T

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

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 10 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 leuislature 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 46th lecislature in 1979 prior to implementation of such 25 reappraisals.

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

6 Section 3. Effective date. This act is effective upon

7 passage and approval.

-End-

INTRODUCED BILL

STATE OF MONTANA

REQUEST NO. 424-77

FISCAL NOTE

Form BD-15

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

BUDGET DIRECTOR C Office of Budget and Program Planning Date: 2-14-77

45th Legislature

HB 0050/02

H8 0050/02

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

1	HOUSE BILL NO. 50
2	INTROJUCED BY FABREGA, MARKS, KVAALEN, SMITH, BARRETT, LUND
٤	PISTORIA, MEYER, RYAN, FEDA, GOULD, ELLIS, STOBIE, LORY,
4	GILLIGAN. RUBBINS, KENNY, CONROY, STAIGNILLER, BRADLEY.
2	QUILICI, LYNCH, NATHE, KANDUCH, SEIFERT, MOORE, AAGESON,
6	ELLERO, ELLISON, WYRICK, COX, WOOD, MULAR, ERNST, KEYSER,
1	JOHNSIJN, SEVERSON, KROPP, DAVIS, BENGTSON, DAY, DUSSAULT,
8	HOLMES, MCLANE, VINGER
Y	
10	A BILL FOR AN ACT ENTIFLED: MAN ACT providing for
11	<u>SUSPENDING</u> THE SUSPENSION-BE-IMPLEMENTATION-AND UTILIZATION
12	OF REAPPRAISALS OF REAL PROPERTY CONDUCTED UNDER THE
13	PROVISIONS OF CHAPTER 294, LAWS OF 1975 -UNTIL-JUNE-30,
14	1979; PROVIDING AN IMMEDIATE EFFECTIVE DATE."
15	
16	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
17	Section 1. Findings and purpose. The legislature finds
18	that reappraisals of real property classified as class four
19	(a), five {c}, or eight (a) under the provisions of 84-301,
20	which have been conducted under the provisions of Chapter
2 l	$ m \chi$ 94, Laws of 1975, have, on the average, resulted in a
22	significant increase in taxable valuation. The resulting
23	effect of such increase in taxable value may be a
24	significant and unjustified increase in tax revenues to
25	various taxing authorities, particularly as to those

i revenues where the legislature has fixed mandatory mill Z levies. The legislature therefore finds that it is in the 3 best interest of the people of Montana that property tax mill levies, both permissive and mandatory, AND OTHER LAWS 4 5 RELATING TO PROPERTY TAXATION CONTAINED IN TITLE 84. be reviewed by the 46th 45TH legislature in-1979 prior to ó 7 implementation UTILIZATION of such reappraisals. Section 2. Implementation-and-utilization UTILIZATION в 9 suspended. implementation--end--utilization UTILIZATION of

10 reappraisals of real property and the improvements thereon 11 classified as class four (a), five (c), or eight (a) under 12 the provisions of 84-301 are suspended until June-30, -1979 13 <u>REVIEWED_AND_ACTED_UPDN_BY_THE_45TH_LEGISLATURE. THE_REVIEW</u> 14 <u>SHALL_BE_COMPLETED_PRIOR_TO_DECEMBER_31, 1977, AND</u>

15 LEGISLATIVE ACTION TAKEN BY THAT DATE.

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

-End-

SECOND READING

45th Legislature

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H8 0050/02

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

1	HOUSE BILL NO. 50
2	INTRODUCED BY FABREGA, MARKS, KVAALEN, SMITH, BARRETT, LUND
ذ	PISTORIA, MEYER, RYAN, FEDA, GOULD, ELLIS, STOBIE, LORY,
4	GILLIGAN, ROBBINS, KENNY, CONROY, STAIGMILLER, BRADLEY,
5	QUILICI, LYNCH, NATHE, KANDUCH, SEIFERT, MOORE, AAGESON,
6	ELLERD, ELLISON, WYRICK, COX, WOOD, MULAR, ERNST, KEYSER,
1	JOHNSTON, SEVERSON, KROPP, DAVIS, BENGTSON, DAY, DUSSAULT,
6	HOLMES, MCLANE, VINGER, MENAHAN, O'KEEFE, VINCENT, BURNETT,
9	LIEN+ UNDERDAL+ HUENNEKENS+ WILLIAMS+ RAMIREZ+ HALVORSON+
10	HARRINGTON, ROTH, TROPILA, SCULLY, HURWITZ, O'CONNELL

11

12 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING---FOR 13 <u>SUSPENDING</u> THE SUSPENSION OF IMPLEMENTATION AND UTILIZATION 14 DF REAPPRAISALS OF REAL PROPERTY CONDUCTED UNDER THE 15 PROVISIONS OF CHAPTER 294, LAWS OF 1975+-UNTIL-JUNE-30+ 7 16 ±979; PROVIDING AN IMMEDIATE EFFECTIVE DATE."

17

18 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, which have been conducted under the provisions of Chapter 23 294, Laws of 1975, have, on the average, resulted in a significant increase in taxable valuation. The resulting effect of such increase in taxable value may be a

SECOND READING Corrected Printing

1 significant and unjustified increase in tax revenues to 2 various taxing authorities, particularly as to those 3 revenues where the legislature has fixed mandatory mill levies. The legislature therefore finds that it is in the 6 best interest of the people of Montana that property tax 5 mill levies, both permissive and mandatory, AND_OTHER_LAWS 6 RELATING TO PROPERTY TAXATION CONTAINED IN TITLE 84, be 7 8 reviewed by the 46th 451B legislature in-1979 prior to implementation UTILIZATION of such reappraisals. Q Section 2. Implementation-and-utilization UIILIZATION 10 11 suspended. Implementation--and--utilization UTILIZATION of 12 reappraisals of real property and the improvements thereon 13 classified as class four (a), five (c), or eight (a) under 14 the provisions of 84-301 are suspended until June--30+--1979 15 REVIEWED AND ACTED UPON BY THE 45TH LEGISLATURE. THE REVIEW SHALL BE COMPLETED PRIOR TO DECEMBER 31, 1977, AND 16 LEGISLATIVE ACTION TAKEN BY THAT DATE. 17

18 Section 3. Effective date. This act is effective upon

19 passage and approval.

-End-

HB 0050/02

MISSING

THIRD READING

March 8, 1977

STANDING COMMITTEE REPORT Senate Committee on Taxation

That House Bill No. 50 be amended as follows:

Amend the title, line 16.
 Following: "±979"
 Insert: "appointing a select legislative committee; and"
 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. The select committee shall investigate laws relating to (3)property taxation and means of fairly implementing the statewide reappraisal. It shall report its recommendations to the legislature before November 1, 1977. The department of revenue shall provide technical and (4)research support to the select committee. The legislative council shall publish the report of the select committee. Members of the committee shall be reimbursed for attending (5) 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."

1 HOUSE BILL NO. 50 INTRUDUCED BY FABREGA, MARKS, KVAALEN, SMITH, BARRETT, LUND ۷ PISTURIA, MEYER, KYAN, FEDA, GOULD, ELLIS, STOBLE, LORY, د GILLIGAN, KOBBINS, KENNY, CONROY, STAIGHILLER, BRADLEY, -5 QJILICI, LYNCH, NATHE, KANDUCH, SEIFERT, MOURE, AAGESUN, ELLERD, ELLISON, WYRICK, CUX, HOOD, MULAR, ERNST, KEYSER, o 1 JUHNSION, SEVERSON, KRUPP, DAVIS, BENGTSON, DAY, DUSSAULT, HULMES, MCLANE, VINGER, MENAHAN, D'KEEFE, VINCENT, BURNETT, ы LIEN, UNDERDAL, HUENNEKENS, WILLIAMS, RAMIREZ, HALVORSON, 9 HARKINGTON, ROTH, TROPILA, SCULLY, HURWITZ, O'CONNELL 10 11 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING---FOR

12 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING---FOR 13 <u>SUSPENDING</u> THE SUSPENSION-OF-IMPLEMENTATION-AND UTILIZATION 14 UF REAPPRAISALS OF REAL PROPERTY CONDUCTED UNDER THE 15 PROVISIONS OF CHAPTER 294+ LAWS OF 1975+-UNTIE-JUNE-30+ 16 1979; <u>APPOINTING. A. SELECI LEGISLATIVE</u> COMMITTEE:___AND 17 PROVIDING AN IMMEDIATE EFFECTIVE DATE+"

10

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,
which have been conducted under the provisions of Chapter
294, Laws of 1975, have, on the average, resulted in a
significant increase in taxable valuation. The resulting

REFERENCE BILL

1	effect of such increase in taxable value may be a
2	significant and unjustified increase in tax revenues to
3	various taxing authorities, particularly as to those
4	revenues where the legislature has fixed mandatory mill
5	levies. Ine legislature therefore finds that it is in the
6	best interest of the people of Montana that property tax
7	mill levies, both permissive and mandatory, ANDOIHERLAWS
ь	<u>XELATING IO PROPERTY TAXATION CONTAINED IN TITLE 84.</u> De
9	reviewed by the 46th <u>45IH</u> legislature in1979 prior to
10	implementation <u>UIILIZATION</u> of such reappraisals.
11	Section 2. Implementationand-utilization UTILIZATION
12	suspended. implementationandutilization UIILIZATION of
13	reappraisals of real property and the improvements thereon
14	classified as class four (a), five (c), or eight (a) under
15	the provisions of 84-301 are suspended until June-30y-1979
16	REVIEWED AND ACTED UPON BY THE 45TH LEGISLATURE. THE BEVIEW
17	SHALL BE COMPLETED PRIOR TO DECEMBER 31. 1977. AND
18	LEGISLATIVE ACTION TAKEN BY THAT DATE. IN NO EVENT SHALL
14	1HIS_SUSPENSION_CONTINUE_BEYOND_DECENBER_31+_1978.
20	SECTION 3. SELECT COMMITTEE ESTABLISHED. (1) THERE IS
21	A SELECT COMMITTEE ON PROPERTY TAXATION CONSISTING OF 6
22	SENALORS APPOINTED BY THE COMMITTEE ON COMMITTEES AND 6
Zb	REPRESENTATIVES APPOINTED BY THE SPEAKER. NOR MORE THAN 3
24	APPUINIMENTS_FROM_EITHER_HOUSE_MAY_BE_DE_THE_SAMEPOLITICAL
25	rakly.

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1	(2) THE SELECT COMMITTEE SHALL ELECT A CHAIRMAN AND
2	SUCH_UIHER_UFFICERS_AS_ITCONSIDERSNECESSARY*ANDSHALL
د	MEEL UPON THE CALL OF THE CHAIR.
4	(3) THE SELECT COMMITTEE SHALL INVESTIGATE LAWS
2	RELATING TO PROPERTY TAXATION AND MEANS OF FAIRLY
o	IMPLEMENTINGTHE_STATEWIDE_REAPPRAISALIT_SHALL_REPORT_ITS
1	RECOMMENDATIONS TO THE LEGISLATURE BEFORE NOVEMBER 1. 1977.
ø	(4)THEDEPARIMENT_OF_KEVENUE_SHALL_PROVIDE_TECHNICAL
9	AND RESEARCH SUPPORT TO THE SELECT COMMITTEE. THE
10	LEGISLATIVE COUNCIL SHALL PUBLISH THE REPURT OF THE SELECT
11	COMMITIEE.
12	12) MEMBERS OF THE COMMITTEE SHALL BE REINBURSED FOR
13	ATTENDING MEETINGS. AS PROVIDED BY LAW FOR INTERIM
14	COMMITTEES. FROM FUNDS APPROPRIATED TO THE LEGISLATIVE
15	CDUNCIL.
10	Section 4. Effective date. This act is effective upon

17 passage and approval.

-End-