

HOUSE BILL 344

IN THE HOUSE

January 24, 1979

Introduced and referred to
Committee on Taxation.

1 *HOUSE* BILL NO. *344*
 2 INTRODUCED BY *Ramsey - FALA Swerton*
 3 *NATHAN*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT THAT PORTION
 5 OF THE APPRAISED VALUE OF A RESIDENTIAL DWELLING THAT IS
 6 ATTRIBUTABLE TO THE INSTALLATION OF A SOLAR ENERGY SYSTEM
 7 FROM PROPERTY TAXATION FOR A 5-YEAR PERIOD; PROVIDING AN
 8 EFFECTIVE DATE."
 9

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

11 Section 1. Exemption for solar energy system. (1) The
 12 portion of the appraised value of a residential dwelling
 13 attributable to a solar energy system is exempt from
 14 property taxation for 5 years after the date of installation
 15 of the system in either a newly constructed or existing
 16 residential dwelling.

17 (2) (a) "Residential dwelling" means any improvement
 18 used for human habitation, including but not limited to
 19 houses, mobile homes and trailer houses affixed to land,
 20 multiple-unit dwellings, or condominiums.

21 (b) "Solar energy system" means any system designed to
 22 capture radiant energy from the sun for use in heating or
 23 cooling the residence or water used in the residence.

24 (3) Before June 1 of the year in which the exemption
 25 is sought, the owner must make application to the department

1 of revenue on forms it shall provide.
 2 Section 2. Effective date. This act is effective on
 3 passage and approval and applies to taxable years beginning
 4 after December 31, 1978.

-End-

-2- *HB 344*
 INTRODUCED BILL

STATE OF MONTANA

REQUEST NO. 144-79

FISCAL NOTE

Form BD-15

In compliance with a written request received January 28, 19 79, there is hereby submitted a Fiscal Note for House Bill 344 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 exempts that portion of the appraised value of a residential dwelling that is attributable to the installation of a solar energy system from property taxation for a 5-year period; providing an effective date.

ASSUMPTIONS

- 1) There are approximately 350 non-fossil energy generating systems currently in Montana.
- 2) The Renewable Energy Plan calls for 700 systems by the end of the biennium.
- 3) Because January 1st is assessment date, it is assumed that there will be 350 systems in FY80 and 550 systems in FY81.
- 4) The average appraised value of each system is \$3000.
- 5) Current systems are taxed at 8.55%.
- 6) The local government levy is 200 mills.
- 7) The state levy is 6 mills for the University System. (Information for assumptions 1,2,4 provided by Energy Division, Department of Natural Resources)

FISCAL IMPACT

	<u>FY80</u>	<u>FY81</u>
6 mill University Levy		
under current law	\$500	\$800
under proposed law	<u>0</u>	<u>0</u>
Estimated Decrease	<u>(\$500)</u>	<u>(\$800)</u>

EFFECT ON LOCAL GOVERNMENTS

Local governments will lose \$18,000 in FY80 and \$28,000 in FY81.

LONG-RANGE EFFECTS

The systems will become part of the tax base in 5 years and the appropriate revenues will be received.

PREPARED BY DEPARTMENT OF REVENUE

Richard L. Franke
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/1/79