

HOUSE BILL NO. 617

INTRODUCED BY FABREGA, MOORE

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE TAX-EXEMPT STATUS OF THE PROPERTY OF ANY NONPROFIT CEMETERY ASSOCIATION INCORPORATED AND OPERATED PURSUANT TO TITLE 9, CHAPTER 1, REVISED CODES OF MONTANA."

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

Section 1. Section 84-202, R.C.M. 1947, is amended to read as follows:

"84-202. Exemptions from taxation. (1) (a) The property of the United States, the state, counties, cities, towns, school districts, municipal corporations, public libraries, buildings with land they occupy and furnishings therein owned by a church and used for actual religious worship and for residences of the clergy, together with adjacent land reasonably necessary for convenient use of such buildings owned by a church, such other property as is used exclusively for agricultural and horticultural societies, for educational purposes, hospitals and places of burial not used or held for private or corporate profit, and all property, both real and personal, without limitation as to amount except that real property owned shall not exceed 750 acres, owned and held by any association or corporation

~~organized under Title 9, Cemeteries, provided the same are not maintained and operated for private or corporate profit,~~ and institutions of purely public charity, evidence of debt secured by mortgages of record upon real or personal property in the state of Montana, and public art galleries and public observatories not used or held for private or corporate profit, are exempt from taxation, but no more land than is necessary for such purpose is exempt.

(b) As used in this subsection, the term "institutions of purely public charity" shall include organizations owning and operating facilities for the care of the retired or aged or chronically ill which are not operated for gain or profit; and the terms "public art galleries and public observatories" shall mean only such art galleries and observatories whether of public or private ownership, as are open to the public, without charge or fee at all reasonable hours, and are used for the purpose of education only.

(2) When a clubhouse or building erected by or belonging to any society or organization of honorably discharged United States soldiers, sailors or marines who served in army or navy of United States, is used exclusively for educational, fraternal, benevolent or purely public charitable purposes, rather than for gain or profit, together with the library and furniture necessarily used in any such building, such property is exempt from taxation,

1 and all property, real or personal, in the possession of
 2 legal guardians of incompetent veterans of the World War or
 3 minor dependents of such veterans, where such property is
 4 funds or derived from funds received from the United States
 5 as pension, compensation, insurance, adjusted compensation,
 6 or gratuity, shall be exempt from all taxation as property
 7 of the United States while held by the guardian, but not
 8 after title passes to the veteran or minor in his or her own
 9 right on account of removal of legal disability.

10 (3) All household goods and furniture, including
 11 clocks, musical instruments, sewing machines, wearing
 12 apparel of members of the family actually used by the owner
 13 for personal and domestic purposes, or for furnishing or
 14 equipping the family residence are exempt from taxation.

15 (4) Freeport merchandise shall be exempt from
 16 taxation. Freeport merchandise means those stocks of
 17 merchandise manufactured or produced outside this state
 18 which are in transit through this state and consigned to a
 19 warehouse or other storage facility, public or private,
 20 within this state, for storage in transit prior to shipment
 21 to a final destination outside the state, and which have
 22 acquired a taxable situs within the state.

23 Stocks of merchandise do not lose their status as
 24 freeport merchandise because while in the storage facility
 25 they are assembled, bound, joined, processed, disassembled,

1 divided, cut, broken in bulk, relabeled or repackaged.

2 Any person, corporation, firm, partnership,
 3 association, or other group seeking to qualify its property
 4 for inclusion in this class shall make application to the
 5 state department of revenue in such manner or form as may be
 6 required by the department.

7 (5) [The following agricultural products are exempt
 8 from taxation:]

9 (a) All unprocessed, perishable fruits and vegetables
 10 in farm storage and owned by the producer are exempt from
 11 taxation.

12 (b) All nonperishable unprocessed agricultural
 13 products except livestock, held in possession of the
 14 original producer for less than seven (7) months following
 15 harvest.

16 (c) Livestock, defined as cattle, sheep, horses, or
 17 mules, which have not attained the age of nine (9) months as
 18 of the last day of any month.

19 (6) Moneys and credits are exempt from taxation.

20 (7) A capital investment in a recognized nonfossil
 21 form of energy generation is exempt to the extent provided
 22 under section 84-7403."

-End-

STATE OF MONTANA

REQUEST NO. 510-77

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 617 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

This bill clarifies the tax-exempt status of the property of any nonprofit cemetery association incorporated and operated pursuant to Title 9, Chapter 1, Revised Codes of Montana.

ASSUMPTION

This bill makes the provision for exempting private non-profit cemeteries from property taxation more explicit. The practice of exempting such property is now followed in all counties. Therefore, there is no fiscal impact.

PREPARED BY DEPARTMENT OF REVENUE

Richard J. [Signature]
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-7-77

Approved by Committee
on Taxation

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ASSOCIATION INCORPORATED AND OPERATED PURSUANT TO TITLE 9,
CHAPTER 1, REVISED CODES OF MONTANA."

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

Section 1. Section 84-202, R.C.M. 1947, is amended to
read as follows:

"84-202. Exemptions from taxation. (1) (a) The
property of the United States, the state, counties, cities,
towns, school districts, municipal corporations, public
libraries, buildings with land they occupy and furnishings
therein owned by a church and used for actual religious
worship and for residences of the clergy, together with
adjacent land reasonably necessary for convenient use of
such buildings owned by a church, such other property as is
used exclusively for agricultural and horticultural
societies, for educational purposes, hospitals ~~and places of~~
~~burial not used or held for private or corporate profit, and~~
all property, both real and personal, without limitation as
to amount except that real property owned shall not exceed
750 acres, owned and held by any association or corporation

organized under Title 9, Cemeteries, provided the same are
not maintained and operated for private or corporate profit,
and institutions of purely public charity, evidence of debt
secured by mortgages of record upon real or personal
property in the state of Montana, and public art galleries
and public observatories not used or held for private or
corporate profit, are exempt from taxation, but no more land
than is necessary for such purpose is exempt.

(b) As used in this subsection, the term "institutions
of purely public charity" shall include organizations owning
and operating facilities for the care of the retired or aged
or chronically ill which are not operated for gain or
profit; and the terms "public art galleries and public
observatories" shall mean only such art galleries and
observatories whether of public or private ownership, as are
open to the public, without charge or fee at all reasonable
hours, and are used for the purpose of education only.

(2) When a clubhouse or building erected by or
belonging to any society or organization of honorably
discharged United States soldiers, sailors or marines who
served in army or navy of United States, is used exclusively
for educational, fraternal, benevolent or purely public
charitable purposes, rather than for gain or profit,
together with the library and furniture necessarily used in
any such building, such property is exempt from taxation,

1 and all property, real or personal, in the possession of
 2 legal guardians of incompetent veterans of the World War or
 3 minor dependents of such veterans, where such property is
 4 funds or derived from funds received from the United States
 5 as pension, compensation, insurance, adjusted compensation,
 6 or gratuity, shall be exempt from all taxation as property
 7 of the United States while held by the guardian, but not
 8 after title passes to the veteran or minor in his or her own
 9 right on account of removal of legal disability.

10 (3) All household goods and furniture, including
 11 clocks, musical instruments, sewing machines, wearing
 12 apparel of members of the family actually used by the owner
 13 for personal and domestic purposes, or for furnishing or
 14 equipping the family residence are exempt from taxation.

15 (4) Freeport merchandise shall be exempt from
 16 taxation. Freeport merchandise means those stocks of
 17 merchandise manufactured or produced outside this state
 18 which are in transit through this state and consigned to a
 19 warehouse or other storage facility, public or private,
 20 within this state, for storage in transit prior to shipment
 21 to a final destination outside the state, and which have
 22 acquired a taxable situs within the state.

23 Stocks of merchandise do not lose their status as
 24 freeport merchandise because while in the storage facility
 25 they are assembled, bound, joined, processed, disassembled,

1 divided, cut, broken in bulk, relabeled or repackaged.

2 Any person, corporation, firm, partnership,
 3 association, or other group seeking to qualify its property
 4 for inclusion in this class shall make application to the
 5 state department of revenue in such manner or form as may be
 6 required by the department.

7 (5) [The following agricultural products are exempt
 8 from taxation:]

9 (a) All unprocessed, perishable fruits and vegetables
 10 in farm storage and owned by the producer are exempt from
 11 taxation.

12 (b) All nonperishable unprocessed agricultural
 13 products except livestock, held in possession of the
 14 original producer for less than seven (7) months following
 15 harvest.

16 (c) Livestock, defined as cattle, sheep, horses, or
 17 mules, which have not attained the age of nine (9) months as
 18 of the last day of any month.

19 (6) Moneys and credits are exempt from taxation.

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March 22, 1977

STANDING COMMITTEE REPORT
Senate Committee on Taxation

That House Bill No. 617 be amended as follows:

1. Amend page 1, section 1, line 25.

Following: line 24

Strike: "750"

Insert: "640"

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

Following: "provided"

Strike: "the same"

Insert: "such cemeteries and any land claimed to be exempt"

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