

House Joint Resolution 52

In The House

March 11, 1981	Introduced and referred to Committee on Taxation.
March 26, 1981	Committee recommend bill do pass as amended.
March 27, 1981	Bill printed and placed on members' desks.
March 28, 1981	Motion pass consideration to 70th legislative day.
March 30, 1981	Motion pass consideration to the 72nd legislative day.
	On motion rules suspended and bill allowed to be transmitted on the 75th legislative day.
April 1, 1981	Second reading pass consideration to the 74th legislative day.
April 4, 1981	On motion rules suspended and bill allowed to be transmitted on the 76th legislative day.
April 6, 1981	Second reading do apss.
	On motion rules suspended and bill placed on third reading this day.
	Third reading passed.

In The Senate

April 7, 1981	Introduced and referred to Committee on Taxation.
April 15, 1981	Committee recommend bill concurred as amended.
April 17, 1981	Second reading concurred.

April 17, 1981

On motion rules suspended.  
Bill placed on calendar for  
third reading this day.

Third reading concurred  
as amended.

In The House

April 20, 1981

Returned from Senate  
concurred as amended.

April 22, 1981

Second reading amendment  
not concurred.

1 HOUSE JOINT RESOLUTION NO. 52 *Goodwin*  
2 INTRODUCED BY *Linister Norman Turnage*  
3 WILLIAM S.  
BY REQUEST OF THE HOUSE JOINT RESOLUTION NO. 5 COMMITTEE

5 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF  
6 REPRESENTATIVES OF THE STATE OF MONTANA URGING THE  
7 DEPARTMENT OF REVENUE TO REACH A SETTLEMENT WITH TAXPAYERS  
8 WHO HAVE APPEALED THEIR PROPERTY TAXES ON THE BASIS OF A  
9 DISPARITY BETWEEN MANUALS USED FOR RESIDENTIAL PROPERTY AND  
10 THAT USED FOR COMMERCIAL AND INDUSTRIAL PROPERTY.

12 WHEREAS, there are a large number of court cases and  
13 administrative appeals contesting the manner in which  
14 commercial and industrial property and residential property  
15 in the State of Montana have been valued for the tax  
16 purposes; and

17 WHEREAS, the Montana Supreme Court has reviewed the  
18 matter and remanded it to the State Tax Appeal Board for  
19 further proceedings. Furthermore, it appears that more than  
20 3,300 appeals on this issue are still pending before the  
21 State Tax Appeal Board, and an undetermined number of law  
22 suits on the same issue have been filed in the courts of  
23 Montana; and

24 WHEREAS, there may be disparity between the value of  
25 commercial and industrial property and that of residential

1 property; and

2 WHEREAS, it is in the best interest of the State of

3 Montana and the taxpayers to settle this litigation; and

4 WHEREAS, the tax involved in the above-mentioned

5 appeals and lawsuits is approximately \$7.5 million, and if

6 the appeals and lawsuits can be settled with a 10% reduction

7 in the involved taxes, the impact is approximately

8 \$2,205,000; and

9 WHEREAS, local government units, which depend on

10 property tax revenues to provide government services, have

11 been unable to collect revenues from a great deal of

12 commercial and industrial property while this controversy

13 continues, have suffered financial hardship, and have seen

14 tax increment financing programs and other needed local

15 government activities jeopardized; and

16 WHEREAS, the passage of Senate Bill No. 483, which

17 addresses this problem for the future, offers a solution on

18 this issue for the tax years 1981 and beyond.

19

20 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE

21 OF REPRESENTATIVES OF THE STATE OF MONTANA:

22 That the Department of Revenue arrange conferences with

23 taxpayers who have filed appeals with the State Tax Appeal

24 Board or suits in a District Court on the issue of the

25 disparity between taxation of residential improvements and

1 commercial and industrial improvements to real property for  
2 the tax years 1978, 1979, and 1980.

3 BE IT FURTHER RESOLVED, that these conferences have as  
4 their objective a fair and reasonable settlement in the  
5 above-mentioned appeals and lawsuits.

6 BE IT FURTHER RESOLVED, that the Legislature finds a  
7 reduction in taxes of 10% for the tax years 1978, 1979, and  
8 1980 for commercial and industrial real property  
9 improvements involved in the above-mentioned appeals and  
10 lawsuits to be reasonable and recommends this percentage  
11 reduction to the litigants as a basis of settlement.

12 BE IT FURTHER RESOLVED, that, as soon as settlements  
13 are reached, the Department of Revenue and the taxpayer  
14 shall so stipulate; and the stipulation shall immediately be  
15 filed with the court or with the State Tax Appeal Board,  
16 whichever has jurisdiction, so that court cases and appeals  
17 may be disposed of and appropriate orders for the payment of  
18 taxes in the agreed amounts may be issued.

-End-

Approved by Committee  
on Taxation

1                   HOUSE JOINT RESOLUTION NO. 52  
2                   INTRODUCED BY SIVERTSEN, NORMAN, TURNAGE, GOODOVER, WILLIAMS  
3                   BY REQUEST OF THE HOUSE JOINT RESOLUTION NO. 5 COMMITTEE  
4  
5                   A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF  
6                   REPRESENTATIVES OF THE STATE OF MONTANA URGING THE  
7                   DEPARTMENT OF REVENUE TO REACH A SETTLEMENT WITH TAXPAYERS  
8                   WHO HAVE APPEALED THEIR PROPERTY TAXES ON THE BASIS OF A  
9                   DISPARITY BETWEEN MANUALS USED FOR RESIDENTIAL PROPERTY AND  
10                   THAT USED FOR COMMERCIAL AND INDUSTRIAL PROPERTY.

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12                   WHEREAS, there are a large number of court cases and  
13                   administrative appeals contesting the manner in which  
14                   commercial and industrial property and residential property  
15                   in the State of Montana have been valued APPRAISED for the  
16                   tax purposes; and

17                   WHEREAS, the Montana Supreme Court has reviewed the  
18                   matter and remanded it to the State Tax Appeal Board for  
19                   further proceedings. Furthermore, it appears that more than  
20                   3,300 appeals on this issue are still pending before the  
21                   State Tax Appeal Board, and an undetermined number of law  
22                   suits on the same issue have been filed in the courts of  
23                   Montana; and

24                   WHEREAS, there may be disparity between the APPRAISED  
25                   value of commercial and industrial property and that of

1                   residential property; and  
2                   WHEREAS, it is in the best interest of the State of  
3                   Montana and the taxpayers to settle this litigation; and  
4                   WHEREAS, the tax involved in the above-mentioned  
5                   appeals and lawsuits is approximately \$7.5 million, and if  
6                   the appeals and lawsuits can be settled with a ~~10%~~ ~~12%~~  
7                   reduction in the involved taxes, the impact is approximately  
8                   \$2,205,000 ~~\$2,646,000~~; and  
9                   WHEREAS, local government units, which depend on  
10                   property tax revenues to provide government services, have  
11                   been unable to collect revenues from a great deal of  
12                   commercial and industrial property while this controversy  
13                   continues, have suffered financial hardship, and have seen  
14                   tax increment financing programs and other needed local  
15                   government activities jeopardized; and  
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17                   addresses this problem for the future, offers a solution on  
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21                   OF REPRESENTATIVES OF THE STATE OF MONTANA:  
22                   That the Department of Revenue arrange conferences with  
23                   taxpayers who have filed appeals with the State Tax Appeal  
24                   Board or suits in a District Court on the issue of the  
25                   disparity between taxation of residential improvements and

1 commercial and industrial improvements to real property for  
2 the tax years 1978, 1979, and 1980.

3 BE IT FURTHER RESOLVED, that these conferences have as  
4 their objective a fair and reasonable settlement in the  
5 above-mentioned appeals and lawsuits.

6 BE IT FURTHER RESOLVED, that the Legislature finds a  
7 reduction in taxes of ~~10%~~ 12% for the tax years 1978, 1979,  
8 and 1980 for commercial and industrial real property  
9 improvements involved in the above-mentioned appeals and  
10 lawsuits to be reasonable and recommends this percentage  
11 reduction to the litigants as a basis of settlement.

12 BE IT FURTHER RESOLVED, that, as soon as settlements  
13 are reached, the Department of Revenue and the taxpayer  
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18 taxes in the agreed amounts may be issued.

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16 tax purposes; and

17 WHEREAS, the Montana Supreme Court has reviewed the  
18 matter and remanded it to the State Tax Appeal Board for  
19 further proceedings. Furthermore, it appears that more than  
20 3,300 appeals on this issue are still pending before the  
21 State Tax Appeal Board, and an undetermined number of law  
22 suits on the same issue have been filed in the courts of  
23 Montana; and

24 WHEREAS, there may be disparity between the APPRaised  
25 value of commercial and industrial property and that of

1 commercial and industrial improvements to real property for  
2 the tax years 1978, 1979, and 1980.

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25 value of commercial and industrial property and that of

1 commercial and industrial improvements to real property for  
2 the tax years 1978, 1979, and 1980.

3 BE IT FURTHER RESOLVED, that these conferences have as  
4 their objective a fair and reasonable settlement in the  
5 above-mentioned appeals and lawsuits.

6 BE IT FURTHER RESOLVED, that the Legislature finds a  
7 reduction--in-taxes--of ~~10%~~ ~~2%~~ for-the-tax-years-1978-1979-  
8 end--1980--for--commercial--and--industrial--real--property  
9 improvements--involved--in--the--above--mentioned--appeals--and  
10 lawsuits--to--be--reasonable--and--recommends--this--percentage  
11 reduction--to--the--litigants--as--a--basis--of--settlements. THAT IT  
12 IS IN THE BEST INTEREST OF THE STATE OF MONTANA, THE  
13 DEPARTMENT OF REVENUE, THE TAXPAYERS AND LOCAL GOVERNMENTS  
14 TO SETTLE ON AN APPROPRIATE AND REASONABLE REDUCTION OF  
15 TAXES ON COMMERCIAL AND INDUSTRIAL PROPERTY FOR THE TAX  
16 YEARS 1978, 1979, AND 1980 TO AVOID EXTENSIVE AND EXPENSIVE  
17 LITIGATION.

18 BE IT FURTHER RESOLVED, THAT THE DEPARTMENT OF REVENUE  
19 IS HEREBY ENCOURAGED TO OFFER TO SETTLE EACH CASE PENDING  
20 AND THAT THE LEGISLATURE ENDORSES ALL REASONABLE SETTLEMENTS  
21 REACHED BY MUTUAL AGREEMENT OF THE DEPARTMENT OF REVENUE AND  
22 THE TAXPAYER.

23 BE IT FURTHER RESOLVED, that as soon as settlements  
24 are reached, the Department of Revenue and the taxpayer  
25 shall so stipulate; and the stipulation shall immediately be

1 filed with the court or with the State Tax Appeal Board,  
2 whichever has jurisdiction, so that court cases and appeals  
3 may be disposed of and appropriate orders for the payment of  
4 taxes in the agreed amounts may be issued.

-End-

April 15, 1981

SENATE STANDING COMMITTEE REPORT  
(Taxation)

That House Joint Resolution No. 52 be amended as follows:

1. Page 2, line 5.

Following: "million"

Strike: remainder of the text through "\$2,646,000" on line 8

2. Page 3, line 6.

Following: "finds"

Strike: Remainder of the text through line 11

Insert: "that it is in the best interest of the state of Montana, the Department of Revenue, the taxpayers and local governments to settle on an appropriate and reasonable reduction of taxes on commercial and industrial property for the tax years 1978, 1979, and 1980 to avoid extensive and expensive litigation.

BE IT FURTHER RESOLVED, that the Department of Revenue is hereby encouraged to offer to settle each case pending and that the legislature endorses all reasonable settlements reached by mutual agreement of the Department of Revenue and the taxpayer."