

House Bill 160

In The House

January 12, 1981	Introduced and referred to Committee on Taxation.
January 13, 1981	Fiscal note requested.
January 16, 1981	Fiscal note returned.
March 30, 1981	On motion rules suspended and bill to be transmitted on the 75th Legislative day.
April 2, 1981	Committee recommend bill do pass.
April 3, 1981	Bill printed and placed on members' desks.
April 4, 1981	On motion rules suspended and bill allowed to be transmitted on the 76th Legislative day. Second reading passed.
April 6, 1981	Considered correctly engrossed. Third reading passed.

In The Senate

April 7, 1981	On motion and consent, bill allowed to be recieved and considered this session.
April 7, 1981	Introduced and referred to Committee on Taxation.
April 23, 1981	Died in Committee.

HOUSE BILL NO. 160

INTRODUCED BY

Solis Walker Thayer

A BILL FOR AN ACT ENTITLED: "AN ACT TO INCLUDE IN CLASS FIVE PROPERTY THE DWELLING HOUSE OF AN HONORABLY DISCHARGED, DISABLED VETERAN; AMENDING SECTION 15-6-135, MCA."

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

Section 1. Section 15-6-135, MCA, is amended to read:

"15-6-135. Class five property -- description -- taxable percentage. (1) Class five property includes:

(a) all property used and owned by cooperative rural electrical and cooperative rural telephone associations organized under the laws of Montana, except property owned by cooperative organizations described in subsection (1)(c) of 15-6-137;

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

(c) truck campers, motor homes, and camping and travel trailers, including fifth-wheel trailers, owned by and actually used primarily by a person 60 years of age or older who:

(i) is retired from full employment; and

(ii) whose total income from all sources is not more than \$7,000 for a single person or \$8,000 for a married

couple;

(d) new industrial property as defined in this section;

(e) any personal or real property used primarily in the production of gasoline during construction and for the first 3 years of its operation;

~~(f) 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.~~

(2) (a) "Air and water pollution equipment" means facilities, machinery, or equipment used to reduce or control water or atmospheric pollution or contamination by removing, reducing, altering, disposing, or storing pollutants, contaminants, wastes, or heat. The department of health and environmental sciences shall determine if such utilization is being made.

(b) The department's determination [as to air pollution equipment] may be appealed to the board of health

1 and environmental sciences and may not be appealed to either
 2 a county tax appeal board or the state tax appeal board.
 3 However, the appraised value of the equipment as determined
 4 by the department of revenue may be appealed to the county
 5 tax appeal board and the state tax appeal board.

6 (3) "New industrial property" means any new industrial
 7 plant, including land, buildings, machinery, and fixtures,
 8 used by new industries during the first 3 years of their
 9 operation. The property may not have been assessed within
 10 the state of Montana prior to July 1, 1961.

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

17 (b) New industry includes only those industries that:

18 (i) manufacture, mill, mine, produce, process, or
 19 fabricate materials;

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

25 (iii) engage in the mechanical or chemical

1 transformation of materials or substances into new products
 2 in the manner defined as manufacturing in the 1972 Standard
 3 Industrial Classification Manual prepared by the United
 4 States office of management and budget.

5 (5) New industrial property does not include:

6 (a) property used by retail or wholesale merchants,
 7 commercial services of any type, agriculture, trades, or
 8 professions;

9 (b) a plant that will create adverse impact on
 10 existing state, county, or municipal services; or

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

14 (6) Class five property is taxed at 3% of its market
 15 value."

-End-

STATE OF MONTANA

REQUEST NO. 90-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 15, 19 81, there is hereby submitted a Fiscal Note for House Bill 160 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

An act to include in class five property the dwelling house of an honorably discharged disabled veteran.

ASSUMPTIONS

1. There are 500 veterans that are 100 percent disabled, of which 320 own their own home. (64 percent are homeowners) No figures are available on the number of surviving spouses.
2. Due to the current income limits, these individuals face taxable values that are 8.55 percent of assessed value.
3. The average assessed value of their homes is \$28,552.
4. Mill levies are 220 for the state and 6 for the University Levy.

FISCAL IMPACT

UNIVERSITY LEVY	FY 82	FY 83
Under current law	NONE	\$7,323
Under proposed law		<u>2,570</u>
Estimated Decrease		(\$4,753)

EFFECT ON LOCAL GOVERNMENTS

The proposal would reduce county tax revenue by \$174,311 in FY 83.
Current law - \$268,532 Proposed law - \$94,221

PREPARED BY THE DEPARTMENT OF REVENUE

David M. Lewy

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-16-81

Approved by Committee
on Taxation

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

(c) truck campers, motor homes, and camping and travel trailers, including fifth-wheel trailers, owned by and actually used primarily by a person 60 years of age or older who:

(i) is retired from full employment; and

(ii) whose total income from all sources is not more than \$7,000 for a single person or \$8,000 for a married

couple;

(d) new industrial property as defined in this section;

(e) any personal or real property used primarily in the production of gasohol during construction and for the first 3 years of its operation;

~~(f) 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.~~

(2) (a) "Air and water pollution equipment" means facilities, machinery, or equipment used to reduce or control water or atmospheric pollution or contamination by removing, reducing, altering, disposing, or storing pollutants, contaminants, wastes, or heat. The department of health and environmental sciences shall determine if such utilization is being made.

(b) The department's determination [as to air pollution equipment] may be appealed to the board of health

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11 (4) (a) "New industry" means any person, corporation,
 12 firm, partnership, association, or other group that
 13 establishes a new plant in Montana for the operation of a
 14 new industrial endeavor, as distinguished from a mere
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 16 industry.

17 (b) New industry includes only those industries that:

18 (i) manufacture, mill, mine, produce, process, or
 19 fabricate materials;

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