

HOUSE BILL NO. 609

INTRODUCED BY FABREGA, HARP, MOORE

IN THE HOUSE

February 2, 1981	Introduced and referred to Committee on Taxation.
February 19, 1981	Committee recommend bill do not pass. Report adopted. Objection. Rereferred to Committee on Taxation.
March 28, 1981	On motion that the adverse committee report be postponed until the 71st legislative day. Motion adopted.
March 30, 1981	On motion rules suspended and bill allowed to be transmitted on the 75th legislative day.
April 3, 1981	Committee recommend bill do pass as amended. Report adopted.
April 4, 1981	Transmittal date extended to the 76th legislative day. Bill printed and placed on members' desks.
April 6, 1981	Second reading, do pass as amended. On motion rules suspended and bill placed on third reading this day. Third reading, passed. Ayes, 91; Noes, 4. Transmitted to Senate.

IN THE SENATE

April 7, 1981

By motion and consent bill allowed to be received and considered this session.

Introduced and referred to Committee on Taxation.

April 14, 1981

Committee recommend bill be concurred in as amended. Report adopted.

April 15, 1981

Second reading, pass consideration.

April 16, 1981

Second reading, concurred in as amended.

April 17, 1981

Third reading, concurred in as amended. Ayes, 49; Noes, 0.

IN THE HOUSE

April 20, 1981

Returned from Senate with amendments.

April 22, 1981

Second reading, amendments concurred in.

On motion rules suspended and bill placed on third reading this day.

Third reading, amendments concurred in. Ayes, 81; Noes, 16. Sent to enrolling.

Reported correctly enrolled.

1 percentage established in subsection (2)(a), or 4.275%."

2 **NEW SECTION.** Section 2. Definitions. The following
3 definitions apply to [section 3] unless the context requires
4 otherwise:

5 (1) "New or expanding" means that the manufacturing
6 industry is new to the jurisdiction approving the resolution
7 provided for in [section 3(2)] or that the manufacturing
8 industry has added qualifying improvements to its property
9 within the same jurisdiction since July 1, 1981.

10 (2) "Manufacturing industry" means an industry that
11 engages in the mechanical or chemical transformation of
12 materials or substances into new products in the manner
13 defined as manufacturing in the 1972 Standard Industrial
14 Classification Manual prepared by the United States office
15 of management and budget.

16 **NEW SECTION.** Section 3. New or expanding
17 manufacturing industry -- assessment. (1) New manufacturing
18 industry construction or expansion of an existing
19 manufacturing industry may not be taxed during the
20 construction period. In the first 5 years after
21 construction, the property shall be taxed at 50% of its
22 taxable value. Each year thereafter, the percentage shall be
23 increased by 10% until the full taxable value is attained in
24 the 10th year. In subsequent years, the property shall be
25 taxed at 100% of its taxable value.

1 (2) In order for a taxpayer to receive the tax
2 benefits described in subsection (1), the governing body of
3 each affected county or incorporated city or town must have
4 approved by resolution the use of the schedule provided for
5 in subsection (1) for their respective jurisdiction.

6 Section 4. Effective date. This act is effective on
7 July 1, 1981, and applies to taxable years beginning after
8 December 31, 1981.

-End-

Approved by Committee
on Taxation

HOUSE BILL NO. 609

INTRODUCED BY FABREGA, HARP, MOORE

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A GRADUATED SCHEDULE FOR THE TAX RATE APPLICABLE TO IMPROVEMENTS ON REAL PROPERTY FOR NEW AND EXPANDING MANUFACTURING INDUSTRY; PROVIDING FOR LOCAL GOVERNMENT APPROVAL; AMENDING SECTION 15-6-134, MCA; PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 15-6-134, MCA, is amended to read:

"15-6-134. Class four property -- description -- taxable percentage. (1) Class four property includes:

(a) all land except that specifically included in another class;

(b) all improvements except those specifically included in another class;

(c) all trailers and mobile homes used as permanent dwellings except:

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

(ii) those specifically included in another class;

(d) the first \$35,000 or less of the market value of any improvement on real property or a trailer or mobile home used as a permanent dwelling and appurtenant land not

exceeding 5 acres owned or under contract for deed and actually occupied for at least 10 months a year as the primary residential dwelling of:

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

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

(iii) 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;

(e) all golf courses, including land and improvements actually and necessarily used for that purpose, that:

(i) consist of at least 9 holes and not less than 3,000 lineal yards; and

(ii) were used as a golf course on January 1, 1979, and were owned by a nonprofit Montana corporation.

(2) Class four property is taxed as follows:

(a) Property Except as provided in [section 3], property described in subsections (1)(a) through (1)(c) is taxed at 8.55% of its market value.

(b) Property described in subsection subsections (1)(d) and (1)(e) is taxed at one-half the taxable

1 percentage established in subsection (2)(a), or 4.275%."

2 NEW SECTION. Section 2. Definitions. The following

3 definitions apply to [section 3] unless the context requires

4 otherwise:

5 (1) "New or expanding" means that the manufacturing

6 industry is new to the jurisdiction approving the resolution

7 provided for in [section 3(2)] or that the manufacturing

8 industry has added qualifying improvements to its property

9 within the same jurisdiction since July 1, 1981.

10 (2) "Manufacturing industry" means an industry that

11 engages in the mechanical or chemical transformation of

12 materials or substances into new products in the manner

13 defined as manufacturing in the 1972 Standard Industrial

14 Classification Manual prepared by the United States office

15 of management and budget.

16 NEW SECTION. Section 3. New or expanding

17 manufacturing industry -- assessment. (1) ~~New-manufacturing~~

18 ~~industry--construction--or--expansion--of--an--existing~~

19 ~~manufacturing--industry--may--not--be--taxed--during--the~~

20 ~~construction--period.~~ In the first 5 years after A

21 construction PERMIT IS ISSUED, the property shall be taxed

22 at 50% of its taxable value. Each year thereafter, the

23 percentage shall be increased by 10% until the full taxable

24 value is attained in the 10th year. In subsequent years, the

25 property shall be taxed at 100% of its taxable value.

1 (2) (A) In order for a taxpayer to receive the tax

2 benefits described in subsection (1), the governing body of

3 ~~each~~ THE affected county or THE incorporated city or town

4 must have approved by resolution the use of the schedule

5 provided for in subsection (1) for ~~their~~ ITS respective

6 jurisdiction AND THE MAJORITY OF THE ELECTORS OF THE TAXING

7 JURISDICTION MUST HAVE APPROVED THE RESOLUTION AT A GENERAL

8 ELECTION.

9 (B) THE ELECTORS MAY END THE TAX BENEFITS BY MAJORITY

10 VOTE AT A GENERAL ELECTION, BUT THE TAX BENEFITS MAY NOT BE

11 DENIED AN INDUSTRIAL FACILITY THAT PREVIOUSLY RECEIVED THE

12 BENEFITS.

13 (C) THE RESOLUTION PROVIDED FOR IN SUBSECTION (2)(A)

14 SHALL INCLUDE A DEFINITION OF IMPROVEMENTS THAT QUALIFY FOR

15 THE TAX TREATMENT THAT IS TO BE ALLOWED IN THE TAXING

16 JURISDICTION.

17 (3) THE TAXPAYER MUST APPLY TO THE COUNTY ASSESSOR ON

18 A FORM PROVIDED BY THE DEPARTMENT OF REVENUE FOR THE TAX

19 TREATMENT ALLOWED UNDER SUBSECTION (1). THE APPLICATION BY

20 THE TAXPAYER MUST FIRST BE APPROVED BY THE GOVERNING BODY OF

21 THE APPROPRIATE LOCAL TAXING JURISDICTION, AND THE GOVERNING

22 BODY MUST INDICATE IN ITS APPROVAL THAT THE PROPERTY OF THE

23 APPLICANT QUALIFIES FOR THE TAX TREATMENT PROVIDED FOR IN

24 THIS SECTION. UPON RECEIPT OF THE FORM WITH THE APPROVAL OF

25 THE GOVERNING BODY OF THE AFFECTED TAXING JURISDICTION, THE

1 ASSESSOR SHALL MAKE THE ASSESSMENT CHANGE PURSUANT TO THIS

2 SECTION.

3 Section 4. Effective date. This act is effective on
4 July 1, 1981, and applies to taxable years beginning after
5 December 31, 1981.

-End-

1 HOUSE BILL NO. 609

2 INTRODUCED BY FABREGA, HARP, MOORE

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4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A GRADUATED
5 SCHEDULE FOR THE TAX RATE APPLICABLE TO IMPROVEMENTS ON REAL
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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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13 taxable percentage. (1) Class four property includes:14 (a) all land except that specifically included in
15 another class;16 (b) all improvements except those specifically
17 included in another class;18 (c) all trailers and mobile homes used as permanent
19 dwellings except:20 (i) those held by a distributor or dealer of trailers
21 or mobile homes as his stock in trade; and

22 (ii) those specifically included in another class;

23 (d) the first \$35,000 or less of the market value of
24 any improvement on real property or a trailer or mobile home
25 used as a permanent dwelling and appurtenant land not

1 exceeding 5 acres owned or under contract for deed and
2 actually occupied for at least 10 months a year as the
3 primary residential dwelling of:

4 (i) a widow or widower 62 years of age or older who
5 qualifies under the income limitations of (iii) of this
6 subsection;7 (ii) a widow or widower of any age with dependent
8 children who qualifies under the income limitations of (iii)
9 of this subsection; or10 (iii) a recipient or recipients of retirement or
11 disability benefits whose total income from all sources is
12 not more than \$7,000 for a single person or \$8,000 for a
13 married couple;14 (e) all golf courses, including land and improvements
15 actually and necessarily used for that purpose, that:16 (i) consist of at least 9 holes and not less than
17 3,000 lineal yards; and18 (ii) were used as a golf course on January 1, 1979, and
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23 taxed at 8.55% of its market value.24 (b) Property described in subsection subsections
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21 CONSTRUCTION PERMIT IS ISSUED, the property IMPROVEMENTS TO
22 REAL PROPERTY THAT REPRESENT NEW MANUFACTURING INDUSTRY
23 CONSTRUCTION OR EXPANSION OF AN EXISTING MANUFACTURING
24 INDUSTRY shall be taxed at 50% of its THEIR taxable value.
25 Each year thereafter, the percentage shall be increased by

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3 100% of its taxable value.

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6 each THE affected county or THE incorporated city or town
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12 (B) THE ELECTORS MAY END THE TAX BENEFITS BY MAJORITY
13 VOTE AT A GENERAL ELECTION, BUT THE TAX BENEFITS MAY NOT BE
14 DENIED AN INDUSTRIAL FACILITY THAT PREVIOUSLY RECEIVED THE
15 BENEFITS.

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18 THE TAX TREATMENT THAT IS TO BE ALLOWED IN THE TAXING
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10 ~~OF--THE--ELECTORS--OF--THE--TAXING--JURISDICTION--MUST--HAVE~~
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12 (B) THE ELECTORS GOVERNING BODY MAY END THE TAX
13 BENEFITS BY MAJORITY VOTE AT A GENERAL ELECTION ANY TIME,
14 BUT THE TAX BENEFITS MAY NOT BE DENIED AN INDUSTRIAL
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-End-

April 14, 1981

SENATE STANDING COMMITTEE REPORT
(Taxation

That House Bill No. 609 be amended as follows:

1. Page 4, line 7
Following: "resolution"
Insert: ";following a public hearing,"

April 16, 1981

SENATE COMMITTEE OF THE WHOLE

Proposed amendments to House Bill 609, third reading copy, as follows:

1. Page 4, line 1.
Strike: "10%"
Insert: "equal percentages"
2. Page 4, line 12.
Following: "(B) THE"
Strike: "ELECTORS"
Insert: "governing body"
3. Page 4, line 13.
Following: "AT"
Strike: "A GENERAL ELECTION"
Insert: "any time"
4. Page 4, line 14.
Following: "PREVIOUSLY"
Strike: "RECEIVED"
Insert: "qualified for"