

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 *Boakover*
 2 INTRODUCED BY *Dieter* *Norman* *Ternag*
 3 *Williams*
 4 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.

11
 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

LC 1505/01

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

HOUSE JOINT RESOLUTION NO. 52

INTRODUCED BY SIVERTSEN, NORMAN, TURNAGE, GOODOVER, WILLIAMS

BY REQUEST OF THE HOUSE JOINT RESOLUTION NO. 5 COMMITTEE

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

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

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

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

residential property; and

WHEREAS, it is in the best interest of the State of Montana and the taxpayers to settle this litigation; and

WHEREAS, the tax involved in the above-mentioned appeals and lawsuits is approximately \$7.5 million, and if the appeals and lawsuits can be settled with a ~~10%~~ 12% reduction in the involved taxes, the impact is approximately ~~\$2,205,000~~ \$2,646,000; and

WHEREAS, local government units, which depend on property tax revenues to provide government services, have been unable to collect revenues from a great deal of commercial and industrial property while this controversy continues, have suffered financial hardship, and have seen tax increment financing programs and other needed local government activities jeopardized; and

WHEREAS, the passage of Senate Bill No. 483, which addresses this problem for the future, offers a solution on this issue for the tax years 1981 and beyond.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Department of Revenue arrange conferences with taxpayers who have filed appeals with the State Tax Appeal Board or suits in a District Court on the issue of the disparity between taxation of residential improvements and

HJR 0052/02

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,
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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 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 ~~±0%~~ 12%
7 reduction in the involved taxes, the impact is approximately
8 ~~\$2,205,000~~ \$2,646,000; and

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10 property tax revenues to provide government services, have
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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
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18 this issue for the tax years 1981 and beyond.

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24 Board or suits in a District Court on the issue of the
25 disparity between taxation of residential improvements and

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4 their objective a fair and reasonable settlement in the
5 above-mentioned appeals and lawsuits.

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7 reduction in taxes of ~~10%~~ 12% for the tax years 1978, 1979,
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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
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4 their objective a fair and reasonable settlement in the
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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. 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."