

Senate Bill 102

In The Senate

January 12, 1981	Introduced and referred to Committee on Taxation.
	Fiscal note requested.
January 17, 1981	Fiscal note returned.
March 11, 1981	Committee recommend bill do pass as amended.
March 12, 1981	Bill printed and placed on members' desks.
March 13, 1981	Second reading pass consideration.
March 14, 1981	Second reading pass consideration.
March 16, 1981	Second reading do pass.
March 17, 1981	Correctly engrossed.
March 18, 1981	Third reading passed.

In The House

March 19, 1981	Introduced and referred to Committee on Taxation.
April 11, 1981	Committee recommend bill concurred as amended.
April 13, 1981	Second reading not concurred.

In The Senate

April 14, 1981	Returned from House not concurred.
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1 *Senate* BILL NO. *102*
 2 INTRODUCED BY *Animal Services Bob Brown Hagm*
 3 *Kaletad ARLESTAD*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A GRADUATED
 5 TAX ON PROPERTY FOR CERTAIN LOW INCOME AND ELDERLY PERSONS
 6 AND TO ADJUST UPWARD CERTAIN INCOME QUALIFICATIONS FOR
 7 ASSESSMENT OF PROPERTY TAX; AMENDING SECTIONS 15-6-134,
 8 15-6-135, AND 15-6-211, MCA."

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

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

12 "15-6-134. Class four property -- description --
 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 Montana resident 60 years of
 5 age or older ~~who qualifies under the income limitations of~~
 6 ~~(iii) of this subsection~~ whose annual income from all
 7 sources is not more than \$12,000 for a single person and
 8 \$15,000 for a married couple; or

9 (ii) a ~~widow or widower~~ person of any age with
 10 dependent children ~~who qualifies under the income~~
 11 ~~limitations of (iii) of this subsections~~ or whose total
 12 annual income from all sources is not more than \$12,000;

13 ~~(iii) a recipient or recipients of retirement or~~
 14 ~~disability benefits whose total income from all sources is~~
 15 ~~not more than \$7,000 for a single person or \$8,000 for a~~
 16 ~~married couple;~~

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

19 (i) consist of at least 9 holes and not less than
 20 3,000 lineal yards; and

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

23 (2) Class four property is taxed as follows:

24 (a) Property described in subsections (1)(a) through
 25 (1)(c) is taxed at 8.55% of its market value.

1 (b) Property described in subsection (1)(d) is taxed
 2 at 2.55% of its declared market value multiplied by a
 3 percentage figure based on a declared annual income from all
 4 sources as determined by the following table:

Total Annual Income	Total Annual Income	Percentage
Single Person	Married Couple	Multiplier
\$ 0 - \$ 3,000	\$ 0 - \$ 6,000	0
3,000 - 6,000	6,000 - 8,000	30%
6,000 - 8,000	8,000 - 10,000	45%
8,000 - 10,000	10,000 - 12,000	60%
10,000 - 12,000	12,000 - 15,000	90%

11 ~~(b)(c)~~ Property described in subsection ~~(1)(d)~~ and
 12 (1)(e) is taxed at one-half the taxable percentage
 13 established in subsection (2)(a), or 4.275%.*

14 Section 2. Section 15-6-135, MCA, is amended to read:
 15 "15-6-135. Class five property -- description --
 16 taxable percentage. (1) Class five property includes:

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

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

24 (c) truck campers, motor homes, and camping and travel

1 trailers, including fifth-wheel trailers, owned by and
 2 actually used primarily by a person 60 years of age or older
 3 who:

4 (i) is retired from full employment; and
 5 (ii) whose total income from all sources is not more
 6 than \$7,000 \$12,000 for a single person or \$8,000 \$15,000
 7 for a married couple;

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

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

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

20 (b) The department's determination [as to air
 21 pollution equipment] may be appealed to the board of health
 22 and environmental sciences and may not be appealed to either
 23 a county tax appeal board or the state tax appeal board.
 24 However, the appraised value of the equipment as determined
 25 by the department of revenue may be appealed to the county

1 tax appeal board and the state tax appeal board.

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

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

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

14 (i) manufacture, mill, mine, produce, process, or
15 fabricate materials;

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

21 (iii) engage in the mechanical or chemical
22 transformation of materials or substances into new products
23 in the manner defined as manufacturing in the 1972 Standard
24 Industrial Classification Manual prepared by the United
25 States office of management and budget.

1 (5) New industrial property does not include:

2 (a) property used by retail or wholesale merchants,
3 commercial services of any type, agriculture, trades, or
4 professions;

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

7 (c) property used or employed in any industrial plant
8 that has been in operation in this state for 3 years or
9 longer.

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

12 Section 3. Section 15-6-211, MCA, is amended to read:

13 "15-6-211. Certain disabled veterans' residences
14 exempt. (1) A residence, including the lot on which it is
15 built, owned and occupied by a disabled veteran is exempt
16 from property taxation under the following conditions. The
17 owner must:

18 (a) have been honorably discharged from active service
19 in any branch of the armed services;

20 (b) be rated 100% disabled due to a service-connected
21 disability by the United States veterans administration or
22 its successor; and

23 (c) have an annual income from all sources of not more
24 than ~~\$7,000~~ \$12,000 for a single person and ~~\$8,000~~ \$15,000
25 for a married couple.

LC 0406/01

1 (2) If a veteran whose property has been eligible for
2 this exemption dies, the property shall continue to be
3 exempt so long as the surviving spouse:

4 (a) remains unmarried;

5 (b) is the owner and occupant of the house; and

6 (c) has a total annual income from all sources of not
7 more than ~~\$7,000~~ \$12,000."

-End-

STATE OF MONTANA

84-81

REQUEST NO. _____

FISCAL NOTE

Form BD-15

In compliance with a written request received January 13, 19 81, there is hereby submitted a Fiscal Note for Senate Bill 102 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.

ASSUMPTIONS (continued)

10. indicate. No estimate is attempted.

FISCAL IMPACT

	FY 82	FY 83
University Levy		
Senior Citizens		
Under current law	NONE	\$384,425
Under proposed law		<u>184,443</u>
Estimated Decrease		(\$199,982)
Veterans		
Under current law	NONE	\$ 7,323
Under proposed law		<u>2,569</u>
Estimated Decrease		(\$ 4,754)
Total Revenue		
Under current law	NONE	\$391,748
Under proposed law		<u>187,012</u>
Estimated Decrease		(\$204,736)

EFFECT ON LOCAL GOVERNMENTS

The proposal would decrease county tax revenue by \$9,495,432 in FY 83 ignoring the effects of single persons with dependents. (current - \$16,177,591, under proposal - \$6,853,999)

LONG RANGE EFFECTS

Increases in the aged population would increase the fiscal impact over time all things being equal.
Increases in nominal income would tend to lessen the fiscal impact all things being equal.

TECHNICAL NOTE

The meaning of person with dependent children needs to be defined more to avoid potential problems.

PREPARED BY THE DEPARTMENT OF REVENUE

David M Lewis

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-16-81

STATE OF MONTANA

REQUEST NO. 84-81

FISCAL NOTE

Form RD-15

In compliance with a written request received January 13, 19 81, there is hereby submitted a Fiscal Note for Senate Bill 102 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 provide a graduated tax on property for certain low income and elderly persons and to adjust upward certain income qualifications for assessment of property tax.

ASSUMPTIONS

- 1. There are 120,559 individuals aged 60 years and over in the state. Of these there are 34,600 single and 42,979 independent family units (2 per family).
2. All the aged homeowners who meet the income requirements fall under the special property class (i.e., taxable value equals 4.275 percent of assessed).
3. There are 500 veterans who would receive benefits under the proposal.
4. These veterans do not receive the benefits of the special property class now because of the low income requirements (i.e., taxable value is 8.55% of assessed value).
5. Of the above families (34,600 + 42,979 + 500), 64 percent are homeowners, or 27,506 aged married homeowners, 22,144 aged single homeowners & 320 veteran homeowners.
6. The average assessed home value is \$28,552.
7. The mill levy that applies is 220 mills for the counties and 6 mills for the state (university levy).
8. The following income distribution applies to the aged.

Table with 4 columns: INCOME GROUP, NUMBER MARRIED, INCOME GROUP, NUMBER SINGLE. Rows show income brackets from \$0-6,000 to \$12,000-15,000 and corresponding counts for married and single individuals.

- 9. All of the veterans will receive benefits under the proposal. (taxable value is 3 percent of assessed.)
10. No data are available on the number of single individuals who have dependent children or their income. There are approximately 7300 families receiving ADC payments. Of these families roughly 13% own their own homes. It is felt that many more individuals would receive benefits under the proposal than these figures

BUDGET DIRECTOR
Office of Budget and Program Planning
Date:

STATE OF MONTANA

84-81REVISED
REQUEST NO. _____

FISCAL NOTE

Form BD-15

In compliance with a written request received January 13, 19 81, there is hereby submitted a Fiscal Note for SENATE BILL 102 (AMENDED) 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.

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FISCAL IMPACT

	FY 82	FY 83
University Levy		
Senior Citizens		
Under current law	NONE	\$161,681
Under proposed law		<u>74,797</u>
Estimated Decrease		(\$ 86,884)
Veterans		
Under current law	NONE	\$ 1,900
Under proposed law		<u>667</u>
Estimated Decrease		(\$ 1,233)
Total Revenue		
Under current law	NONE	\$163,581
Under proposed law		<u>75,464</u>
Estimated Decrease		(\$ 88,117)

EFFECTS ON LOCAL GOVERNMENT

The proposal would decrease county tax revenue by \$3,012,152 in FY 83 ignoring the effects of single persons with dependents. (current - \$6,000,749; under proposal - \$2,988,597.)

LONG RANGE EFFECTS

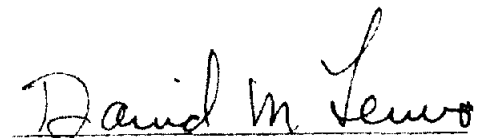
Increases in the aged population would increase the fiscal impact over time all things being equal.

Increases in nominal income would tend to lessen the fiscal impact all things being equal.

TECHNICAL NOTE

The meaning of person with dependent children needs to be defined more to avoid potential problems.

PREPARED BY THE DEPARTMENT OF REVENUE



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-3-81

STATE OF MONTANA

REQUEST NO. 84-81 REV1

FISCAL NOTE

Form BD-15

In compliance with a written request received January 13, 19 81, there is hereby submitted a Fiscal Note for SENATE BILL 102 (Revised) 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 provide a graduated tax on property for certain low income and elderly persons and to adjust upward certain income qualifications for assessment of property tax.

ASSUMPTIONS

1. There are 120,599 individuals aged 60 years and over in the state. Of these there are 34,600 single and 42,979 independent family units (2 per family).
2. All the aged homeowners who meet the income requirements fall under the special property class (i.e., taxable value equals 4.275 percent of assessed.)
3. There are 500 veterans who would receive benefits under the proposal.
4. These veterans do not receive the benefits of the special property class now because of the low income requirements (i.e., taxable value is 8.55% of assessed value).
5. Of the above families (34,600 + 42,979 + 500), 64 percent are homeowners or 27,506 aged married homeowners, 22,144 aged single homeowners and 320 veteran homeowners.
6. The average assessed home value is \$11,584 (estimated from sample of taxpayers in class 4).
7. The mill levy that applies is 220 mills for the counties and 6 mills for the state (university levy).
8. The following income distribution applies to the aged.

<u>INCOME GROUP</u>	<u>NUMBER MARRIED</u>	<u>INCOME GROUP</u>	<u>NUMBER SINGLE</u>
\$ 0 - 6,000	7207	\$ 0 - 3,000	7463
6,000 - 8,000	3603	3,000 - 6,000	9920
8,000 - 10,000	3768	6,000 - 8,000	1794
10,000 - 12,000	2943	8,000 - 10,000	974
12,000 - 15,000	3273	10,000 - 12,000	819

9. All of the veterans will receive benefits under the proposal. (taxable value is 3 percent of assessed.)
10. No data are available on the number of single individuals who have dependent children or their income. There are approximately 7300 families receiving ADC payments. Of these families roughly 13% own their own homes. It is felt that many more individuals would receive benefits under the proposal than these figures indicate. No estimate is attempted.

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: _____

Approved by Committee
on Taxation

SENATE BILL NO. 102
INTRODUCED BY HIMSL, SEVERSON, B. BROWN,
HAGER, KOLSTAD, AKLESTAD

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A GRADUATED
TAX ON PROPERTY FOR CERTAIN LOW INCOME AND ELDERLY PERSONS
AND TO ADJUST UPWARD CERTAIN INCOME QUALIFICATIONS FOR
ASSESSMENT OF PROPERTY TAX; AMENDING SECTIONS 15-6-134,
15-6-135, AND 15-6-211, MCA."

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~~ Montana resident 60 years of
age or older ~~who qualifies under the income limitations of~~
~~(iii) of this subsection~~ whose annual income from all
sources is not more than \$12,000 for a single person and
\$15,000 for a married couple; or

(ii) a ~~widow or widower~~ widow or widower person of any age with
dependent children DEPENDENTS AS DEFINED IN 15-30-113 who
~~qualifies under the income limitations of (iii) of this~~
~~subsection or~~ whose total annual income from all sources is
not more than \$12,000;

~~(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:

1 (a) Property described in subsections (1)(a) through
2 (1)(c) is taxed at 8.55% of its market value.

3 (b) Property described in subsection (1)(d) is taxed
4 at 8.55% of its declared market value multiplied by a
5 percentage figure based on a declared annual income from all
6 sources as determined by the following table:

<u>Total Annual Income</u>	<u>Total Annual Income</u>	<u>Percentage</u>
<u>Single Person</u>	<u>Married Couple</u>	<u>Multiplier</u>
<u>\$ 0 - \$ 3,000</u>	<u>\$ 0 - \$ 6,000</u>	<u>0</u>
<u>3,000 - 6,000</u>	<u>6,000 - 8,000</u>	<u>30%</u>
<u>6,000 - 8,000</u>	<u>8,000 - 10,000</u>	<u>45%</u>
<u>8,000 - 10,000</u>	<u>10,000 - 12,000</u>	<u>60%</u>
<u>10,000 - 12,000</u>	<u>12,000 - 15,000</u>	<u>90%</u>

14 ~~(b)(c)~~ Property described in subsection ~~(1)(d)~~ and
15 (1)(e) is taxed at one-half the taxable percentage
16 established in subsection (2)(a), or 4.275%."

17 Section 2. Section 15-6-135, MCA, is amended to read:

18 "15-6-135. Class five property -- description --
19 taxable percentage. (1) Class five property includes:

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

25 (b) air and water pollution control equipment as

1 defined in this section;

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

6 (i) is retired from full employment; and
7 (ii) whose total income from all sources is not more
8 than ~~\$7,000~~ \$12,000 for a single person or ~~\$8,000~~ \$15,000
9 for a married couple;

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

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

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

22 (b) The department's determination [as to air
23 pollution equipment] may be appealed to the board of health
24 and environmental sciences and may not be appealed to either
25 a county tax appeal board or the state tax appeal board.

1 However, the appraised value of the equipment as determined
2 by the department of revenue may be appealed to the county
3 tax appeal board and the state tax appeal board.

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

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

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

16 (i) manufacture, mill, mine, produce, process, or
17 fabricate materials;

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

23 (iii) engage in the mechanical or chemical
24 transformation of materials or substances into new products
25 in the manner defined as manufacturing in the 1972 Standard

1 Industrial Classification Manual prepared by the United
2 States office of management and budget.

3 (5) New industrial property does not include:

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

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

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

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

14 Section 3. Section 15-6-211, MCA, is amended to read:

15 "15-6-211. Certain disabled veterans' residences
16 exempt. (1) A residence, including the lot on which it is
17 built, owned and occupied by a disabled veteran is exempt
18 from property taxation under the following conditions. The
19 owner must:

20 (a) have been honorably discharged from active service
21 in any branch of the armed services;

22 (b) be rated 100% disabled due to a service-connected
23 disability by the United States veterans administration or
24 its successor; and

25 (c) have an annual income from all sources of not more

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1 than ~~\$7,000~~ \$12,000 for a single person and ~~\$8,000~~ \$15,000
2 for a married couple.

3 (2) If a veteran whose property has been eligible for
4 this exemption dies, the property shall continue to be
5 exempt so long as the surviving spouse:

6 (a) remains unmarried;

7 (b) is the owner and occupant of the house; and

8 (c) has a total annual income from all sources of not
9 more than ~~\$7,000~~ \$12,000."

-End-

1 SENATE BILL NO. 102

2 INTRODUCED BY HIMSL, SEVERSON, B. BROWN,
3 HAGER, KOLSTAD, AKLESTAD
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A GRADUATED
6 TAX ON PROPERTY FOR CERTAIN LOW INCOME AND ELDERLY PERSONS
7 AND TO ADJUST UPWARD CERTAIN INCOME QUALIFICATIONS FOR
8 ASSESSMENT OF PROPERTY TAX; AMENDING SECTIONS 15-6-134,
9 15-6-135, AND 15-6-211, MCA."

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

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16 another class;

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18 included in another class;

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

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

23 (ii) those specifically included in another class;

24 (d) the first \$35,000 or less of the market value of
25 any improvement on real property or a trailer or mobile home

1 used as a permanent dwelling and appurtenant land not
2 exceeding 5 acres owned or under contract for deed and
3 actually occupied for at least 10 months a year as the
4 primary residential dwelling of:

5 (i) a ~~widow or widower~~ 62 Montana resident 60 years of
6 age or older ~~who qualifies under the income limitations of~~
7 ~~(iii) of this subsection~~ whose annual income from all
8 sources is not more than \$12,000 for a single person and
9 \$15,000 for a married couple; or

10 (ii) a ~~widow or widower~~ person of any age with
11 ~~dependent children~~ DEPENDENTS AS DEFINED IN 15-30-113 who
12 ~~qualifies under the income limitations of (iii) of this~~
13 ~~subsection or whose total annual income from all sources is~~
14 not more than \$12,000;

15 ~~(iii) a recipient or recipients of retirement or~~
16 ~~disability benefits whose total income from all sources is~~
17 ~~not more than \$7,000 for a single person or \$8,000 for a~~
18 ~~married couple;~~

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

21 (i) consist of at least 9 holes and not less than
22 3,000 lineal yards; and

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

25 (2) Class four property is taxed as follows:

(a) Property described in subsections (1)(a) through (1)(c) is taxed at 8.55% of its market value.

(b) Property described in subsection (1)(d) is taxed at 8.55% of its declared market value multiplied by a percentage figure based on a declared annual income from all sources as determined by the following table:

<u>Total Annual Income</u>	<u>Total Annual Income</u>	<u>Percentage</u>
<u>Single Person</u>	<u>Married Couple</u>	<u>Multiplier</u>
<u>\$ 0 - \$ 3,000</u>	<u>\$ 0 - \$ 6,000</u>	<u>0</u>
<u>3,000 - 6,000</u>	<u>6,000 - 8,000</u>	<u>30%</u>
<u>6,000 - 8,000</u>	<u>8,000 - 10,000</u>	<u>45%</u>
<u>8,000 - 10,000</u>	<u>10,000 - 12,000</u>	<u>60%</u>
<u>10,000 - 12,000</u>	<u>12,000 - 15,000</u>	<u>90%</u>

~~(b)(c)~~ Property described in subsection ~~(1)(d)~~ and (1)(e) is taxed at one-half the taxable percentage established in subsection (2)(a), or 4.275%.

Section 2. 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~~ \$12,000 for a single person or ~~\$8,000~~ \$15,000 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.

(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 and environmental sciences and may not be appealed to either a county tax appeal board or the state tax appeal board.

1 However, the appraised value of the equipment as determined
2 by the department of revenue may be appealed to the county
3 tax appeal board and the state tax appeal board.

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

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

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

16 (i) manufacture, mill, mine, produce, process, or
17 fabricate materials;

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

23 (iii) engage in the mechanical or chemical
24 transformation of materials or substances into new products
25 in the manner defined as manufacturing in the 1972 Standard

1 Industrial Classification Manual prepared by the United
2 States office of management and budget.

3 (5) New industrial property does not include:

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

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

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

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

14 Section 3. Section 15-6-211, MCA, is amended to read:

15 "15-6-211. Certain disabled veterans' residences
16 exempt. (1) A residence, including the lot on which it is
17 built, owned and occupied by a disabled veteran is exempt
18 from property taxation under the following conditions. The
19 owner must:

20 (a) have been honorably discharged from active service
21 in any branch of the armed services;

22 (b) be rated 100% disabled due to a service-connected
23 disability by the United States veterans administration or
24 its successor; and

25 (c) have an annual income from all sources of not more

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1 than ~~\$7,000~~ \$12,000 for a single person and ~~\$8,000~~ \$15,000
2 for a married couple.

3 (2) If a veteran whose property has been eligible for
4 this exemption dies, the property shall continue to be
5 exempt so long as the surviving spouse:

6 (a) remains unmarried;

7 (b) is the owner and occupant of the house; and

8 (c) has a total annual income from all sources of not
9 more than ~~\$7,000~~ \$12,000."

-End-

April 10, 1981

HOUSE OF REPRESENTATIVES
COMMITTEE ON TAXATION AMENDMENTS TO SENATE BILL 102:

1. Page 3, line 9.
Following: "\$6,000"
Strike: "0"
Insert: "15%"