

1 *Senate* BILL NO. *65*
 2 INTRODUCED BY *Turnage, Mathis Eric Watt Goodover*
 3 *Nealy, Brown Leslie Norman*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT THE BUILDING
 5 AND APPURTENANT LAND OF CERTAIN COMMUNITY SERVICE
 6 ORGANIZATIONS FROM PROPERTY TAXATION."

7
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Certain community services buildings
 10 exempt. (1) The building and appurtenant land, not exceeding
 11 1 acre, owned by a nonprofit community service organization
 12 is exempt from property taxation, except as provided in
 13 subsection (3), if such organization:

14 (a) is a lodge of a nationally recognized fraternal
 15 organization and does not sell food or beverages under
 16 license from the state of Montana; or

17 (b) furnishes services to senior citizens in the form
 18 of daytime or evening educational or recreational activities
 19 and does not furnish living accommodations to such citizens;
 20 services qualifying under this provision must be recognized
 21 in the state plan on aging adopted by the department of
 22 social and rehabilitation services; or

23 (c) furnishes facilities without charge, except that a
 24 minimal fee may be charged for janitorial services, for
 25 meetings and entertainments in a municipality of less than

1 1,500 population in the last official census.
 2 (2) An applicant for exemption under this section
 3 shall demonstrate that it has been an active community
 4 service organization continuously from January 1, 1976.
 5 (3) A building and lot exempted under this section
 6 shall be appraised, assessed, and subject to levies for any
 7 special improvement district if the special improvement
 8 directly benefits the building or lot.

-End-

SB65

STATE OF MONTANA

REQUEST NO. 30-77

FISCAL NOTE

Form BD-15

In compliance with a written request received January 10, , 19 77 , there is hereby submitted a Fiscal Note for Senate Bill 65 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

The proposed legislation exempts certain buildings and land of community service organizations from general property taxes.

ASSUMPTIONS

An estimate of the statewide decrease in the tax base if this bill were enacted is impossible since no data are available as to how many structures might fall within its purview.

FISCAL IMPACT

No estimate of the fiscal impact can be provided at this time. It is possible that the effect of this bill could be determined quite accurately but it would require a survey of all the counties and would take six weeks to two months to complete.

LOCAL IMPACT

It appears that the loss to taxing jurisdictions having large taxable values would be minimal. However, it is conceivable that a small town might suffer an appreciable loss in tax base.

TECHNICAL NOTE

It would probably be desirable to write the proposed legislation as an amendment to 84-202 which encompasses the other property which is exempt from property tax as a new section.

Richard L. Dean
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-13-77

Approved by Committee
on Taxation

1 SENATE BILL NO. 65

2 INTRODUCED BY TURNAGE, MATHERS, TOWE,
3 WATT, GOODOVER, HEALY, BROWN, ROSKIE, NORMAN

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16 organization and does not sell food or beverages under
17 license from the state of Montana; or

18 (b) furnishes services to senior citizens in the form
19 of daytime or evening educational or recreational activities
20 and does not furnish living accommodations to such citizens;
21 services qualifying under this provision must be recognized
22 in the state plan on aging adopted by the department of
23 social and rehabilitation services; or

24 (c) furnishes facilities without charge, except that a
25 minimal fee may be charged for janitorial services, for

1 meetings and entertainments in UNINCORPORATED TERRITORY OR a
2 municipality of less than 1,500 population in the last
3 official census.

4 (2) An applicant for exemption under this section
5 shall demonstrate that it has been an active community
6 service organization continuously from January 1, 1976.

7 (3) A building and lot exempted under this section
8 shall be appraised, assessed, and subject to levies for any
9 special improvement district if the special improvement
10 directly benefits the building or lot.

11 (4) THE EXEMPTION PROVIDED UNDER THIS SECTION MAY NOT
12 BE EXTENDED TO ANY PROPERTY OWNED BY A COMMUNITY SERVICE
13 ORGANIZATION DESCRIBED HEREIN WHICH IS LEASED TO ANY PERSON
14 FOR BUSINESS OR PROFIT-MAKING PURPOSES.

-End-

SECOND READING

1 SENATE BILL NO. 65
 2 INTRODUCED BY TURNAGE, MATHERS, TOWE,
 3 WATT, GOODOVER, HEALY, BROWN, ROSKIE, NORMAN
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 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 10 Section 1. Certain community services buildings
 11 exempt. (1) The building and appurtenant land, not exceeding
 12 1 acre, owned by a nonprofit community service organization
 13 is exempt from property taxation, except as provided in
 14 ~~subsection~~ SUBSECTIONS (3) AND (4), if such organization:
 15 (a) is a lodge of a nationally recognized fraternal
 16 organization and does not sell food or beverages under
 17 license from the state of Montana; or
 18 (b) furnishes services to senior citizens in the form
 19 of daytime or evening educational or recreational activities
 20 and does not furnish living accommodations to such citizens;
 21 services qualifying under this provision must be recognized
 22 in the state plan on aging adopted by the department of
 23 social and rehabilitation services; or
 24 (c) furnishes facilities without charge, except that a
 25 minimal fee may be charged for janitorial services, for

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 12 BE EXTENDED TO ANY PROPERTY OWNED BY A COMMUNITY SERVICE
 13 ORGANIZATION DESCRIBED HEREIN WHICH IS LEASED TO ANY PERSON
 14 FOR BUSINESS OR PROFIT-MAKING PURPOSES.

-End-

be amended in the third reading copy as follows:

1. Amend page 1, section 1, line 15.

Following: line 14

Strike: lines 15 through 17

Reletter: subsequent subsections

2. Amend page 1, section 1, line 20.

Following: "citizens"

Insert: "or sell food or beverages under license from the state of Montana"

3. Amend page 1, section 1, line 24.

Following: "(c)"

Insert: "primarily"

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

Following: "for"

Insert: "public"

5. Amend page 2, section 1, lines 1, 2 and 3.

Following: "entertainments"

Strike: "in UNINCORPORATED TERRITORY OR a municipality of less than 1,500 population in the last official census"

6. Amend page 2, section 1, line 13.

Following: "LEASED"

Insert: "in whole or in part"

AS AMENDED BE CONCURRED IN

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13 is exempt from property taxation, except as provided in
14 subsection SUBSECTIONS (3) AND (4), if such organization:

15 ~~(a) is a lodge of a nationally-recognized fraternal~~
16 ~~organization and does not sell food or beverages under~~
17 ~~license from the state of Montana; or~~

18 (b) (A) furnishes services to senior citizens in the
19 form of daytime or evening educational or recreational
20 activities and does not furnish living accommodations to
21 such citizens OR SELL FOOD OR BEVERAGES UNDER LICENSE FROM
22 THE STATE OF MONTANA; services qualifying under this
23 provision must be recognized in the state plan on aging
24 adopted by the department of social and rehabilitation
25 services; or

1 ~~(c) (B) PRIMARILY~~ furnishes facilities without charge,
2 except that a minimal fee may be charged for janitorial
3 services, for PUBLIC meetings and entertainments ~~in~~
4 ~~UNINCORPORATED TERRITORY OR a municipality of less than~~
5 ~~1,500 population in the last official census.~~

6 (2) An applicant for exemption under this section
7 shall demonstrate that it has been an active community
8 service organization continuously from January 1, 1976.

9 (3) A building and lot exempted under this section
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11 special improvement district if the special improvement
12 directly benefits the building or lot.

13 (4) THE EXEMPTION PROVIDED UNDER THIS SECTION MAY NOT
14 BE EXTENDED TO ANY PROPERTY OWNED BY A COMMUNITY SERVICE
15 ORGANIZATION DESCRIBED HEREIN WHICH IS LEASED IN WHOLE OR IN
16 PART TO ANY PERSON FOR BUSINESS OR PROFIT-MAKING PURPOSES.

-End-

SENATE BILL NO. 65

INTRODUCED BY TURNAGE, MATHERS, TOWE,

WATT, GOODOVER, HEALY, BROWN, ROSKIE, NORMAN

A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT THE BUILDING AND APPURTENANT LAND OF CERTAIN COMMUNITY SERVICE ORGANIZATIONS FROM PROPERTY TAXATION."

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

Section 1. Certain community services buildings exempt. (1) The building and appurtenant land, not exceeding 1 acre, owned by a nonprofit community service organization is exempt from property taxation, except as provided in subsection SUBSECTIONS (3) AND (4), if such organization:

~~(a) is a lodge of a nationally recognized fraternal organization and does not sell food or beverages under license from the state of Montana; or~~

(A) IS A LODGE OF A NATIONALLY RECOGNIZED FRATERNAL ORGANIZATION AND DOES NOT SELL FOOD OR BEVERAGES UNDER LICENSE FROM THE STATE OF MONTANA; OR

~~(b) (B) furnishes services to senior citizens in the form of daytime or evening educational or recreational activities and does not furnish living accommodations to such citizens OR SELL FOOD OR BEVERAGES UNDER LICENSE FROM THE STATE OF MONTANA;~~ services qualifying under this

provision must be recognized in the state plan on aging adopted by the department of social and rehabilitation services; or

~~(c) (C) PRIMARILY furnishes facilities without charge, except that a minimal fee may be charged for janitorial services, for PUBLIC meetings and entertainments in UNINCORPORATED TERRITORY OR a municipality of less than 1,500 population in the last official census.~~

(2) An applicant for exemption under this section shall demonstrate that it has been an active community service organization continuously from January 1, 1976.

(3) A building and lot exempted under this section shall be appraised, assessed, and subject to levies for any special improvement district if the special improvement directly benefits the building or lot.

(4) THE EXEMPTION PROVIDED UNDER THIS SECTION MAY NOT BE EXTENDED TO ANY PROPERTY OWNED BY A COMMUNITY SERVICE ORGANIZATION DESCRIBED HEREIN WHICH IS LEASED IN WHOLE OR IN PART TO ANY PERSON FOR BUSINESS OR PROFIT-MAKING PURPOSES.

-End-

REFERENCE BILL: Includes Conference Committee Report Dated 4-19-77

Joint