

1                    HOUSE    BILL NO. 50  
2    INTRODUCED BY FABREGA

3  
4    A BILL FOR AN ACT ENTITLED:    "AN ACT PROVIDING FOR THE  
5    SUSPENSION OF IMPLEMENTATION AND UTILIZATION OF REAPPRAISALS  
6    OF REAL PROPERTY CONDUCTED UNDER THE PROVISIONS OF CHAPTER  
7    294, LAWS OF 1975, UNTIL JUNE 30, 1979; PROVIDING AN  
8    IMMEDIATE EFFECTIVE DATE."

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

11            Section 1. Findings and purpose. The legislature finds  
12    that reappraisals of real property classified as class four  
13    (a), five (c), or eight (a) under the provisions of 84-301,  
14    which have been conducted under the provisions of Chapter  
15    294, Laws of 1975, have, on the average, resulted in a  
16    significant increase in taxable valuation. The resulting  
17    effect of such increase in taxable value may be a  
18    significant and unjustified increase in tax revenues to  
19    various taxing authorities, particularly as to those  
20    revenues where the legislature has fixed mandatory mill  
21    levies. The legislature therefore finds that it is in the  
22    best interest of the people of Montana that property tax  
23    mill levies, both permissive and mandatory, be reviewed by  
24    the 45th legislature in 1979 prior to implementation of such  
25    reappraisals.

1            Section 2. Implementation and utilization suspended.  
2    Implementation and utilization of reappraisals of real  
3    property and the improvements thereon classified as class  
4    four (a), five (c), or eight (a) under the provisions of  
5    84-301 are suspended until June 30, 1979.

6            Section 3. Effective date. This act is effective upon  
7    passage and approval.

-End-

STATE OF MONTANA

REQUEST NO. 424-77

FISCAL NOTE

Form BD-15

In compliance with a written request received February 14, 19 77, there is hereby submitted a Fiscal Note for House Bill 50 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:

This bill provides for the suspension of implementation and utilization of reappraisals of real property conducted under the provisions of Chapter 294, Laws of 1975, until June 30, 1979; provides an immediate effective date.

FISCAL IMPACT:

It should be noted that there is nothing in current law which sets a deadline for placing new appraisals on the tax rolls. The practical effect of this bill is to prohibit use of the results of the statewide reappraisal program before June 30, 1979. It appears that, if the work on reappraisal continues at its present pace, the new appraisals will be ready for use on July 1, 1978.

If the assumption is made that, under current law, new values from the statewide reappraisal of real property would be placed on the tax rolls January 1, 1978, then the delay until June 30, 1979 contemplated by this bill would be considerable. Approximately \$80 million will be added to the state's taxable value by the reappraisal. Thus, enactment of this bill could result in a shortfall in anticipating school foundation revenue of \$3,200,000 (= 40 mills x \$80 million) for FY 79. Also, the additional amount of General Fund money required to prevent a statewide tax for the public school permissive levy would be \$1.04 million in FY 79.

Under the same assumption and the added assumption that the 6 mill statewide levy for support of the university system will be continued, enactment of this bill could cause a shortfall in university system revenue of \$480,000 (= 6 mills x \$80 million) in FY 79.

**NOTE:** The Executive Budget recommendations assume that new values from the statewide reappraisal of real property will be placed on the tax rolls January 1, 1978.

PREPARED BY DEPARTMENT OF REVENUE

*Richard L. Young Jr.*  
BUDGET DIRECTOR  
Office of Budget and Program Planning  
Date: 2-16-77

Approved by Committee  
on Taxation

HOUSE BILL NO. 50

INTRODUCED BY FABREGA, MARKS, KVAALEN, SMITH, BARRETT, LUND  
PISTORIA, MEYER, RYAN, FEDA, GOULD, ELLIS, STOBIE, LORY,  
GILLIGAN, ROBBINS, KENNY, CONROY, STAIGMILLER, BRADLEY,  
QUILICI, LYNCH, NATHE, KANDUCH, SEIFERT, MOORE, AAGESON,  
ELLERD, ELLISON, WYRICK, COX, WOOD, MULAR, ERNST, KEYSER,  
JOHNSTON, SEVERSON, KROPP, DAVIS, BENGTON, DAY, DUSSAULT,  
HOLMES, McLANE, VINGER

A BILL FOR AN ACT ENTITLED: "AN ACT ~~PROVIDING~~ FOR  
~~SUSPENDING~~ THE ~~SUSPENSION-OF-IMPLEMENTATION-AND~~ UTILIZATION  
OF REAPPRAISALS OF REAL PROPERTY CONDUCTED UNDER THE  
PROVISIONS OF CHAPTER 294, LAWS OF 1975, ~~UNTIL-JUNE-30,~~  
~~1979~~; PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Findings and purpose. The legislature finds  
that reappraisals of real property classified as class four  
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significant increase in taxable valuation. The resulting  
effect of such increase in taxable value may be a  
significant and unjustified increase in tax revenues to  
various taxing authorities, particularly as to those

revenues where the legislature has fixed mandatory mill  
levies. The legislature therefore finds that it is in the  
best interest of the people of Montana that property tax  
mill levies, both permissive and mandatory, AND OTHER LAWS  
RELATING TO PROPERTY TAXATION CONTAINED IN TITLE 84, be  
reviewed by the 46th ~~45TH~~ legislature ~~in 1979~~ prior to  
implementation UTILIZATION of such reappraisals.

Section 2. ~~Implementation-and-utilization~~ UTILIZATION  
suspended. ~~implementation--and--utilization~~ UTILIZATION of  
reappraisals of real property and the improvements thereon  
classified as class four (a), five (c), or eight (a) under  
the provisions of 84-301 are suspended until ~~June--30--1979~~  
REVIEWED AND ACTED UPON BY THE 45TH LEGISLATURE. THE REVIEW  
SHALL BE COMPLETED PRIOR TO DECEMBER 31, 1977, AND  
LEGISLATIVE ACTION TAKEN BY THAT DATE.

Section 3. Effective date. This act is effective upon  
passage and approval.

-End-

*In order*

Approved by Committee  
on Taxation

HOUSE BILL NO. 50

INTRODUCED BY FABREGA, MARKS, KVAALEN, SMITH, BARRETT, LUND  
PISTORIA, MEYER, RYAN, FEDA, GOULD, ELLIS, STOBIE, LORY,  
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ELLERD, ELLISON, WYRICK, COX, WOOD, MULAR, ERNST, KEYSER,  
JOHNSTON, SEVERSON, KROPP, DAVIS, BENGTSON, DAY, DUSSAULT,  
HOLMES, McLANE, VINGER, MENAHAN, O'KEEFE, VINCENT, BURNETT,  
LIEN, UNDERDAL, HUENNEKENS, WILLIAMS, RAMIREZ, HALVORSON,  
HARRINGTON, ROTH, TROPILA, SCULLY, HURWITZ, O'CONNELL

A BILL FOR AN ACT ENTITLED: "AN ACT ~~PROVIDING~~ FOR  
SUSPENDING THE SUSPENSION OF IMPLEMENTATION AND UTILIZATION  
OF REAPPRAISALS OF REAL PROPERTY CONDUCTED UNDER THE  
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REVIEWED AND ACTED UPON BY THE 45TH LEGISLATURE. THE REVIEW  
SHALL BE COMPLETED PRIOR TO DECEMBER 31, 1977, AND  
LEGISLATIVE ACTION TAKEN BY THAT DATE.

Section 3. Effective date. This act is effective upon  
passage and approval.

-End-

SECOND READING  
*Corrected Printing*

THIRD READING

MISSING

March 8, 1977

STANDING COMMITTEE REPORT  
Senate Committee on Taxation

That House Bill No. 50 be amended as follows:

1. Amend the title, line 16.

Following: "~~1979~~"

Insert: "appointing a select legislative committee; and"

2. Amend page 2, line 17.

Following: line 17

Insert: "Section 3. Select committee established. (1) There is a select committee on property taxation consisting of 6 senators appointed by the committee on committees and 6 representatives appointed by the speaker. Nor more than 3 appointments from either house may be of the same political party.

(2) The select committee shall elect a chairman and such other officers as it considers necessary, and shall meet upon the call of the chair.

(3) The select committee shall investigate laws relating to property taxation and means of fairly implementing the statewide reappraisal. It shall report its recommendations to the legislature before November 1, 1977.

(4) The department of revenue shall provide technical and research support to the select committee. The legislative council shall publish the report of the select committee.

(5) Members of the committee shall be reimbursed for attending meetings, as provided by law for interim committees, from funds appropriated to the legislative council."

Renumber: subsequent section

March 10, 1977

SENATE  
COMMITTEE OF THE WHOLE

That House Bill No. 50, third reading, be amended as follows:

1. Amend page 2, section 2, line 17.

Following: "DATE."

Insert: "In no event shall this suspension continue beyond  
December 31, 1978."

HOUSE BILL NO. 50

INTRODUCED BY FABREGA, MARKS, KVAALEN, SMITH, BARRETT, LUND  
 PISTONIA, MEYER, KYAN, FEDA, GOULD, ELLIS, STOBIE, LORY,  
 GILLIGAN, ROBRINS, KENNY, CONROY, STAIGMILLER, BRADLEY,  
 QUILICI, LYNCH, NATHE, KANDUCH, SEIFERT, MOORE, AAGESUN,  
 ELLERD, ELLISON, WYRICK, CUX, WOOD, MULAR, ERNST, KEYSER,  
 JOHNSTON, SEVERSON, KRUPP, DAVIS, BENGTSON, DAY, DUSSAULT,  
 HULMES, McLANE, VINGER, MENAHAN, O'KEEFE, VINCENT, BURNETT,  
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A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING---FOR  
 SUSPENDING THE SUSPENSION-OF-IMPLEMENTATION-AND UTILIZATION  
 OF REAPPRAISALS OF REAL PROPERTY CONDUCTED UNDER THE  
 PROVISIONS OF CHAPTER 294, LAWS OF 1975, UNTIL JUNE 30,  
 1979; APPOINTING A SELECT LEGISLATIVE COMMITTEE; AND  
 PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Findings and purpose. The legislature finds  
 that reappraisals of real property classified as class four  
 (a), five (c), or eight (a) under the provisions of 84-301,  
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 mill levies, both permissive and mandatory, AND OTHER LAWS  
RELATING TO PROPERTY TAXATION CONTAINED IN TITLE 84, be  
 reviewed by the 46th 45TH legislature in--1979 prior to  
 implementation UTILIZATION of such reappraisals.

Section 2. Implementation--and-utilization UTILIZATION  
 suspended. Implementation--and--utilization UTILIZATION of  
 reappraisals of real property and the improvements thereon  
 classified as class four (a), five (c), or eight (a) under  
 the provisions of 84-301 are suspended until June 30--1979  
REVIEWED AND ACTED UPON BY THE 45TH LEGISLATURE. THE REVIEW  
SHALL BE COMPLETED PRIOR TO DECEMBER 31, 1977, AND  
LEGISLATIVE ACTION TAKEN BY THAT DATE. IN NO EVENT SHALL  
THIS SUSPENSION CONTINUE BEYOND DECEMBER 31, 1978.

SECTION 3. SELECT COMMITTEE ESTABLISHED. (1) THERE IS  
A SELECT COMMITTEE ON PROPERTY TAXATION CONSISTING OF 6  
SENATORS APPOINTED BY THE COMMITTEE ON COMMITTEES AND 6  
REPRESENTATIVES APPOINTED BY THE SPEAKER. NOT MORE THAN 3  
APPOINTMENTS FROM EITHER HOUSE MAY BE OF THE SAME POLITICAL  
PARTY.



1       (2) THE SELECT COMMITTEE SHALL ELECT A CHAIRMAN AND  
2 SUCH OTHER OFFICERS AS IT CONSIDERS NECESSARY, AND SHALL  
3 MEET UPON THE CALL OF THE CHAIR.

4       (3) THE SELECT COMMITTEE SHALL INVESTIGATE LAWS  
5 RELATING TO PROPERTY TAXATION AND MEANS OF FAIRLY  
6 IMPLEMENTING THE STATEWIDE REAPPRAISAL. IT SHALL REPORT ITS  
7 RECOMMENDATIONS TO THE LEGISLATURE BEFORE NOVEMBER 1, 1977.

8       (4) THE DEPARTMENT OF REVENUE SHALL PROVIDE TECHNICAL  
9 AND RESEARCH SUPPORT TO THE SELECT COMMITTEE. THE  
10 LEGISLATIVE COUNCIL SHALL PUBLISH THE REPORT OF THE SELECT  
11 COMMITTEE.

12       (5) MEMBERS OF THE COMMITTEE SHALL BE REIMBURSED FOR  
13 ATTENDING MEETINGS, AS PROVIDED BY LAW FOR INTERIM  
14 COMMITTEES, FROM FUNDS APPROPRIATED TO THE LEGISLATIVE  
15 COUNCIL.

16       Section 4. Effective date. This act is effective upon  
17 passage and approval.

-End-