HOUSE BILL 400

IN THE HOUSE

January 24, 1979	Introduced and referred to Committee on Taxation.
March 27, 1979	Committee recommend bill, do pass.
	Second reading, as amended.
	Correctly engrossed.
	Third reading, passed.

IN THE SENATE

March 27, 1979	Introduced and referred to Committee on Taxation.
April 20, 1979	Died in Committee.

HOUSE BILL NO. 400

INTRODUCED BY Hanrahan

A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH THE PROPERTY TAX RATE FOR MOST RESIDENTIAL DWELLINGS AT 5% OF TRUE MARKET VALUE; TO REQUIRE THAT THE TAX RATE BE ADJUSTED IF THE APPRAISED VALUE FALLS BELOW TRUE MARKET VALUE; TO FIX THE TAX RATE FOR CLASS ELEVEN PROPERTY AT 8.55%; AMENDING SECTIONS 15-6-112, 15-6-114, 15-6-119, 15-6-121, AND 15-8-111, MCA; REPEALING SECTIONS 15-6-116 AND 15-7-121, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Class twenty-one property -- description -- taxable percentage. (1) Class twenty-one property includes all residential dwellings.

(2) (a) "Residential dwelling" means any improvement used for permanent human habitation, including but not limited to mobile homes and trailers affixed to land, apartments, condominiums, and other multiple dwellings.

(b) "True market value" means the current value, determined by recent sales data of comparable property as reported under the provisions of 15-7-304 and 15-7-305 or by other methods the department of revenue may employ, at which the property would change hands between a willing seller and

a willing buyer, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts.

(3) Class twenty-one property is taxed as follows:

(a) So much of the true market value of residential dwellings owned by persons meeting the qualifications imposed in [section 2] that does not exceed $37,500 is taxed at 2 1/2% of true market value, subject to revision under the provisions of subsection (5).

(b) All other residential dwellings are taxed at 5% of true market value, subject to revision under the provisions of subsection (5).

(4) Before June 30 of every year, the director of the department of revenue shall certify to the governor the percentage the average appraised value of residential property in the state bears to true market value. This percentage shall be determined from recent sales data collected under the provisions of 15-7-304 and 15-7-305 and sales assessment ratios.

(5) The tax rates for class twenty-one property are increased by the percentage that the statewide average appraised value of residential property is less than true market value. The governor shall direct the department to use the adjusted tax rates for that year in determining the taxable value of class twenty-one property that year.

HB 400

INTRODUCED BILL

NEW SECTION. Section 2. Taxation of residential dwellings owned by certain retired and disabled persons. (1) To be eligible for the tax rate provided in [section (3)(a)], the residential dwelling must be owned or under contract for deed and occupied for at least 10 months of the year as the primary residential dwelling of:

(a) a widow or widower at least 62 years old who qualifies under the income limitations of subsection (1);

(b) a widow or widower of any age with dependent children who qualifies under the income limitations of subsection (1);

(c) a person who has been honorably discharged from active service in any branch of the armed services and who is rated 100% disabled due to a service-related disability by the United States veterans' administration or its successor;

(d) the surviving spouse of a person qualifying under subsection (1)(c), who remains unmarried and the owner and occupant of the property;

(e) 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) Before March 1 of the year for which this tax rate is sought, a person must sign and file an application,

LC 0501/01

provided without cost by the department, containing such information as the department considers necessary to determine the applicant's eligibility.

Section 3. Section 15-6-112, MCA, is amended to read:

"15-6-112. Class eleven property -- description -- taxable percentage. (1) Class eleven property includes:

(a) all land except agricultural land meeting the qualification of 15-7-202;

(b) all improvements except those included in classes fifteen, ~~and~~ eighteen, and twenty-one;

(c) all trailers affixed to land owned, leased, or under contract for purchase by the trailer owner; and

(d) all mobile homes except:

(i) those held by a distributor or dealer of mobile homes as part of his stock-in-trade; and

(ii) those included in ~~class~~ classes fifteen or twenty-one.

(2) Class eleven property is taxed at ~~12%~~ 8.55% of its market value ~~or so much of 12% as is determined under 15-7-121, whichever is less.~~"

Section 4. Section 15-6-114, MCA, is amended to read:

"15-6-114. Class thirteen property -- description -- taxable percentage. (1) Class thirteen property includes the incremental increase in the value of real estate, except residential dwellings, produced by repairing, maintaining, or improving existing improvements.

(2) Class thirteen property is taxed at:

(a) 2.4% of the market value for the first full year following completion of the repair, maintenance, or improving of existing improvements;

(b) 4.8% of the market value for the second full year following completion of the repair, maintenance, or improving of existing improvements;

(c) 7.2% of the market value for the third full year following completion of the repair, maintenance, or improving of existing improvements;

(d) 9.6% of the market value for the fourth full year following completion of the repair, maintenance, or improving of existing improvements; and

(e) 12% of the market value for the fifth full year and every year thereafter following completion of the repair, maintenance, or improving of existing improvements."

Section 5. Section 15-6-119, MCA, is amended to read:

"15-6-119. Class eighteen property -- description -- taxable percentage. (1) Class eighteen property includes:

~~(a)--a-dwelling-house--and--the--lot--on--which--it--is erected,--owned-and-occupied-by-a-resident-of-the-state-who:~~

~~(i)--has-been-honorably-discharged-from-active--service in-any-branch-of-the-armed-services;-and~~

~~(ii)-is--rated-100%-disabled-due-to-a-service-connected~~

~~disability-by-the-United-States-veterans'-administration--or its--successor.--In--the--event--of-the-veteran's-death,-the dwelling-house-and-the-lot-on--which--it--is--erected--shall remain-in-this-class-as-long-as-the-surviving-spouse-remains unmarried-and-the-owner-and-occupant-of-the-property.~~

~~(b)~~(a) all property used and owned by cooperative rural electrical and cooperative rural telephone associations as provided in (2)(a) of this section;

~~(c)~~(b) air pollution control equipment as defined in this section; and

~~(d)~~(c) new industrial property as defined in this section.

(2) (a) The property of all cooperative rural electrical and cooperative rural telephone associations organized under the laws of Montana is included in this class, except that when less than 95% of the electricity consumers or telephone users within the incorporated limits of a city or town are served by the cooperative organization, the property is included in class eighteen.

(b) "Air pollution control equipment" means facilities, machinery, or equipment, attached or unattached to real property, utilized to reduce, eliminate, control, or prevent air pollution. The department of health and environmental sciences determines if such utilization is being made.

HB 400

(c) "New industrial property" means any new industrial plant, including land, buildings, machinery, and fixtures, except mobile machinery, which is used by a new industry during the first 3 years of its operation. The property may not have been assessed prior to July 1, 1961, within the state of Montana.

(i) New industrial property is limited to industries that:

(A) manufacture, mill, mine, produce, process, or fabricate materials;

(B) do similar work, employing capital and labor, in which materials unserviceable in their natural state are extracted, processed, or made fit for use or are substantially altered or treated so as to create commercial products or materials; or

(C) engage in the mechanical or chemical transformation of materials or substances into new products in the manner defined as manufacturing in the 1972 Standard Industrial Classification Manual prepared by the United States office of management and budget.

(ii) New industrial property does not include:

(A) property used by retail or wholesale merchants, commercial services of any type, agriculture, trades, or professions;

(B) a plant that will create adverse impact on

existing state, county, or municipal services; or

(C) property used or employed in any industrial plant that has been in operation in this state for 3 years or longer.

(d) "New industry" means any person, corporation, firm, partnership, association, or other group that establishes a new plant or plants in Montana for the operation of a new industrial endeavor, as distinguished from a mere expansion, reorganization, or merger of an existing industry or industries.

(3) The department of revenue shall promulgate rules for the determination of what constitutes an adverse impact, taking into consideration the number of people to be employed and the size of the community in which the location is contemplated. Any person, firm, or other group seeking to qualify its property for inclusion in this class shall make application to the department in such a manner and form as the department requires. Once the department has made an initial determination that the industrial facility qualifies as new industrial property, the department shall then, upon proper notice, hold a hearing to determine if the new industrial classification should be retained by the property. The local taxing authority may appear at the hearing and may waive its objection to retention of this classification if the industry agrees to the prepayment of

taxes sufficient to satisfy tax requirements created by the location and construction of the facility during the construction period. When a prepayment of taxes is required, the maximum amount of prepayment shall be the amount of tax the industry would have paid without the application of the class seven percentage to such property.

(4) If a major new industrial facility qualifies under class eighteen, the reduction of its yearly payment of property taxes for reimbursement of its prepaid taxes as provided for in 15-16-201 does not begin until the class eighteen qualification expires.

(5) Class eighteen property shall be taxed at 2.8% of its market value ~~or, in the case of property classified under (1)(a) of this section, so much of 2.8% as is determined under 15-7-121, whichever is less.~~"

Section 6. Section 15-6-121, MCA, is amended to read:

"15-6-121. Class twenty property -- description -- taxable percentage. (1) There is a class of property which includes a pickup camper, travel trailer, including a fifth wheel trailer, or motor home which is owned by and is actually used primarily by a person 60 years of age or older who is retired from full employment and whose total income each year from all sources does not exceed the income limitations set in ~~class fifteen~~ [section 2(1)(e)] for a single person or married couple, whichever is applicable.

(2) A person who applies for this classification must file ~~an affidavit~~ a single statement with the department of revenue as to his income, as set forth in ~~class fifteen~~ [section 2(2)].

(3) This class of property is taxed at 6% of market value."

Section 7. Section 15-8-111, MCA, is amended to read:

"15-8-111. Assessment -- market value standard -- exceptions. (1) All taxable property must be assessed at 100% of its market value except as provided in subsection (5) of this section, and in 15-7-111 through 15-7-114, and in [section 1].

(2) Market value is the value at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.

(3) The department of revenue or its agents may not adopt a lower or different standard of value from market value in making the official assessment and appraisal of the value of property in class one and classes seven through eighteen. For purposes of taxation, assessed value is the same as appraised value.

(4) The taxable value for all property in class one, and classes seven through fourteen, and classes sixteen through eighteen is the percentage of market value established for each class of property in 15-6-102, and

HB 400

15-6-108 through 15-6-115, and 15-6-117 through 15-6-119.

(5) The assessed value of properties in 15-6-103 through 15-6-107, and 15-6-120, and [section 1] is as follows:

(a) Property in 15-6-106, under class five, is assessed at 100% of book value by the method established in 15-6-106 and the sections cited therein.

(b) Properties in 15-6-103, under class two, are assessed at 100% of the annual net proceeds after deducting the expenses specified and allowed by 15-23-503.

(c) Properties in 15-6-104, 15-6-105, and 15-6-120, under classes three, four, and nineteen are assessed at 100% of the annual gross proceeds.

(d) Properties in 15-6-107, under class six, are assessed at 100% of the productive capacity of the lands when valued for agricultural purposes. All lands that meet the qualifications of 15-7-202 are valued as agricultural lands for tax purposes.

(e) Property in [section 1], under class twenty-one, is assessed at 100% of its true market value, as defined in [section 1].

(6) Land and the improvements thereon are separately assessed when any of the following conditions occur:

(a) ownership of the improvements is different from ownership of the land;

(b) the taxpayer makes a written request; or

(c) the land is outside an incorporated city or town.

(7) The taxable value of all property in classes two through six is the percentage of assessed value established in 15-6-103 through 15-6-107 for each class of property."

Section 8. Repealer. Sections 15-6-116 and 15-7-121, MCA, are repealed.

Section 9. Effective date. This act is effective on passage and approval and applies to taxable years beginning after December 31, 1978.

-End-

STATE OF MONTANA

REQUEST NO. 154-79

FISCAL NOTE

Form BD-15

In compliance with a written request received January 26, 19 79, there is hereby submitted a Fiscal Note for House Bill 400 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 will establish the property tax rate for most residential dwellings at 5% of true market value; require that the tax rate be adjusted if the appraised value falls below true market value; fix the tax rate for class eleven property at 8.55%; amending sections 15-6-112, 15-6-114, 15-6-119, 15-6-121, and 15-8-111, MCA; and provide an effective date.

ASSUMPTION

This note is designed to give an estimate of the fiscal impact of this proposal on residential property had it been in effect in FY 79.

1) There are 151,000 residences that would qualify.
2) The average appraised value is $21,000.
3) The appraised value is currently estimated to be 50% below market value.
4) The local mill levy is 200 mills for all property.
5) The state levy is 6 mills.
6) The changes in the technical note are made.
7) The values calculated with FY 79 data will increase approximately 5% per year.

FISCAL IMPACT

In FY 79, the state would have lost $200,000 from the 6 mill university levy.

AFFECT ON LOCAL GOVERNMENT

Had this bill been in effect in FY 79, local governments would have lost approximately $6.7 million.

LONG-RANGE EFFECTS

In the long run the percentage that appraised value is below market value, assuming no reappraisal, will tend to decrease with the rate of inflation for housing. This would cause the taxable percentage to increase at a rate equal to housing inflation. This could cause the taxable value of housing to actually increase over what it would be in absence of this legislation.

TECHNICAL NOTES

Section 1, paragraph 3 (a), line 7&8 should read,"... not exceed $37,500 has a taxable value equal to 2 1/2% of true market value" Section 1, paragraph 3 (b) line 10&11 should read "... dwellings have a taxable value equal to 5% of true market value" These amendments eliminate the confusion whether "taxed at 2 1/2% or 5% means taxable value or actual tax. Section 1, paragraph 5, line 21, should add "increased from 5% by the percentage."

Richard L. Trang

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1/31/79

STATE OF MONTANA

REQUEST NO. 154-79

FISCAL NOTE

Form BD-15

In compliance with a written request received April 2, 19 79, there is hereby submitted a Fiscal Note for Amended House Bill 400 (Third Reading) 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 is an act to limit the taxable value for residential dwellings to 5% of true market value and provides an effective date.

FISCAL IMPACT

No Fiscal Impact

EFFECT ON LOCAL GOVERNMENTS

There may be instances where the taxable value of residential property exceeds 5% of market value. In these instances the local government revenues would be decreased slightly.

PREPARED BY DEPARTMENT OF REVENUE

Richard L. D[illegible] for

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 4/3/79

HOUSE BILL NO. 400

INTRODUCED BY HUENNEKENS

A BILL FOR AN ACT ENTITLED: "AN ACT TO ~~ESTABLISH~~ LIMIT THE ~~PROPERTY---TAX--RATE~~ TAXABLE VALUE FOR ~~MOST~~ RESIDENTIAL DWELLINGS ~~AT~~ TO 5% OF TRUE MARKET VALUE; ~~TO-REQUIRE-THAT-THE-TAX-RATE-BE-ADJUSTED-IF-THE-APPRAISED-VALUE-FALLS-BELOW-TRUE-MARKET-VALUE;-TO-FIX-THE-TAX-RATE-FOR-CLASS-ELEVEN--PROPERTY-AT--0.55%;--AMENDING--SECTIONS-15-6-112,-15-6-114,-15-6-119,-15-6-121,-AND-15-8-111,-MCA;-REPEALING-SECTIONS-15-6-116-AND-15-7-121,-MCA;~~ AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. ~~Class-twenty-one-property----description------taxable--percentage.~~ LIMITATION ON TAX FOR RESIDENTIAL DWELLINGS. (1) ~~Class---twenty-one---property-includes-all-residential-dwellings.~~ AS USED IN THIS SECTION, THE FOLLOWING DEFINITIONS APPLY:

~~(2)~~--(a) "Residential dwelling" means any improvement used for permanent human habitation, including but not limited to mobile homes and trailers affixed to land, apartments, condominiums, and other multiple dwellings.

(b) "True market value" means the current YEAR'S value OF THE RESIDENTIAL DWELLING, determined by recent sales data of comparable property as reported under the provisions of 15-7-304 and 15-7-305 or by other methods the department of revenue may employ, at which the property would change hands between a willing seller and a willing buyer, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts.

~~(3)~~(2) ~~Class-twenty-one-property-is-taxed-as--follows:~~

~~(a)--So--much--of--the-true-market-value-of-residential-dwellings--owned--by--persons--meeting--the---qualifications-imposed-in-[section-2]-that-does-not-exceed-$37,500-is-taxed-at--2-1/2%--of--true-market-value,-subject-to-revision-under-the-provisions-of-subsection-(5).~~

~~(b)--All--other--residential--dwellings--are--taxed--at~~ NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE TAXABLE VALUE OF A RESIDENTIAL DWELLING MAY NOT EXCEED 5% of true market value.~~,--subject-to-revision-under-the-provisions-of-subsection-(5).~~

~~(4)~~(3)~~--Before-June-30-of-every-year,-the--director--of-the--department-of-revenue-shall-certify-to-the-governor-the-percentage--the--average--appraised--value--of---residential-property--in--the--state--bears--to--true-market-value.-This-percentage--shall--be--determined--from--recent--sales--data-collected--under-the-provisions-of-15-7-304-and-15-7-305-and-sales-assessment-ratios.~~

~~(5)~~(4)~~--The-tax-rates-for-class-twenty-one-property-are-increased-by--the--percentage--that--the--statewide--average~~

THIRD READING

~~appraised value of residential property is less than true market value. The governor shall direct the department to use the adjusted tax rates for that year in determining the taxable value of class twenty-one property that year.~~

~~NEW SECTION. Section 2. Taxation of residential dwellings owned by certain retired and disabled persons. (1) To be eligible for the tax rate provided in [section 3(a)], the residential dwelling must be owned or under contract for deed and occupied for at least 10 months of the year as the primary residential dwelling of:~~

~~(a) a widow or widower at least 62 years old who qualifies under the income limitations of subsection (1);~~

~~(b) a widow or widower of any age with dependent children who qualifies under the income limitations of subsection (1);~~

~~(c) a person who has been honorably discharged from active service in any branch of the armed services and who is rated 100% disabled due to a service-related disability by the United States veterans' administration or its successor;~~

~~(d) the surviving spouse of a person qualifying under subsection (1)(c), who remains unmarried and the owner and occupant of the property;~~

~~(e) 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) Before March 1 of the year for which this tax rate is sought, a person must sign and file an application, provided without cost by the department, containing such information as the department considers necessary to determine the applicant's eligibility.~~

~~Section 3. Section 15-6-112, MCA, is amended to read:~~

~~"15-6-112. Class eleven property -- description -- taxable percentage. (1) Class eleven property includes:~~

~~(a) all land except agricultural land meeting the qualification of 15-7-202;~~

~~(b) all improvements except those included in classes fifteen, and eighteen, and twenty-one;~~

~~(c) all trailers affixed to land owned, leased, or under contract for purchase by the trailer owner; and~~

~~(d) all mobile homes except:~~

~~(i) those held by a distributor or dealer of mobile homes as part of his stock in trade; and~~

~~(ii) those included in class classes fifteen or twenty-one.~~

~~(2) Class eleven property is taxed at 12% 0.55% of its market value or so much of 12% as is determined under 15-7-121, whichever is less."~~

~~Section 4. Section 15-6-114, MCA, is amended to read:~~

~~"15-6-114. Class thirteen property -- description -- taxable percentage. (1) Class thirteen property includes the incremental increase in the value of real estate~~, except residential dwellings, ~~produced by repairing, maintaining, or improving existing improvements.~~

~~(2) Class thirteen property is taxed at:~~

~~(a) 2.4% of the market value for the first full year following completion of the repair, maintenance, or improving of existing improvements;~~

~~(b) 4.8% of the market value for the second full year following completion of the repair, maintenance, or improving of existing improvements;~~

~~(c) 7.2% of the market value for the third full year following completion of the repair, maintenance, or improving of existing improvements;~~

~~(d) 9.6% of the market value for the fourth full year following completion of the repair, maintenance, or improving of existing improvements; and~~

~~(e) 12% of the market value for the fifth full year and every year thereafter following completion of the repair, maintenance, or improving of existing improvements."~~

~~Section 5. Section 15-6-119, MCA, is amended to read:~~

~~"15-6-119. Class eighteen property -- description -- taxable percentage. (1) Class eighteen property includes:~~

~~(a) a dwelling house and the lot on which it is~~

~~erected, owned and occupied by a resident of the state who:~~

~~(i) has been honorably discharged from active service in any branch of the armed services; and~~

~~(ii) is rated 100% disabled due to a service-connected disability by the United States veterans' administration or its successor. In the event of the veteran's death, the dwelling house and the lot on which it is erected shall remain in this class as long as the surviving spouse remains unmarried and the owner and occupant of the property.~~

~~(b)~~(a) ~~all property used and owned by cooperative rural electrical and cooperative rural telephone associations as provided in (2)(a) of this section;~~

~~(c)~~(b) ~~air pollution control equipment as defined in this section; and~~

~~(d)~~(c) ~~new industrial property as defined in this section.~~

~~(2) (a) The property of all cooperative rural electrical and cooperative rural telephone associations organized under the laws of Montana is included in this class, except that when less than 95% of the electricity consumers or telephone users within the incorporated limits of a city or town are served by the cooperative organization, the property is included in class eighteen.~~

~~(b) "Air pollution control equipment" means facilities, machinery, or equipment, attached or unattached~~

~~to real property, utilized to reduce, eliminate, control, or prevent air pollution. The department of health and environmental sciences determines if such utilization is being made.~~

~~(c) "New industrial property" means any new industrial plant, including land, buildings, machinery, and fixtures, except mobile machinery, which is used by a new industry during the first 3 years of its operation. The property may not have been assessed prior to July 1, 1961, within the state of Montana.~~

~~(i) New industrial property is limited to industries that:~~

~~(A) manufacture, mill, mine, produce, process, or fabricate materials;~~

~~(B) do similar work, employing capital and labor, in which materials unserviceable in their natural state are extracted, processed, or made fit for use or are substantially altered or treated so as to create commercial products or materials; or~~

~~(C) engage in the mechanical or chemical transformation of materials or substances into new products in the manner defined as manufacturing in the 1972 Standard Industrial Classification Manual prepared by the United States office of management and budget.~~

~~(ii) New industrial property does not include:~~

~~(A) property used by retail or wholesale merchants, commercial services of any type, agriculture, trades, or professions;~~

~~(B) a plant that will create adverse impact on existing state, county, or municipal services; or~~

~~(C) property used or employed in any industrial plant that has been in operation in this state for 3 years or longer.~~

~~(d) "New industry" means any person, corporation, firm, partnership, association, or other group that establishes a new plant or plants in Montana for the operation of a new industrial endeavor, as distinguished from a mere expansion, reorganization, or merger of an existing industry or industries.~~

~~(3) The department of revenue shall promulgate rules for the determination of what constitutes an adverse impact, taking into consideration the number of people to be employed and the size of the community in which the location is contemplated. Any person, firm, or other group seeking to qualify its property for inclusion in this class shall make application to the department in such a manner and form as the department requires. Once the department has made an initial determination that the industrial facility qualifies as new industrial property, the department shall then, upon proper notice, hold a hearing to determine if the new~~

~~industrial--classification--should--be---retained---by---the property.--The--local--taxing--authority--may--appear-at-the hearing-and-may-waive-its-objection--to--retention--of--this classification--if--the-industry-agrees-to-the-prepayment-of taxes-sufficient-to-satisfy-tax-requirements-created-by--the location---and--construction--of--the--facility--during--the construction-period.-When-a-prepayment-of-taxes-is-required, the-maximum-amount-of-prepayment-shall-be-the-amount-of--tax the--industry-would-have-paid-without-the-application-of-the class-seven-percentage-to-such-property.~~

~~(4)--If-a-major-new-industrial-facility-qualifies-under class-eighteen,-the--reduction--of--its--yearly--payment--of property--taxes--for--reimbursement--of-its-prepaid-taxes-as provided-for-in-15-16-201-does-not--begin--until--the--class eighteen-qualification-expires.~~

~~(5)--Class--eighteen-property-shall-be-taxed-at-2.8%-of its-market-value-or,-in--the--case--of--property--classified under--(1)(a)--of--this--section,--so--much--of--2.8%--as-is determined-under-15-7-122,-whichever-is-less."~~

~~Section-6.--Section-15-6-121,-MCA,-is-amended-to--read:~~

~~"15-6-121.--Class--twenty--property------description--- taxable-percentage.--(1)-There-is-a-class-of-property--which includes--a-pickup-camper,-travel-trailer,-including-a-fifth wheel-trailer,-or-motor--home--which--is--owned--by--and--is actually-used-primarily-by-a-person-60-years-of-age-or-older~~

~~who--is--retired-from-full-employment-and-whose-total-income each-year-from--all--sources--does--not--exceed--the--income limitations--set--in--class--fifteen [section-2(1)(c)] for-a single-person-or-married-couple,-whichever-is-applicable.~~

~~(2)--A-person-who-applies-for-this-classification--must file--an--affidavit-with-the-department-of-revenue-as-to-his income,-as-set-forth-in-class-fifteen [section-2(2)].~~

~~(3)--This-class-of-property-is-taxed-at--6%--of--market value."~~

~~Section-7.--Section--15-8-111,-MCA,-is-amended-to-read:~~

~~"15-8-111.--Assessment------market--value--standard---- exceptions.---(1)--All--taxable-property-must-be-assessed-at 100%-of-its-market-value-except-as--provided--in--subsection (5)--of--this-section, and-in-15-7-111-through-15-7-114,-and in-[section-1].~~

~~(2)--Market-value-is-the-value-at-which-property--would change--hands--between-a-willing-buyer-and-a-willing-seller, neither-being-under-any-compulsion-to-buy--or--to--sell--and both-having-reasonable-knowledge-of-relevant-facts.~~

~~(3)--The--department--of--revenue-or-its-agents-may-not adopt-a-lower-or-different-standard--of--value--from--market value-in-making-the-official-assessment-and-appraisal-of-the value--of--property--in--class-one-and-classes-seven-through eighteen.-For-purposes-of-taxation,-assessed--value--is--the same-as-appraised-value.~~

~~(4)--The--taxable--value-for-all-property-in-class-one, and-classes-seven--through~~ ~~fourteen,--and--classes--sixteen through~~ ~~eighteen---is---the--percentage--of--market--value established-for-each-class--of--property--in--15-6-102,~~ and ~~15-6-108-through~~ ~~15-6-115,-and-15-6-117-through~~ ~~15-6-119.~~

~~(5)--The--assessed--value--of--properties--in--15-6-103 through-15-6-107,~~ and--~~15-6-120~~,--~~and--[section--1]~~ ~~is--as follows:~~

~~(a)--Property---in---15-6-106,--under--class--five,--is assessed-at-100%-of-book-value-by-the-method-established--in 15-6-106-and-the-sections-cited-therein.~~

~~(b)--Properties--in--15-6-103,--under--class--two,--are assessed-at-100%-of-the-annual-net-proceeds-after--deducting the-expenses-specified-and-allowed-by-15-23-503.~~

~~(c)--Properties--in--15-6-104,--15-6-105,-and-15-6-120, under-classes-three,-four,-and-nineteen-are-assessed-at-100% of-the-annual-gross-proceeds.~~

~~(d)--Properties--in--15-6-107,--under--class--six,--are assessed--at--100%--of--the-productive-capacity-of-the-lands when-valued-for-agricultural-purposes.-All-lands--that--meet the--qualifications--of--15-7-202-are-valued-as-agricultural lands-for-tax-purposes.~~

~~(e)--Property-in-[section-1],-under--class--twenty-one, is--assessed-at-100%-of-its-true-market-value,-as-defined-in [section-1].~~

~~(6)--Land-and-the-improvements-thereon--are--separately assessed-when-any-of-the-following-conditions-occur:~~

~~(a)--ownership--of--the--improvements-is-different-from ownership-of-the-land;~~

~~(b)--the-taxpayer-makes-a-written-request;-or~~

~~(c)--the-land-is-outside-an-incorporated-city-or--town.~~

~~(7)--The--taxable--value-of-all-property-in-classes-two through-six-is-the-percentage-of-assessed-value--established in-15-6-103-through-15-6-107-for-each-class-of-property."~~

~~Section-8.--Repealer.---Sections-15-6-116-and-15-7-121, MCA,-are-repealed.~~

Section 2. Effective date. This act is effective on passage and approval and applies to taxable years beginning after December 31, 1978.

-End-