

CHAPTER NO. 638.

HOUSE BILL NO. 297

INTRODUCED BY PAVLOVICH, MOORE, JOHNSTON, MENAHAN,
KANDUCH, GILLIGAN, FEDA

IN THE HOUSE

January 22, 1979	Introduced and referred to Committee on Taxation.
March 20, 1979	Committee recommend bill do pass as amended. Report adopted.
March 21, 1979	Printed and placed on members' desks.
March 22, 1979	Second reading, do pass as amended.
March 24, 1979	Correctly engrossed.
March 26, 1979	Third reading, passed. Transmitted to second house.

IN THE SENATE

March 27, 1979	Introduced and referred to Committee on taxation.
April 7, 1979	Committee recommend bill be concurrent as amended. Report adopted.
April 9, 1979	Second reading, concurred in.
April 11, 1979	Third reading, concurred in as amended.

IN THE HOUSE

April 12, 1979	Returned from second house. Concurrent in as amended.
April 13, 1979	Second reading, amendments rejected.

April 13, 1979

On motion Joint Conference
Committee requested.

April 16, 1979

Joint Conference Committee
appointed.

April 17, 1979

Joint Conference Committee
dissolved.

On motion Senate amendments
placed on second reading for the
88th Legislative Day.

April 18, 1979

Second reading, amendments
adopted.

Third reading, amendments adopted.
Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 297

2 INTRODUCED BY PAVLOVICH, MOORE, JOHNSTON, MENAHAN,
3 KANDUCH, GILLIGAN, FEDA

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO THE
6 CLASSIFICATION OF PROPERTY SUBJECT TO TAXATION; PROVIDING
7 FOR CLASS TWENTY-ONE PROPERTY TO CONSIST OF CERTAIN ATHLETIC
8 OR RECREATIONAL FACILITIES; AND PROVIDING FOR THE TAXABLE
9 PERCENTAGE THEREOF."

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Class twenty-one property -- description --
13 taxable percentage. (1) Class twenty-one property includes
14 all lands, structures, buildings, furniture, fixtures,
15 equipment, and improvements not otherwise exempt from
16 taxation, owned by a nonprofit Montana corporation for the
17 athletic and recreational use of its members, including ski
18 tows and related facilities, golf courses, swimming pools,
19 bowling alleys, tennis and racquetball courts, rifle and
20 pistol ranges, and similar facilities for athletics or
21 physical recreation.

22 (2) Class twenty-one property is taxed at 3% of market
23 value.

-End-

HE 297
INTRODUCED BILL

STATE OF MONTANA

REQUEST NO. 393-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 16, 19 79, there is hereby submitted a Fiscal Note for House Bill 297 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 proposed bill relates to the classification of property subject to taxation; provides for class twenty-one property to consist of certain athletic or recreational facilities; and provides for the taxable percentage thereof.

FISCAL IMPACT

The impact on the state should be an unquantifiable reduction in collections from the 6 mill university levy.

EFFECTS ON LOCAL GOVERNMENTS

Local governments should experience an unquantifiable loss from this proposal. The impact on tax revenues from the golf courses in Helena, Missoula, Great Falls and Billings is contained on the attached sheet.

PREPARED BY DEPARTMENT OF REVENUE

Richard L. Drayton
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/21/79

IMPACT OF H.B. 297 ON GOLF COURSES IN HELENA, MISSOULA, GREAT FALLS AND BILLINGS

		<u>Market Value</u>	<u>Taxable Value</u>	<u>Mill Levy</u>	<u>Revenue</u>
<u>Helena</u>					
Golf Course #1	current	\$ 193,204	\$16,717	208.67	\$ 3,488
	proposed	193,204	5,796	208.67	1,209
					Loss <u>(\$ 2,279)</u>
<u>Missoula</u>					
Golf Course #1	current	\$ 883,104	\$78,647	228.01	\$17,932
	proposed	883,104	26,493	228.01	6,041
					Loss <u>(\$11,891)</u>
Golf Course #2	current	\$ 205,581	\$17,577	294.98	\$ 5,185
	proposed	205,581	6,167	294.98	1,819
					Loss <u>(\$ 3,366)</u>
<u>Great Falls</u>					
Golf Course #1	current	\$1,225,895	\$105,700	300.60	\$31,773
	proposed	1,225,895	36,777	300.60	11,055
					Loss <u>(\$20,718)</u>
<u>Billings</u>					
Golf Course #1	current	\$ 842,060	\$80,561	189.46	\$15,263
	proposed	842,060	25,262	189.46	4,824
					Loss <u>(\$10,439)</u>
Golf Course #2	current	\$1,863,336	\$158,939	187.24	\$29,760
	proposed	1,863,336	55,900	187.24	10,467
					Loss <u>(\$19,293)</u>

Approved by Committee
on Taxation

HOUSE BILL NO. 297

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KANDUCH, GILLIGAN, FEDA

A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO THE CLASSIFICATION OF PROPERTY SUBJECT TO TAXATION; PROVIDING FOR ~~CLASS TWENTY-ONE PROPERTY TO CONSIST OF CERTAIN ATHLETIC OR RECREATIONAL FACILITIES, AND PROVIDING FOR THE TAXABLE PERCENTAGE THEREOF. THAT LAND OWNED BY A NONPROFIT MONTANA CORPORATION USED FOR OUTDOOR ATHLETIC AND RECREATIONAL PURPOSES IS CLASS FIFTEEN PROPERTY; AMENDING SECTION 15-6-116, MCA."~~

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

Refer to Introduced Bill

(Strike everything after the enacting clause and insert:)

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

"15-6-116. Class fifteen property -- description -- taxable percentage. (1) Class fifteen property includes:
(a) all land used for outdoor athletic and recreational purposes owned by a nonprofit Montana corporation; and

(b) so much of the market value of any improvement on real property, a trailer affixed to land, or mobile home and appurtenant land not exceeding 5 acres as does not exceed

\$35,000, when such dwelling and land are owned or under contract for deed and are actually occupied for at least 10 months per year as the primary residential dwelling of:

~~(i) a widow or widower 62 years of age or older who qualifies under the income limitations of (c) of this subsection;~~

~~(ii) a widow or widower of any age with dependent children who qualifies under the income limitations of (c) of this subsection; or~~

~~(iii) a recipient or recipients of retirement or disability benefits whose total income from all sources is not more than \$7,000 for a single person or \$8,000 for a married couple.~~

(2) (a) A person applying for classification of property under ~~this class subsection (1)(b)~~ must make an affidavit to the department of revenue on a form provided by the department without cost as to:

(i) his income, if applicable;

(ii) his retirement benefits, if applicable;

(iii) his marital status, if applicable;

(iv) the fact that he maintains the land and improvements as his primary residential dwellings; and

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

(b) This application must be made before March 1 of

1 the year after the applicant becomes eligible under this
2 classification.

3 (c) For the purpose of the affidavit required for
4 classification of property under ~~this~~ ~~class~~ subsection
5 ~~(1)(b)~~, it shall be sufficient if the applicant signs a
6 statement swearing to or affirming the correctness of the
7 information supplied, whether or not the statement is signed
8 before a person authorized to administer oaths, and mails
9 the application and statement to the department of revenue.
10 This signed statement shall be treated as a statement under
11 oath or equivalent affirmation for the purposes of 45-7-202,
12 relating to the criminal offense of false swearing.

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

-End-

1 HOUSE BILL NO. 297
 2 INTRODUCED BY PAVLOVICH, MOORE, JOHNSTON, MENAHAN,
 3 KANOUGH, GILLIGAN, FEDA

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO THE
 6 CLASSIFICATION OF PROPERTY SUBJECT TO TAXATION; PROVIDING
 7 ~~FOR CLASS TWENTY-ONE PROPERTY TO CONSIST OF CERTAIN ATHLETIC~~
 8 ~~OR RECREATIONAL FACILITIES; AND PROVIDING FOR THE TAXABLE~~
 9 ~~PERCENTAGE THEREOF. THAT LAND AND IMPROVEMENTS OWNED BY A~~
 10 ~~NONPROFIT MONTANA CORPORATION USED FOR OUTDOOR ATHLETIC AND~~
 11 ~~RECREATIONAL PURPOSES IS ARE CLASS FIFTEEN PROPERTY;~~
 12 ~~AMENDING SECTION 15-6-116, MCA."~~

13
 14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 15 Refer to Introduced Bill

16 (Strike everything after the enacting clause and insert:)

17 Section 1. Section 15-6-116, MCA, is amended to read:
 18 "15-6-116. Class fifteen property -- description --
 19 taxable percentage. (1) Class fifteen property includes:
 20 (a) all land AND IMPROVEMENTS used for outdoor
 21 athletic and recreational purposes owned by a nonprofit
 22 Montana corporation; and
 23 (b) so much of the market value of any improvement on
 24 real property, a trailer affixed to land, or mobile home and
 25 appurtenant land not exceeding 5 acres as does not exceed

1 \$35,000, when such dwelling and land are owned or under
 2 contract for deed and are actually occupied for at least 10
 3 months per year as the primary residential dwelling of:

4 (a)(i) a widow or widower 62 years of age or older who
 5 qualifies under the income limitations of (c) of this
 6 subsection;

7 (b)(iii) a widow or widower of any age with dependent
 8 children who qualifies under the income limitations of (c)
 9 of this subsection; or

10 (c)(iii) a recipient or recipients of retirement or
 11 disability benefits whose total income from all sources is
 12 not more than \$7,000 for a single person or \$8,000 for a
 13 married couple.

14 (2) (a) A person applying for classification of
 15 property under ~~this class~~ subsection (1)(b) must make an
 16 affidavit to the department of revenue on a form provided by
 17 the department without cost as to:

- 18 (i) his income, if applicable;
- 19 (ii) his retirement benefits, if applicable;
- 20 (iii) his marital status, if applicable;
- 21 (iv) the fact that he maintains the land and
- 22 improvements as his primary residential dwellings; and
- 23 (v) such other information as is relevant to the
- 24 applicant's eligibility.

25 (b) This application must be made before March 1 of

1 the year after the applicant becomes eligible under this
2 classification.

3 (c) For the purpose of the affidavit required for
4 classification of property under this ~~class~~ subsection
5 (1)(b), it shall be sufficient if the applicant signs a
6 statement swearing to or affirming the correctness of the
7 information supplied, whether or not the statement is signed
8 before a person authorized to administer oaths, and mails
9 the application and statement to the department of revenue.
10 This signed statement shall be treated as a statement under
11 oath or equivalent affirmation for the purposes of 45-7-202,
12 relating to the criminal offense of false swearing.

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

-End-

HOUSE BILL NO. 297

INTRODUCED BY PAVLOVICH, MOORE, JOHNSTON, MENAHAN,

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A BILL FOR AN ACT ENTITLED: "ACT RELATING TO THE CLASSIFICATION OF PROPERTY SUBJECT TO TAXATION; PROVIDING FOR CLASS TWENTY-ONE PROPERTY TO CONSIST OF CERTAIN ATHLETIC OR RECREATIONAL FACILITIES; AND PROVIDING FOR THE TAXABLE PERCENTAGE THEREOF. THAT LAND AND IMPROVEMENTS OWNED BY A NONPROFIT MONTANA CORPORATION USED FOR OUTDOOR ATHLETIC AND RECREATIONAL GOLFING PURPOSES IS ARE CLASS FIFTEEN PROPERTY; AMENDING SECTION 15-6-116, MCA; AND PROVIDING A TERMINATION DATE."

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

Refer to Introduced Bill

(Strike everything after the enacting clause and insert:)

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

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

(a) ~~all land and improvements used for outdoor athletic and recreational purposes owned by a nonprofit Montana corporation~~ ALL GOLF COURSES, INCLUDING LAND AND IMPROVEMENTS ACTUALLY AND NECESSARILY USED FOR THAT PURPOSE, THAT:

(i) ~~CONSIST OF AT LEAST 9 HOLES AND NOT LESS THAN 3,000 LINEAL YARDS; AND~~

(ii) ~~WERE USED AS A GOLF COURSE ON JANUARY 1, 1979, AND WERE OWNED BY A NONPROFIT MONTANA CORPORATION; and~~

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

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

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

(iii) a recipient or recipients of retirement or disability benefits whose total income from all sources is not more than \$7,000 for a single person or \$8,000 for a married couple.

(2) (a) A person applying for classification of property under this ~~class~~ subsection (1)(b) must make an affidavit to the department of revenue on a form provided by the department without cost as to:

(i) his income, if applicable;

1 (ii) his retirement benefits, if applicable;
 2 (iii) his marital status, if applicable;
 3 (iv) the fact that he maintains the land and
 4 improvements as his primary residential dwellings; and
 5 (v) such other information as is relevant to the
 6 applicant's eligibility.

7 (b) This application must be made before March 1 of
 8 the year after the applicant becomes eligible under this
 9 classification.

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

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

23 SECTION 2. PERIOD OF EFFECTIVENESS. THE PROVISIONS OF
 24 THIS ACT TERMINATE ON JANUARY 1, 1983.

25 SECTION 3. CODIFICATION. IF HB 213 INTRODUCED IN THE

1 46TH LEGISLATURE IS SIGNED BY THE GOVERNOR, THEN THE
 2 PROPERTY LISTED IN SECTION 1(A) OF THIS ACT SHALL BE
 3 CODIFIED AS SECTION 4(1)(E) OF HB 213 AND SHALL BE SUBJECT
 4 TO THE TAX RATE IMPOSED IN (2)(B).

-End-

April 7, 1979

SENATE STANDING COMMITTEE REPORT
(Taxation)

That House Bill No. 297, third reading bill, be amended as follows:

1. Title, line 10.

Following: "FOR"

Strike: the remainder of line 10 through "recreational" on line 11

Insert: "GOLFING"

2. Title, line 12.

Following: "MCA"

Insert: "; AND PROVIDING A TERMINATION DATE"

3. Page 1, line 20.

Following: "(a)"

Strike: remainder of line 20 through "corporation" on line 22.

Insert: "all golf courses, including land and improvements actually and necessarily used for that purpose, that:

(i) consist of at least 9 holes and not less than 3,000 lineal yards; and

(ii) were used as a golf course on January 1, 1979, and were owned by a nonprofit Montana corporation"

4. Page 3, line 15.

Following: line 15

Insert: "Section 2. Period of effectiveness. The provisions of this act terminate on January 1, 1983.

Section 3. Codification instructions. If HB 213 introduced in the 46th legislature is signed by the governor, then the property listed in section 1(a) of this act shall be codified as section 4(1)(e) of HB 213 and shall be subject to the tax rate imposed in (2)(b)."