

House Bill 221

In The House

January 14, 1981	Introduced and referred to Committee on Taxation.
January 16, 1981	Fiscal note requested.
January 21, 1981	Fiscal note returned.
February 7, 1981	Committee recommend bill do not pass.

1 HOUSE BILL NO. 221
2 INTRODUCTION BY Burnett

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW CERTAIN
5 INTEREST TO BE INCLUDED IN THE CREDIT AGAINST PROPERTY TAXES
6 FOR TAX PREPAYMENTS ON NEW INDUSTRIAL FACILITIES; AMENDING
7 SECTION 15-16-201, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
8 DATE."

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

11 Section 1. Section 15-16-201, MCA, is amended to read:

12 "15-16-201. Tax prepayment -- new industrial
13 facilities. (1) A person intending to construct or locate a
14 major new industrial facility, as defined in subsection (2)
15 of this section, shall upon request of the board of county
16 commissioners of the county in which the facility is to be
17 located, prepay, when permission is granted to construct or
18 locate by the appropriate governmental agency, an amount
19 equal to three times the estimated property tax due the year
20 the facility is completed. The person who is to prepay under
21 this section shall not be obligated to prepay the entire
22 amount at one time but, upon request of the board of county
23 commissioners of the county, shall prepay only that amount
24 shown to be needed from time to time. To assure this payment
25 or payments, the person who is to prepay shall guarantee to

1 the board of county commissioners and also have a bank or
2 banks guarantee that these amounts will be paid as needed
3 for expenditures created by the impact. When the facility is
4 completed and assessed by the department of revenue, it
5 shall be subject during the first 3 years and thereafter to
6 taxation as all other property similarly situated, except
7 that one-fifth of the amount prepaid, plus interest at the
8 rate of 12% a year, shall be allowed as a credit against
9 property taxes in each of the first 5 years after the start
10 of productive operation of the facility. In the first year
11 that this credit is allowed, the interest shall be
12 calculated on the amount of prepaid tax from the date of
13 prepayment until the allowance of the credit; thereafter,
14 the amount of the interest shall be calculated on the
15 remaining balance of the prepaid tax.

16 (2) A major new industrial facility is a manufacturing
17 or mining facility which will employ on an average annual
18 basis at least 100 people in construction or operation of
19 the facility and which will create a substantial adverse
20 impact on existing state, county, or municipal services."

21 Section 2. Effective date. This act is effective on
22 passage and approval.

-End-

-2- INTRODUCED BILL
HB 221

STATE OF MONTANA

REQUEST NO. 123-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 18, 19 81, there is hereby submitted a Fiscal Note for HOUSE BILL 221 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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.

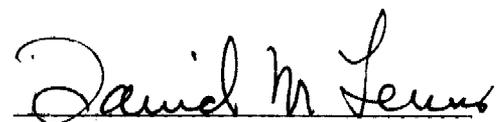
DESCRIPTION

An act to allow certain interest to be included in the credit against property taxes for tax prepayment on new industrial facilities.

FISCAL IMPACT

It is felt this proposal would have an insignificant fiscal impact. However, no data are available to provide an estimate of the impact.

PREPARED BY THE DEPARTMENT OF REVENUE



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-21-81