

HOUSE BILL 509

IN THE HOUSE

February 1, 1979	Introduced and referred to Committee on Taxation.
March 24, 1979	Committee recommend bill, as amended.
March 26, 1979	Printed and placed on members' desks.
	Second reading, do pass.
March 27, 1979	Considered correctly engrossed. Third reading, passed.

IN THE SENATE

March 27, 1979	Referred to Committee on Taxation.
April 20, 1979	Died in Committee.



1 without cost as to:

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

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

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

22 (3) Class fifteen property is taxed at 6% ~~4.275%~~ of  
 23 its market value ~~or so much of 6% as is determined under~~  
 24 ~~15-7-221, whichever is less."~~

25 Section 3. Section 15-6-119, MCA, is amended to read:

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

3 (a) a dwelling house and the lot on which it is  
 4 erected, owned and occupied by a resident of the state who:  
 5 (i) has been honorably discharged from active service  
 6 in any branch of the armed services; and

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

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

16 (c) air pollution control equipment as defined in this  
 17 section; and

18 (d) new industrial property as defined in this  
 19 section.

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

1 HOUSE BILL NO. 509  
 2 INTRODUCED BY Yardley FACER  
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH THE  
 5 CURRENT PROPERTY TAX RATES FOR CERTAIN REAL PROPERTY;  
 6 REVISING THE SCHEDULE FOR DETERMINING THE CERTIFIED  
 7 STATEWIDE PERCENTAGE INCREASE AFTER PERIODIC REVALUATION;  
 8 AMENDING SECTIONS 15-6-112, 15-6-116, 15-6-119, AND  
 9 15-7-121, MCA; AND PROVIDING EFFECTIVE AND APPLICABILITY  
 10 DATES."

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

13 Section 1. Section 15-6-112, MCA, is amended to read:

14 "15-6-112. Class eleven property -- description --  
 15 taxable percentage. (1) Class eleven property includes:

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

18 (b) all improvements except those included in classes  
 19 fifteen and eighteen;

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

22 (d) all mobile homes except:

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

25 (ii) those included in class fifteen.

1 (2) Class eleven property is taxed at 12% ~~as 55%~~ of its  
 2 market value or so much of 12% as is determined under  
 3 15-7-121, whichever is less."

4 Section 2. Section 15-6-116, MCA, is amended to read:

5 "15-6-116. Class fifteen property -- description --  
 6 taxable percentage. (1) Class fifteen property includes so  
 7 much of the market value of any improvement on real  
 8 property, a trailer affixed to land, or mobile home and  
 9 appurtenant land not exceeding 5 acres as does not exceed  
 10 \$35,000, when such dwelling and land are owned or under  
 11 contract for deed and are actually occupied for at least 10  
 12 months per year as the primary residential dwelling of:

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

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

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

23 (2) (a) A person applying for classification of  
 24 property under this class must make an affidavit to the  
 25 department of revenue on a form provided by the department

1 without cost as to:

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

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

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

22 (3) Class fifteen property is taxed at ~~6%~~ 4.275% of  
 23 its market value ~~or so much of 6% as is determined under~~  
 24 ~~15-7-121, whichever is less."~~

25 Section 3. Section 15-6-119, MCA, is amended to read:

1 "15-6-119. Class eighteen property -- description --  
 2 taxable percentage. (1) Class eighteen property includes:  
 3 (a) a dwelling house and the lot on which it is  
 4 erected, owned and occupied by a resident of the state who:  
 5 (i) has been honorably discharged from active service  
 6 in any branch of the armed services; and  
 7 (ii) is rated 100% disabled due to a service-connected  
 8 disability by the United States veterans' administration or  
 9 its successor. In the event of the veteran's death, the  
 10 dwelling house and the lot on which it is erected shall  
 11 remain in this class as long as the surviving spouse remains  
 12 unmarried and the owner and occupant of the property.

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

16 (c) air pollution control equipment as defined in this  
 17 section; and

18 (d) new industrial property as defined in this  
 19 section.

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

1 organization, the property is included in class eighteen.

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

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

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

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

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

23 (C) engage in the mechanical or chemical  
24 transformation of materials or substances into new products  
25 in the manner defined as manufacturing in the 1972 Standard

1 Industrial Classification Manual prepared by the United  
2 States office of management and budget.

3 (ii) New industrial property does not include:

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

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

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

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

18 (3) The department of revenue shall promulgate rules  
19 for the determination of what constitutes an adverse impact,  
20 taking into consideration the number of people to be  
21 employed and the size of the community in which the location  
22 is contemplated. Any person, firm, or other group seeking to  
23 qualify its property for inclusion in this class shall make  
24 application to the department in such a manner and form as  
25 the department requires. Once the department has made an

1 initial determination that the industrial facility qualifies  
 2 as new industrial property, the department shall then, upon  
 3 proper notice, hold a hearing to determine if the new  
 4 industrial classification should be retained by the  
 5 property. The local taxing authority may appear at the  
 6 hearing and may waive its objection to retention of this  
 7 classification if the industry agrees to the prepayment of  
 8 taxes sufficient to satisfy tax requirements created by the  
 9 location and construction of the facility during the  
 10 construction period. When a prepayment of taxes is required,  
 11 the maximum amount of prepayment shall be the amount of tax  
 12 the industry would have paid without the application of the  
 13 class seven percentage to such property.

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

19 (5) ~~(a) Class eighteen property shall be in subsection~~  
 20 ~~(1)(a) is taxed at 2.0% 2% of its market value or in the~~  
 21 ~~case of property classified under (1)(e) of this section, so~~  
 22 ~~much of 2.0% as is determined under 15-7-121, whichever is~~  
 23 ~~less.~~

24 (b) Class eighteen property in subsections (1)(b)  
 25 through (1)(d) is taxed at 2.8% of its market value."

1 Section 4. Section 15-7-121, MCA, is amended to read:  
 2 "15-7-121. Reappraised real property -- limitation on  
 3 increased value. (1) After a periodic revaluation of  
 4 taxable property as required in 15-7-111 has been completed,  
 5 ~~the~~ director of revenue shall certify to the governor  
 6 ~~before June 30, 1978,~~ the percentage by which the market  
 7 value of all property in the state classified under  
 8 15-6-112, 15-6-116(1)(b), and 15-6-119(1)(a) ~~as of January~~  
 9 ~~1, 1977,~~ has increased due to the revaluation conducted  
 10 ~~under 15-7-111.~~ This figure is the "certified statewide  
 11 percentage increase".

12 (2) The taxable value of property in these three  
 13 classes is determined as a function of the certified  
 14 statewide percentage increase in accordance with the  
 15 following table:

16 Certified statewide	15-6-112	15-6-116(1)(b)	15-6-119(1)(a)
17 percentage increase			
18 0			
19 1%	11-89 8-47	one-half	7/30
20 2%	11-79 8-40	of the	of the
21 3%	11-69 8-33	equiva-	equiva-
22 4%	11-58 8-25	lent	lent
23 5%	11-49 8-19	taxable	taxable
24 6%	11-39 8-12	percent-	percent-
25 7%	11-29 8-04	age under	age under

1	8%	11-20 1.98	15-6-112	15-6-112
2	9%	11-11 1.92		
3	10%	11-02 1.85		
4	11%	10-93 1.79		
5	12%	10-84 1.72		
6	13%	10-76 1.67		
7	14%	10-67 1.60		
8	15%	10-59 1.55		
9	16%	10-51 1.49		
10	17%	10-43 1.43		
11	18%	10-35 1.37		
12	19%	10-28 1.32		
13	20%	10-20 1.27		
14	21%	10-13 1.22		
15	22%	10-05 1.16		
16	23%	9-98 1.11		
17	24%	9-91 1.06		
18	25%	9-84 1.01		
19	26%	9-77 0.96		
20	27%	9-70 0.91		
21	28%	9-64 0.87		
22	29%	9-57 0.82		
23	30%	9-51 0.78		
24	31%	9-44 0.73		
25	32%	9-38 0.68		

1	33%	9-32 0.64
2	34%	9-26 0.60
3	35%	9-20 0.55
4	36%	9-14 0.51
5	37%	9-08 0.47
6	38%	9-03 0.43
7	39%	8-97 0.39
8	40%	8-91 0.35
9	41%	8-86 0.31
10	42%	8-81 0.28
11	43%	8-75 0.23
12	44%	8-70 0.20
13	45%	8-65 0.16
14	46%	8-60 0.13
15	47%	8-55 0.09
16	48%	8-50 0.06
17	49%	8-45 0.02
18	50%	8-40 0.00

19 Section 5. Effective date and applicability. This act  
 20 is effective on passage and approval and applies to taxable  
 21 years beginning after December 31, 1978.

-End-

HB 509



STATE OF MONTANA

REQUEST NO. 233-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 5, 19 79, there is hereby submitted a Fiscal Note for House Bill 509 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 establishes the current property tax rates for certian real property; revising the schedule for determining the certified statewide percentage increase after periodic revaluation; and providing effective and applicability dates.

FISCAL IMPACT

No fiscal impact.

EFFECT ON LOCAL GOVERNMENT

This bill codifies the existing practice and should have no fiscal impact.

LONG-RANGE EFFECTS

When a new reappraisal cycle is completed the increase in values should be partially offset by the reduced taxable percentages.

(Prepared by the Department of Revenue)

*Richard L. Jungfer*  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 4/8/79

Approved by Committee  
on Taxation

HOUSE BILL NO. 509

INTRODUCED BY YARDLEY, FAGG

A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH THE  
CURRENT PROPERTY TAX RATES FOR CERTAIN REAL PROPERTY;  
REVISING THE SCHEDULE FOR DETERMINING THE CERTIFIED  
STATEWIDE PERCENTAGE INCREASE AFTER PERIODIC REVALUATION;  
AMENDING SECTIONS 15-6-112, 15-6-116, 15-6-119, AND  
15-7-121, ~~AND 15-7-122~~, MCA; AND PROVIDING EFFECTIVE AND  
APPLICABILITY DATES."

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

Section 1. 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;

(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 fifteen.

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

Section 2. Section 15-6-116, MCA, is amended to read:

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

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

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

(c) 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 must make an affidavit to the  
department of revenue on a form provided by the department

1 without cost as to:

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

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

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

22 (3) Class fifteen property is taxed at 6% ~~4.215%~~ of  
 23 its market value or so much of 6% as is determined under  
 24 15-7-121, whichever is less."

25 Section 3. Section 15-6-119, MCA, is amended to read:

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

3 (a) a dwelling house and the lot on which it is  
 4 erected, owned and occupied by a resident of the state who:  
 5 (i) has been honorably discharged from active service  
 6 in any branch of the armed services; and

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

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

16 (c) air pollution control equipment as defined in this  
 17 section; and

18 (d) new industrial property as defined in this  
 19 section.

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

1 organization, the property is included in class eighteen.

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

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

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

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

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

23 (C) engage in the mechanical or chemical  
24 transformation of materials or substances into new products  
25 in the manner defined as manufacturing in the 1972 Standard

1 Industrial Classification Manual prepared by the United  
2 States office of management and budget.

3 (ii) New industrial property does not include:

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

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

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

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

18 (3) The department of revenue shall promulgate rules  
19 for the determination of what constitutes an adverse impact,  
20 taking into consideration the number of people to be  
21 employed and the size of the community in which the location  
22 is contemplated. Any person, firm, or other group seeking to  
23 qualify its property for inclusion in this class shall make  
24 application to the department in such a manner and form as  
25 the department requires. Once the department has made an

1 initial determination that the industrial facility qualifies  
 2 as new industrial property, the department shall then, upon  
 3 proper notice, hold a hearing to determine if the new  
 4 industrial classification should be retained by the  
 5 property. The local taxing authority may appear at the  
 6 hearing and may waive its objection to retention of this  
 7 classification if the industry agrees to the prepayment of  
 8 taxes sufficient to satisfy tax requirements created by the  
 9 location and construction of the facility during the  
 10 construction period. When a prepayment of taxes is required,  
 11 the maximum amount of prepayment shall be the amount of tax  
 12 the industry would have paid without the application of the  
 13 class seven percentage to such property.

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

19 (5) (a) Class eighteen property shall be in subsection  
 20 111(a) is taxed at 2.8% 2% of its market value or in the  
 21 case of property classified under (1)(a) of this section, so  
 22 much of 2.8% as is determined under 15-7-121, whichever is  
 23 less.

24 (b) Class eighteen property in subsections 111(b)  
 25 through 111(d) is taxed at 2.8% of its market value."

1 Section 4. Section 15-7-121, MCA, is amended to read:  
 2 "15-7-121. Reappraised real property -- limitation on  
 3 increased value. (1) The After a periodic revaluation of  
 4 taxable property as required in 15-7-111 has been completed,  
 5 the director of revenue shall certify to the governor  
 6 before ~~June 30, 1978~~ the percentage by which the market  
 7 value of all property in the state classified under  
 8 15-6-112, 15-6-116(1)(b), and 15-6-119(1)(a) ~~as of January~~  
 9 ~~1, 1977~~ has increased due to the revaluation conducted  
 10 under 15-7-111. This figure is the "certified statewide  
 11 percentage increase".

12 (2) The taxable value of property in these three  
 13 classes is determined as a function of the certified  
 14 statewide percentage increase in accordance with the  
 15 following table:

16 Certified statewide	15-6-112	15-6-116(1)(b)	15-6-119(1)(a)
17 percentage increase			
18 0			
19 1%	11789 8.47	one-half	7/30
20 2%	11779 8.40	of the	of the
21 3%	11769 8.33	equiva-	equiva-
22 4%	11758 8.25	lent	lent
23 5%	11749 8.19	taxable	taxable
24 6%	11739 8.12	percent-	percent-
25 7%	11729 8.04	age under	age under

1	8%	11-20 7.28	15-6-112	15-6-112
2	9%	11-11 7.22		
3	10%	11-02 7.25		
4	11%	10-93 7.19		
5	12%	10-84 7.12		
6	13%	10-76 7.07		
7	14%	10-67 7.00		
8	15%	10-59 7.55		
9	16%	10-51 7.49		
10	17%	10-43 7.43		
11	18%	10-35 7.37		
12	19%	10-28 7.32		
13	20%	10-20 7.27		
14	21%	10-13 7.22		
15	22%	10-05 7.16		
16	23%	9-98 7.11		
17	24%	9-91 7.06		
18	25%	9-84 7.01		
19	26%	9-77 6.96		
20	27%	9-70 6.91		
21	28%	9-64 6.87		
22	29%	9-57 6.82		
23	30%	9-51 6.78		
24	31%	9-44 6.73		
25	32%	9-38 6.68		

1	33%	9-32 6.64
2	34%	9-26 6.60
3	35%	9-20 6.55
4	36%	9-14 6.51
5	37%	9-08 6.47
6	38%	9-03 6.43
7	39%	8-97 6.39
8	40%	8-91 6.35
9	41%	8-86 6.31
10	42%	8-81 6.28
11	43%	8-75 6.23
12	44%	8-70 6.20
13	45%	8-65 6.16
14	46%	8-60 6.13
15	47%	8-55 6.09
16	48%	8-50 6.06
17	49%	8-45 6.02
18	50%	8-40 5.99

19 SECTION 5. SECTION 15-7-122, MCA, IS AMENDED TO READ:

20 "15-7-122. Temporary authority to exceed mill levy

21 limitations. Taxing jurisdictions may adopt and levy for a

22 budget equal to 105% 110% of the preceding year's budget,

23 statutory mill levy limitations notwithstanding, unless the

24 taxable valuation therein has increased to a level which

25 would allow statutory mill levies to produce a budget equal

1 to ~~105%~~ 110% of the preceding year's budget."

2 Section 6. Effective date and applicability. This act  
3 is effective on passage and approval and applies to taxable  
4 years beginning after December 31, 1978.

-End-

HOUSE BILL NO. 509

INTRODUCED BY YARDLEY, FAGG

A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH THE CURRENT PROPERTY TAX RATES FOR CERTAIN REAL PROPERTY; REVISING THE SCHEDULE FOR DETERMINING THE CERTIFIED STATEWIDE PERCENTAGE INCREASE AFTER PERIODIC REVALUATION; AMENDING SECTIONS 15-6-112, 15-6-116, 15-6-119, AND 15-7-121, AND 15-7-122, MCA; AND PROVIDING EFFECTIVE AND APPLICABILITY DATES."

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

Section 1. 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;

(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 fifteen.

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

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

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

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

(c) 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 must make an affidavit to the department of revenue on a form provided by the department



1 without cost as to:

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

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

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

22 (3) Class fifteen property is taxed at ~~6% 4.215%~~ of  
23 its market value ~~or so much of 6% as is determined under~~  
24 ~~15-7-121, whichever is less.~~

25 Section 3. Section 15-6-119, MCA, is amended to read:

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

3 (a) a dwelling house and the lot on which it is  
4 erected, owned and occupied by a resident of the state who:  
5 (i) has been honorably discharged from active service  
6 in any branch of the armed services; and

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

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

16 (c) air pollution control equipment as defined in this  
17 section; and

18 (d) new industrial property as defined in this  
19 section.

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

1 organization, the property is included in class eighteen.

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

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

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

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

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

23 (C) engage in the mechanical or chemical  
24 transformation of materials or substances into new products  
25 in the manner defined as manufacturing in the 1972 Standard

1 Industrial Classification Manual prepared by the United  
2 States office of management and budget.

3 (ii) New industrial property does not include:

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

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

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

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

18 (3) The department of revenue shall promulgate rules  
19 for the determination of what constitutes an adverse impact,  
20 taking into consideration the number of people to be  
21 employed and the size of the community in which the location  
22 is contemplated. Any person, firm, or other group seeking to  
23 qualify its property for inclusion in this class shall make  
24 application to the department in such a manner and form as  
25 the department requires. Once the department has made an

1 initial determination that the industrial facility qualifies  
 2 as new industrial property, the department shall then, upon  
 3 proper notice, hold a hearing to determine if the new  
 4 industrial classification should be retained by the  
 5 property. The local taxing authority may appear at the  
 6 hearing and may waive its objection to retention of this  
 7 classification if the industry agrees to the prepayment of  
 8 taxes sufficient to satisfy tax requirements created by the  
 9 location and construction of the facility during the  
 10 construction period. When a prepayment of taxes is required,  
 11 the maximum amount of prepayment shall be the amount of tax  
 12 the industry would have paid without the application of the  
 13 class seven percentage to such property.

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

19 (5) ~~(a) Class eighteen property shall be in subsection~~  
 20 ~~(1)(a) is taxed at 2.0% 2% of its market value or in the~~  
 21 ~~case of property classified under (1)(a) of this section, so~~  
 22 ~~much of 2.0% as is determined under 15-7-121, whichever is~~  
 23 ~~less.~~

24 (b) Class eighteen property in subsections (1)(b)  
 25 through (1)(d) is taxed at 2.8% of its market value."

1 Section 4. Section 15-7-121, MCA, is amended to read:  
 2 "15-7-121. Reappraised real property -- limitation on  
 3 increased value. (1) The After a periodic revaluation of  
 4 taxable property as required in 15-7-111 has been completed,  
 5 ~~the~~ director of revenue shall certify to the governor  
 6 ~~before June 30, 1978,~~ the percentage by which the market  
 7 value of all property in the state classified under  
 8 15-6-112, 15-6-116(1)(b), and 15-6-119(1)(a) ~~as of~~ January  
 9 ~~1, 1977,~~ has increased due to the revaluation conducted  
 10 under ~~15-7-111.~~ This figure is the "certified statewide  
 11 percentage increase".

12 (2) The taxable value of property in these three  
 13 classes is determined as a function of the certified  
 14 statewide percentage increase in accordance with the  
 15 following table:

16 Certified statewide	15-6-112	15-6-116(1)(b)	15-6-119(1)(a)
17 percentage increase			
18 0			
19 1%	<del>11-09</del> 8.47	one-half	7/30
20 2%	<del>11-79</del> 8.40	of the	of the
21 3%	<del>11-69</del> 8.33	equiva-	equiva-
22 4%	<del>11-58</del> 8.25	lent	lent
23 5%	<del>11-49</del> 8.19	taxable	taxable
24 6%	<del>11-39</del> 8.12	percent-	percent-
25 7%	<del>11-29</del> 8.04	age under	age under

1	8%	±±w20 L.98	15-6-112	15-6-112
2	9%	±±w11 L.92		
3	10%	±±w02 L.85		
4	11%	±0w93 L.79		
5	12%	±0w84 L.72		
6	13%	±0w76 L.67		
7	14%	±0w67 L.60		
8	15%	±0w59 L.55		
9	16%	±0w51 L.49		
10	17%	±0w43 L.43		
11	18%	±0w35 L.37		
12	19%	±0w28 L.32		
13	20%	±0w20 L.27		
14	21%	±0w13 L.22		
15	22%	±0w05 L.16		
16	23%	9w98 L.11		
17	24%	9w91 L.06		
18	25%	9w84 L.01		
19	26%	9w77 6.96		
20	27%	9w70 6.91		
21	28%	9w64 6.87		
22	29%	9w57 6.82		
23	30%	9w51 6.78		
24	31%	9w44 6.73		
25	32%	9w38 6.68		

1	33%	9w32 6.64
2	34%	9w26 6.60
3	35%	9w20 6.55
4	36%	9w14 6.51
5	37%	9w08 6.47
6	38%	9w03 6.43
7	39%	8w97 6.39
8	40%	8w91 6.35
9	41%	8w86 6.31
10	42%	8w80 6.28
11	43%	8w75 6.23
12	44%	8w70 6.20
13	45%	8w65 6.16
14	46%	8w60 6.13
15	47%	8w55 6.09
16	48%	8w50 6.06
17	49%	8w45 6.02
18	50%	8w40 5.99"

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