

HOUSE BILL 252

IN THE HOUSE

January 18, 1979

Introduced and referred to
Committee on Taxation.

February 2, 1979

Committee recommend bill,
do not pass.

February 5, 1979

Report adopted.

1 HOUSE BILL NO. 252
 2 INTRODUCED BY Roger David Light Meyer Metcalf
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCLUDE
 5 MULTIPLE-UNIT HOUSING PROJECTS MEETING CERTAIN CRITERIA IN
 6 CLASS FIFTEEN FOR PROPERTY TAX PURPOSES; AMENDING SECTION
 7 15-6-116, MCA; AND PROVIDING AN EFFECTIVE DATE."
 8

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

10 Section 1. Section 15-6-116, MCA, is amended to read:

11 "15-6-116. Class fifteen property -- description --
 12 taxable percentage. (1) Class fifteen property includes:

13 (a) so much of the market value of any improvement on
 14 real property, a trailer affixed to land, or mobile home and
 15 appurtenant land not exceeding 5 acres as does not exceed
 16 \$35,000, when such dwelling and land are owned or under
 17 contract for deed and are actually occupied for at least 10
 18 months per year as the primary residential dwelling of:

19 (b)(i) a widow or widower 62 years of age or older who
 20 qualifies under the income limitations of (c) (iii) of this
 21 subsection;

22 (b)(ii) a widow or widower of any age with dependent
 23 children who qualifies under the income limitations of (c)
 24 (iii) of this subsection; or

25 (c)(iii) a recipient or recipients of retirement or

1 disability benefits whose total income from all sources is
 2 not more than \$7,000 for a single person or \$8,000 for a
 3 married couple;

4 (b) any multiple-unit housing project that meets the
 5 following criteria:

6 (i) the construction of the project was financed in
 7 part or wholly by a low-interest loan from a government
 8 agency;

9 (ii) the project's rates of rental, management fees,
 10 and equity return are controlled by a government agency;

11 (iii) some of the project's tenants receive rent
 12 subsidies from a governmental agency; and

13 (iv) the heads of household renting 51% of the
 14 project's units occupy the units for at least 10 months of
 15 the year as their primary residential dwelling and qualify
 16 under subsection(1)(a)(i), (1)(a)(ii), or (1)(a)(iii).

17 (2) (a) A person applying for classification of
 18 property under this class described in (1)(a) must make an
 19 affidavit to the department of revenue on a form provided by
 20 the department without cost as to:

- 21 (i) his income, if applicable;
- 22 (ii) his retirement benefits, if applicable;
- 23 (iii) his marital status, if applicable;
- 24 (iv) the fact that he maintains the land and
 25 improvements as his primary residential dwellings; and

1 after December 31, 1978.

-End-

1 (v) such other information as is relevant to the
2 applicant's eligibility.

3 ~~(b) A person applying for classification of a~~
4 ~~multiple-unit housing project under this class must sign a~~
5 ~~statement containing information the department considers~~
6 ~~necessary to determine whether the project meets the~~
7 ~~criteria imposed in (1)(b).~~

8 ~~(b)(1) This--application Applications must be made~~
9 ~~before March 1 of the tax year after the--applicant--becomes~~
10 ~~eligible under for which this classification is sought.~~

11 ~~(c)(4) For the purpose of the affidavit required for~~
12 ~~classification of property under this class, it shall be~~
13 ~~sufficient if the applicant signs a statement swearing to or~~
14 ~~affirming the correctness of the information supplied,~~
15 ~~whether or not the statement is signed before a person~~
16 ~~authorized to administer oaths, and mails the application~~
17 ~~and statement to the department of revenue. This signed~~
18 ~~statement shall be treated as a statement under oath or~~
19 ~~equivalent affirmation for the purposes of 45-7-202,~~
20 ~~relating to the criminal offense of false swearing.~~

21 ~~(3)(5) Class fifteen property is taxed at 6% of its~~
22 ~~market value or so much of 6% as is determined under~~
23 ~~15-7-121, whichever is less."~~

24 Section 2. Effective date. This act is effective on
25 passage and approval and applies to tax years beginning

STATE OF MONTANA

REQUEST NO. 62-79

FISCAL NOTE

Form BD-15

In compliance with a written request received January 22, 19 79, there is hereby submitted a Fiscal Note for House Bill 252 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 includes multiple-unit housing projects meeting certain criteria in class fifteen for property tax purposes and providing an effective date.

ASSUMPTIONS

- 1) There are approximately 5100 subsidized dwelling units (individual units not structures) in Montana.
- 2) Only one-half of the dwelling units are owned by private concerns, the rest are owned by government agencies and tax exempt groups.
- 3) It is estimated that 1500 dwelling units would meet the criteria of the proposed bill. (Information for assumptions 1, 2 & 3 provided by HUD).
- 4) The average appraised value for each dwelling unit is \$10,000.
- 5) The units are located in cities and towns so the local government levy is 250 mills.
- 6) The state levy is 6 mills for the university system.

FISCAL IMPACT

	<u>FY80</u>	<u>FY81</u>
6 mill University Levy		
under current law	\$8,000	\$8,000
under proposed law	<u>4,000</u>	<u>4,000</u>
Estimated Decrease	<u>(\$4,000)</u>	<u>(\$4,000)</u>

EFFECT ON LOCAL GOVERNMENTS

Local governments will lose approximately \$160,000 in FY80 & FY81.

PREPARED BY DEPARTMENT OF REVENUE

Richard L. Drayton
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1/25/79