~counties of this state in such proportion as will fairly~~
 4 ~~represent the valuation for assessment within each such~~
 5 ~~county, utilizing commonly recognized methods of~~
 6 ~~apportioning as shall be just and equitable, provided,~~
 7 ~~however, that or if the property of any company assessable~~
 8 ~~under this section is of such a character that its value~~
 9 ~~cannot reasonably be apportioned on the basis of mileage,~~
 10 ~~the department may adopt such other method or basis of~~
 11 ~~apportionment to the county or counties in which the~~
 12 ~~property is situated as may be just and proper. All lots~~
 13 ~~and parcels of real estate not included in right of way,~~
 14 ~~with the buildings, structures, and improvements thereon,~~
 15 ~~dams and power houses, depots, stations, shops, and other~~
 16 ~~buildings, erected upon right of way, furniture, machinery,~~
 17 ~~and other personal property, ~~shall not be considered as a~~~~
 18 ~~~~part of any such single and continuous property, but which~~~~
 19 ~~~~is not part of any such single and continuous property,~~~~
 20 ~~SHALL NOT BE CONSIDERED AS A PART OF ANY SUCH SINGLE AND~~
 21 ~~CONTINUOUS PROPERTY, BUT shall be considered as separate and~~
 22 ~~distinct therefrom, and shall be assessed by the agent of~~
 23 ~~the department of revenue in the county wherein they are~~
 24 ~~situate.~~

25 (2) To transmit to the county clerk of each county its

1 apportionment of all assessments made by the department.

2 (3) To adjust and equalize the valuation of taxable
3 property among the several counties, and the different
4 classes of taxable property in any county and in the several
5 counties and between individual taxpayers; supervise and
6 review the acts of agents of the department; change,
7 increase or decrease valuations made by its agents; and
8 exercise such authority and do all things necessary to
9 secure a fair, just and equitable valuation of all taxable
10 property among counties between the different classes of
11 property and between individual taxpayers.

12 (4) To have and exercise general supervision over the
13 administration of the assessment and tax laws of the state,
14 and over its agents and any officers of municipal
15 corporations, having any duties to perform under any of the
16 laws of this state relating to taxation to the end that all
17 assessments of property be made relatively just and equal at
18 true value in substantial compliance with law, and to
19 supervise the administration of all revenue laws of the
20 state and assist in their enforcement. Further, the state
21 department of revenue is empowered to organize, and it shall
22 be its duty to schedule and hold area schools within the
23 state for appraisers and assessors as often as is deemed
24 necessary in the judgment of the department and the costs of
25 such appraisers and assessors attending shall be borne by

1 the state. Further, the department shall determine if there
2 is a need for a taxing, assessing, and appraising school,
3 and such school shall be held, when deemed necessary. The
4 department shall notify all assessors and appraisers at
5 least six (6) months before such school is scheduled and it
6 shall be the duty of all assessors and appraisers to attend
7 and the cost of their attendance shall be borne by the
8 state.

9 (5) To confer with, advise and direct officers of
10 municipal corporations as to their duties, with respect to
11 taxation, under the statutes of the state.

12 (6) To direct proceedings, actions and prosecutions to
13 be instituted to enforce the laws relating to the penalties,
14 liabilities and punishment of public officials and persons,
15 or their agents, for failure or neglect to comply with the
16 provisions of the statutes governing the revenue of the
17 state or municipal corporations; and to cause complaints to
18 be made against assessors and other public officers to the
19 proper district court for their removal from office for
20 official misconduct or neglect of duty.

21 (7) To require county attorneys to assist in the
22 commencement and prosecution of actions and proceedings for
23 penalties, forfeitures, removals and punishment for
24 violations of the laws of the state in respect to the
25 assessment of property and other revenue laws, in their

1 respective counties.

2 (8) To collect annually from the proper officers of
3 the municipal corporations information as to the assessment
4 of property, collection of taxes, receipts from licenses and
5 other sources, the expenditure of public funds for all
6 purposes, and such other information as may be needful and
7 helpful in the work of the department in such form and upon
8 such blanks as the department shall prescribe; and it shall
9 be the duty of all public officers so called upon to fill
10 out properly and return promptly to the department all
11 blanks so transmitted and in every way aid the department in
12 its work; to examine the records of all municipal
13 corporations for such purposes as are deemed needful or
14 helpful by the department.

15 (9) In its discretion, to inspect and examine, or
16 cause an inspection and examination of the records of the
17 officers of any municipality, whenever such officer shall
18 have failed, neglected or refused to return properly the
19 information required by this section within the time set by
20 the department. Upon completion of such inspection and
21 examination the department shall transmit to the clerk, or
22 other proper official of the municipality, a statement of
23 the expenses incurred by the department to secure the
24 necessary information. Within sixty (60) days after the
25 receipt by the municipality of the above statement, the same

1 shall be audited, as other claims of the municipal
2 corporation are audited and shall be paid into the state
3 treasury and if the same is not so paid the attorney general
4 shall institute an action, in the proper court, against the
5 municipality to recover the same.

6 The officers responsible for the furnishing of the
7 information collected pursuant to this section, shall be
8 jointly and severally liable for any loss the municipality
9 may suffer, through their delinquency; and no payment shall
10 be made to them for salary, or on any other account, until
11 the cost of such inspection and examination as provided
12 above shall have been paid into the treasury, or to the
13 proper officers of such municipality. They shall also be
14 subject to such other fines and penalties as prescribed by
15 law.

16 (10) To require persons, as defined above, to furnish
17 information concerning their capital, funded or other debt,
18 current assets and liabilities, cost and value of property,
19 earnings, operating and other expenses, taxes and all other
20 facts which may enable the department to ascertain the value
21 of the relative burdens borne by all kinds of property and
22 occupations in the state.

23 (11) To summon witnesses to appear and give evidence,
24 and to produce records, books, papers and documents relating
25 to any matter which the department shall have authority to

1 investigate and determine.

2 (12) To cause the deposition of witnesses residing
3 within or without the state, or absent therefrom, to be
4 taken upon notice to the interested party, if any, in like
5 manner that depositions are taken in actions pending in the
6 district court, in any matter which the department shall
7 have authority to investigate and determine.

8 (13) To examine into all cases where evasion or
9 violation of the laws for taxation of property, proceeds,
10 occupation or business is alleged, complained of or
11 discovered, and to ascertain wherein existing laws are
12 ineffective or are improperly or negligently administered.

13 (14) To investigate the tax systems of other states and
14 countries and to formulate and recommend legislation for the
15 better administration of the fiscal laws so as to secure
16 just and equal taxation and improvement in the system of
17 taxation and the economical expenditure of public revenue in
18 the state.

19 (15) To consult and confer with the governor of the
20 state upon the subject of taxation, the administration of
21 the laws relating thereto and the progress of the work of
22 the department, and to furnish the governor such assistance
23 as he may require.

24 (16) To transmit to the governor and to each member of
25 the legislature twenty (20) days before the meeting of the

1 legislature, a report of the department, showing all the
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3 tabulated form, with recommendations for improvements in the
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