

HOUSE BILL 149

IN THE HOUSE

January 13, 1979	Introduced and referred to Committee on Taxation.
January 31, 1979	Committee recommend bill, as amended.
February 6, 1979	Printed and placed on members' desks.
February 7, 1979	Motion, pass consideration.
February 8, 1979	Second reading, as amended, do not pass.

1 House BILL NO. 149
 2 INTRODUCED BY David Gustafson Manning
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4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE
 5 DEPARTMENT OF INSTITUTIONS TO MAKE PAYMENT IN LIEU OF
 6 PROPERTY TAX ON PROPERTY LOCATED ON OR USED AT THE STATE
 7 PRISON FARM."

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

10 Section 1. Payment to counties for certain prison
 11 property. (1) All personal and real property located on or
 12 used at the state prison farm is subject to payments in lieu
 13 of property tax.

14 (2) Before October 15 of each year, the director of
 15 the department of institutions shall send a voucher to the
 16 treasurer of each county in which property located on or
 17 used at the state prison farm is located, listing and
 18 describing this property. The voucher shall authorize the
 19 drawing of a warrant to the county in a sum equal to the
 20 amount of taxes that would be due if the property were owned
 21 by a private citizen.

22 (3) After receiving a voucher, the county treasurer
 23 shall execute it and return it to the director, who shall
 24 approve it and transfer it to the state auditor. The state
 25 auditor shall issue a warrant for the amount shown on the

1 voucher and send it to the county treasurer.

2 (4) The warrant is payable out of any funds of the
 3 department of institutions.

4 Section 2. Allocation of funds to school districts.
 5 The county commissioners of any county receiving funds as
 6 provided in [section 1] may allocate any portion of the
 7 funds to any school district in which a portion of the state
 8 prison farm is located. Any balance remaining after
 9 allocation to school districts shall be credited to the
 10 county's general fund.

-End-

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INTRODUCED BILL
 HB 149

STATE OF MONTANA

Request No. 34-79

FISCAL NOTE

Form BD-15

In compliance with a written request received January 18, 1979, there is hereby submitted a Fiscal Note for House Bill 149 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 requires the Department of Institutions to make payment in lieu of property tax on property located on or used at the state prison farm.

ASSUMPTIONS

1. The total taxable value of all personal and real property located on or used at the state prison farm presently amounts to \$221,662.
2. The mill levy used was 191.77 mills.
3. The total taxable value of FY80 and FY81 will remain at \$221,662.

FISCAL IMPACT

Effect on Revenue - None

Effect on Expenditures

	<u>FY 80</u>	<u>FY 81</u>
Payment in lieu of property tax to Powell County		
under current law	\$ 0	\$ 0
under proposes law	42,500	42,500
NET EFFECT	<u>(\$42,500)</u>	<u>(\$42,500)</u>

The additional cost would be paid from the Prison Ranch Revolving Fund Account which receives its revenue from the following sources:

General Fund (97.15%)	\$41,288
Alcohol Earmarked Revenue Account (2.85%)	1,212
	<u>\$42,500</u>

AFFECT ON LOCAL GOVERNMENTS

Powell County will receive payments in lieu of property taxes of about \$42,500 for FY 80 and FY 81.

LONG-RANGE EFFECTS

Assuming no other changes, expenditures would be approximately \$40,000 - \$45,000 per year.

Richard L. Tracy
BUDGET DIRECTOR
Office of Budget and Program Planning
Date: 1/22/79

Approved by Committee
on Taxation

HOUSE BILL NO. 149

INTRODUCED BY BRAND, BERTELSEN, MANNING

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE DEPARTMENT OF INSTITUTIONS TO MAKE PAYMENT IN LIEU OF PROPERTY TAX ON PRODUCTIVE FARM PROPERTY LOCATED ON OR USED AT THE STATE PRISON FARM."

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

Section 1. Payment to counties for certain prison property. (1) All personal and PRODUCTIVE FARM real property located on or used at AND OWNED BY the state prison farm is subject to payments in lieu of property tax.

(2) Before October 15 of each year, the director of the department of institutions shall send a voucher to the treasurer of each county in which property located on or used at the state prison farm is located, listing and describing this property. The voucher shall authorize the drawing of a warrant to the county in a sum equal to the amount of taxes that would be due if the property were owned by a private citizen.

(3) After receiving a voucher, the county treasurer shall execute it and return it to the director, who shall approve it and transfer it to the state auditor. The state auditor shall issue a warrant for the amount shown on the

voucher and send it to the county treasurer.

(4) The warrant is payable out of any funds of the department of institutions.

Section 2. Allocation of funds to school districts. The county commissioners of any county receiving funds as provided in [section 1] may allocate any portion of the funds to any school district in which a portion of the state prison farm is located. Any balance remaining after allocation to school districts shall be credited to the county's general fund.

-End-