

SENATE BILL 369

IN THE SENATE

February 5, 1979	Introduced and referred to Committee on Taxation.
February 8, 1979	Fiscal note requested.
February 14, 1979	Fiscal note returned.
February 19, 1979	Committee recommend bill, do pass.
February 20, 1979	Printed and placed on members' desks.
February 21, 1979	Second reading, do pass.
February 22, 1979	Considered correctly engrossed.
February 23, 1979	Third reading, passed.

IN THE HOUSE

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

1 *Sen* BILL NO. *369*  
 2 INTRODUCED BY *Jerome D. Stewart* STEPHENS *Rob Brown*  
 3 BY REQUEST OF THE GOVERNOR

4  
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND THE STATE  
 6 FUNDED HOMESTEAD TAX RELIEF ACT BY PROVIDING AN APPLICATION  
 7 PROCEDURE, A METHOD OF COMPUTING THE AMOUNT OF RELIEF, AND A  
 8 PROCEDURE FOR ITS PAYMENT; AMENDING SECTIONS 1 THROUGH 4 OF  
 9 INITIATIVE NUMBER 72; REPEALING SECTIONS 5 THROUGH 7 OF  
 10 INITIATIVE NUMBER 72; AND PROVIDING AN EFFECTIVE DATE."

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

13 Section 1. Section 1 of Initiative No. 72 is amended  
 14 to read:

15 "Section 1. Short Title. This act shall be known as  
 16 and may be referred to as the "~~state-funded-homestead-tax~~  
 17 relief-act State Funded Homestead Tax Relief Act."

18 Section 2. Section 2 of Initiative No. 72 is amended  
 19 to read:

20 "Section 2. Definitions: As used in this act unless  
 21 the--context--requires--otherwise the following definitions  
 22 apply:

23 (1) "Dwelling" means a structure intended for human  
 24 habitation, including but not limited to mobile homes as  
 25 defined in 15-24-201.

1 ~~(2)~~ (2) "Homestead" means a dwelling or mobile home as  
 2 defined in ~~section 84-6601, Acts, 1947,~~ together with  
 3 adjacent and appurtenant land, not to exceed 1 acre,  
 4 ~~sufficient and necessary for the maintenance of~~ the  
 5 property used as the principal place of abode residence of  
 6 the household of the owner when the property is owned by the  
 7 ~~occupant or under valid contract establishing equity or~~  
 8 ~~ownership by the occupant and in whose name the property is~~  
 9 assessed.

10 (3) "Household" means a person or persons who live in  
 11 the same dwelling sharing its furnishings, facilities,  
 12 accommodations, and expense. The term does not include bona  
 13 fide lessees, tenants, or roomers and boarders on contracts.

14 (4) "Single purpose district" means a taxing  
 15 jurisdiction created by a resolution of the local governing  
 16 body or petition of the residents to perform one  
 17 governmental function, including but not limited to fire,  
 18 cemetery, and lighting districts and weed, rodent, or  
 19 mosquito control districts.

20 ~~(5)~~ (5) "Total taxable value" means the taxable value  
 21 of a homestead.

22 ~~(6)~~ (6) "State's share of the taxable value"  
 23 means a taxable value equivalent to ~~five thousand dollars~~  
 24 ~~(5,000)~~ of the appraised value of a homestead or the total  
 25 taxable value of a homestead, whichever amount is lesser.

1 ~~(7)~~ "State supported mill levies" means all  
 2 property tax levies which apply to habitable property except  
 3 ~~levies for single purpose districts,~~ voted elementary and  
 4 secondary school levies, the university ~~6-mill~~ 6-mill levy,  
 5 voted levies for the retirement of bonded indebtedness, and  
 6 ~~voted~~ levies for special improvement districts or  
 7 improvement district reserve funds which are not county-wide  
 8 ~~countywide~~ or which are supported by a fee or charge rather  
 9 than an ad valorem tax levy.

10 ~~(5)(b)~~ "State's share of the tax liability"  
 11 means the ~~state share taxable value for each homestead in~~  
 12 ~~each taxing jurisdiction times the state supported mill~~  
 13 ~~levies in that taxing jurisdiction~~ statewide basic relief  
 14 amount multiplied by the statewide funding adjustment.

15 ~~(6)~~ "Homestead owner's taxable value" means the total  
 16 taxable value of the homestead less the state share taxable  
 17 values

18 (9) "Statewide basic relief amount" means the state's  
 19 share of the taxable value for each homestead in each taxing  
 20 jurisdiction multiplied by the appropriate state supported  
 21 mill levy in that taxing jurisdiction.

22 (10) "Statewide funding adjustment" means a fraction  
 23 obtained by dividing the fiscal year appropriation provided  
 24 by the legislature less administrative costs by the  
 25 statewide basic relief amount and rounding the answer to the

1 next lowest whole percent. The fraction so determined may  
 2 not exceed 1."

3 Section 3. Application for homestead tax relief --  
 4 exclusions. (1) To be eligible for homestead tax relief, a  
 5 homestead owner must file a completed application with the  
 6 agent of the department of revenue before July 1 of the year  
 7 for which the relief is sought or within 30 days after  
 8 distribution of the applications by the department,  
 9 whichever is later.

10 (2) No homestead owner may apply for relief on:

11 (a) a homestead that was leased or rented to another  
 12 for more than 3 months during the previous year;

13 (b) more than one homestead; or

14 (c) a homestead assessed in the name of another  
 15 person.

16 Section 4. Section 3 of Initiative No. 72 is amended  
 17 to read:

18 "Section 3. Homestead owner's tax liability. The tax  
 19 liability of a homestead owner shall be computed by  
 20 deducting the state share tax liability from the tax  
 21 liability on the total taxable values. Each tax statement  
 22 sent to the person in whose name the property is assessed  
 23 shall set forth separately the total tax due, the state  
 24 share tax liability and the homestead owner's tax liability  
 25 and shall total the amounts as such. (1) For purposes of

1 this act, the applicant in whose name a homestead is  
 2 assessed is liable for the entire property tax due on the  
 3 homestead.

4 (2) The warrant for the state's share of the tax  
 5 liability shall be issued in the applicant's name. If the  
 6 annual tax liability for a homestead is divided among  
 7 several persons, these persons must reach a private  
 8 agreement for dividing the state's share of the tax  
 9 liability proportionately. No agents or officers of the  
 10 state or any of its political subdivisions may assist these  
 11 persons in reaching an agreement."

12 Section 5. Section 4 of Initiative No. 72 is amended  
 13 to read:

14 "Section 4. Duties of the department of revenue. (1)  
 15 The department of revenue shall: ~~compute the state share tax~~  
 16 ~~liability according to this act and shall certify this~~  
 17 ~~amount by county.~~

18 (a) make application forms for homestead tax relief  
 19 available to all homestead owners each year that the  
 20 legislature has appropriated funds for such relief;

21 (b) determine the eligibility of each applicant;

22 (c) compute the state's share of the tax liability for  
 23 the homestead of each eligible applicant;

24 (d) cause a warrant for that amount to be issued to  
 25 the applicant and mailed to the address shown on his

1 application; and

2 (e) certify the total amount of the state's share of  
 3 the tax liability for each county.

4 (2) The department of revenue may adopt rules  
 5 necessary for the administration of [this act].\*

6 Section 6. Sections 5 through 7 of Initiative No. 72  
 7 are repealed.

8 Section 7. Effective date. This act is effective on  
 9 passage and approval.

-End-

STATE OF MONTANA

REQUEST NO. 296-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 9 , 19 79 , there is hereby submitted a Fiscal Note for Senate Bill 369 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

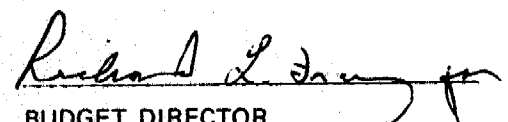
This proposed bill amends the state funded homestead tax relief act by providing an application procedure, a method of computing the amount of relief, and a procedure for its payment, and providing an effective date.

FISCAL IMPACT

This proposal would simply change the method of obtaining homestead relief from a statement to be credited to the property tax bill to a warrant for the amount of relief. There would be no fiscal impact other than the costs of processing state warrants. It is estimated by the State Auditors' office that an additional cost of \$30,000 would be incurred in order to handle the costs of state warrants each year.

Funding for the additional cost is provided in the Executive Budget.

(Prepared by the Department of Revenue)



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/14/79

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 6 ~~the household of the owner when the property is owned by the~~  
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-2- *58569*  
 THIRD READING

1 ~~(4)(I)~~ "State supported mill levies" means all  
 2 property tax levies which apply to habitable property except  
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 4 secondary school levies, the university ~~6-mill~~ 6-mill levy,  
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