

SENATE BILL 241

IN THE SENATE

January 24, 1979	Introduced and referred to Committee on Taxation.
January 25, 1979	Fiscal Note requested.
January 31, 1979	Fiscal note returned.
March 24, 1979	On motion, taken from Committee on Taxation and referred to second reading. Motion failed.
April 20, 1979	Died in Committee.

1 *Senators* BILL NO. 241
 2 INTRODUCED BY *Senators*

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH A
 5 LIMITATION ON THE TOTAL AMOUNT OF PROPERTY TAX THAT MAY BE
 6 COLLECTED ON CERTAIN PROPERTY AND TO PROVIDE FOR ITS
 7 ADMINISTRATION; AND TO PROVIDE AN EFFECTIVE DATE."

8
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Definitions. As used in [this act], the
 11 following definitions apply:

12 (1) "Industrial property" means property used in any
 13 process that employs labor and capital to manufacture, mill,
 14 mine, or otherwise substantially alter or treat materials in
 15 order to create commercial products or materials.

16 (2) "Transportation property" means property used to
 17 move either persons or goods and supplies, including but not
 18 limited to motor vehicles, trucks, boats, aircraft,
 19 motorcycles, recreational vehicles, and mining machinery.
 20 Farm machinery is not included in transportation property.

21 (3) "True market value" means the most current value
 22 at which property would change hands between a willing buyer
 23 and a willing seller, neither being under any compulsion to
 24 buy or to sell and both having reasonable knowledge of
 25 relevant facts.

1 Section 2. Limitation on total property tax collected.

2 (1) The total property tax collected in any year on any
 3 property, except property listed in subsection (3), may not
 4 exceed 1 1/2% of its true market value.

5 (2) If the total of the mills lawfully levied in any
 6 year on any property would produce a tax liability in excess
 7 of the limitation imposed in subsection (1), the county
 8 treasurer shall reduce each mill levy by the percentage that
 9 the total property tax liability exceeds 1 1/2% of the true
 10 market value of the property.

11 (3) The limitation imposed in subsection (1) does not
 12 apply to:

- 13 (a) agricultural or timberland;
- 14 (b) net or gross proceeds of mines;
- 15 (c) any centrally assessed property, as provided in
 16 15-23-101;
- 17 (d) industrial property; or
- 18 (e) transportation property.

19 Section 3. Determining true market value. (1) In
 20 determining the true market value of real property, the
 21 department shall use sales price data for comparable
 22 property as reported under the provisions of 15-7-304.

23 (2) This value shall be shown on the appraisal notices
 24 sent to owners of real property, as required in 15-7-102, if
 25 the true market value differs from the appraised value of

LC 0473/01

1 the property. The property owner may appeal the true market
2 value determined for his property in the same manner as he
3 would appeal the appraised value determined for his
4 property.

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

-End-

STATE OF MONTANA

REQUEST NO. 108-79

FISCAL NOTE

Form BD-15

compliance with a written request received January 27, 19 79, there is hereby submitted a Fiscal Note
Senate Bill 241 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 establishes a limitation on the total amount of property tax that may be collected on certain property and provides for its administration; and provides an effective date."

ASSUMPTION

If the interpretation of this bill is such that an aggrieved taxpayer would appear at the county offices and document the claim that the taxes on a particular parcel exceed the imposed limit, the impact should be minimal.

FISCAL IMPACT

No Fiscal Impact.

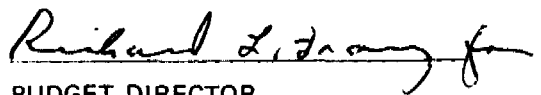
EFFECT ON LOCAL GOVERNMENT

A few high mill levy areas in Montana may be close to or exceeding the limitation imposed by this bill.

LONG-RANGE EFFECTS

As local mill levies increase more properties will fall under the limits of this bill which could reduce local government revenues.

(Prepared by the Department of Revenue)



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1/31/79