

HOUSE BILL NO. 702

INTRODUCED BY YARDLEY, BERTELSEN, ROUSH, HOLLIDAY,  
SPAETH, MAZUREK

IN THE HOUSE

February 9, 1983	Introduced and referred to Committee on Taxation.
February 11, 1983	On motion by Chief Sponsor, Representatives Bertelsen and Roush were added as sponsors to the Bill.
February 15, 1983	Committee recommend bill do pass as amended. Report adopted.
February 16, 1983	Bill printed and placed on members' desks.
February 18, 1983	Second reading, do pass as amended.
February 19, 1983	Correctly engrossed.
February 21, 1983	Third reading, passed. Transmitted to Senate.

IN THE SENATE

March 1, 1983	Introduced and referred to Committee on Taxation.
March 23, 1983	Committee recommend bill be concurred in as amended. Report adopted.
March 25, 1983	Second reading, concurred in.
March 28, 1983	Third reading, concurred in. Ayes, 47; Noes, 0.

IN THE HOUSE

March 28, 1983

Returned to House with  
amendments.

April 1, 1983

Second reading, amendments  
concurred in.

April 4, 1983

Third reading, amendments  
concurred in.

Sent to enrolling.

Reported correctly enrolled.

1 House BILL NO. 702  
2 INTRODUCED BY Gardley  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THAT THE  
5 PROPERTY OF NONPROFIT ORGANIZATIONS THAT OWN AND OPERATE  
6 FACILITIES FOR THE CARE OF THE DEVELOPMENTALLY DISABLED ARE  
7 EXEMPT FROM PROPERTY TAXATION; AMENDING SECTION 15-6-201,  
8 MCA."  
9  
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
11 Section 1. Section 15-6-201, MCA, is amended to read:  
12 "15-6-201. Exempt categories. (1) The following  
13 categories of property are exempt from taxation:  
14 (a) the property of:  
15 (i) the United States, the state, counties, cities,  
16 towns, school districts, except property constructed, owned,  
17 or operated by a public agency created by the congress to  
18 transmit or distribute electric energy produced at privately  
19 owned generating facilities (not including rural electric  
20 cooperatives);  
21 (ii) irrigation districts organized under the laws of  
22 Montana and not operating for profit;  
23 (iii) municipal corporations; and  
24 (iv) public libraries;  
25 (b) buildings, with land they occupy and furnishings

1 therein, owned by a church and used for actual religious  
2 worship or for residences of the clergy, together with  
3 adjacent land reasonably necessary for convenient use of  
4 such buildings;  
5 (c) property used exclusively for agricultural and  
6 horticultural societies, for educational purposes, and for  
7 hospitals;  
8 (d) property that meets the following conditions:  
9 (i) is owned and held by any association or  
10 corporation organized under Title 35, chapter 2, 3, 20, or  
11 21;  
12 (ii) is devoted exclusively to use in connection with a  
13 cemetery or cemeteries for which a permanent care and  
14 improvement fund has been established as provided for in  
15 Title 35, chapter 20, part 3; and  
16 (iii) is not maintained and operated for private or  
17 corporate profit;  
18 (e) institutions of purely public charity;  
19 (f) evidence of debt secured by mortgages of record  
20 upon real or personal property in the state of Montana;  
21 (g) public art galleries and public observatories not  
22 used or held for private or corporate profit;  
23 (h) all household goods and furniture, including but  
24 not limited to clocks, musical instruments, sewing machines,  
25 and wearing apparel of members of the family, used by the

1 owner for personal and domestic purposes or for furnishing  
2 or equipping the family residence;

3 (i) a truck canopy cover or topper weighing less than  
4 300 pounds and having no accommodations attached. Such  
5 property is also exempt from the fee in lieu of tax.

6 (j) a bicycle, as defined in 61-1-123, used by the  
7 owner for personal transportation purposes; and

8 (k) automobiles and trucks having a rated capacity of  
9 three-quarters of a ton or less.

10 (2) (a) The term "institutions of purely public  
11 charity" ~~means a corporation or association organized and~~  
12 ~~operated exclusively for charitable purposes, no part of the~~  
13 ~~net income of which inures to the benefit of any private~~  
14 ~~stockholder or individual, and~~ includes organizations owning  
15 and operating facilities for the care of the retired or  
16 aged, or chronically ill, or developmentally disabled, which  
17 are not operated for gain or profit.

18 (b) The terms "public art galleries" and "public  
19 observatories" include only those art galleries and  
20 observatories, whether of public or private ownership, that  
21 are open to the public without charge at all reasonable  
22 hours and are used for the purpose of education only.

23 (3) The following portions of the appraised value of a  
24 capital investment made after January 1, 1979, in a  
25 recognized nonfossil form of energy generation, as defined

1 in 15-32-102, are exempt from taxation for a period of 10  
2 years following installation of the property:

3 (a) \$20,000 in the case of a single family residential  
4 dwelling;

5 (b) \$100,000 in the case of a multifamily residential  
6 dwelling or a nonresidential structure."

-End-

STATE OF MONTANA

REQUEST NO. 372-83

FISCAL NOTE

Form BD-15

In compliance with a written request received February 11, , 19 83 , there is hereby submitted a Fiscal Note for House Bill 702 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 OF PROPOSED LEGISLATION:

House Bill 702 clarifies that the property of nonprofit organizations that own and operate facilities for the care of the developmentally disabled are exempt from property taxation.

FISCAL IMPACT:

This proposal would have no fiscal effect as existing facilities operating for the care of developmentally disabled persons are eligible to be exempted from property taxation, and would continue to be eligible for such exemption.

FISCAL IMPACT 13:K/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-15-83

Approved by committee  
on Taxation

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HOLLIDAY, SPAETH, MAZUREK

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THAT THE  
PROPERTY OF NONPROFIT ORGANIZATIONS THAT OWN AND OPERATE  
FACILITIES FOR THE CARE OF THE DEVELOPMENTALLY DISABLED ARE  
EXEMPT FROM PROPERTY TAXATION; AMENDING SECTION 15-6-201,  
MCA."

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

Section 1. Section 15-6-201, MCA, is amended to read:

"15-6-201. Exempt categories. (1) The following  
categories of property are exempt from taxation:

(a) the property of:

(i) the United States, the state, counties, cities,  
towns, school districts, except property constructed, owned,  
or operated by a public agency created by the congress to  
transmit or distribute electric energy produced at privately  
owned generating facilities (not including rural electric  
cooperatives);

(ii) irrigation districts organized under the laws of  
Montana and not operating for profit;

(iii) municipal corporations; and

(iv) public libraries;

(b) buildings, with land they occupy and furnishings  
therein, owned by a church and used for actual religious  
worship or for residences of the clergy, together with  
adjacent land reasonably necessary for convenient use of  
such buildings;

(c) property used exclusively for agricultural and  
horticultural societies, for educational purposes, and for  
hospitals;

(d) property that meets the following conditions:

(i) is owned and held by any association or  
corporation organized under Title 35, chapter 2, 3, 20, or  
21;

(ii) is devoted exclusively to use in connection with a  
cemetery or cemeteries for which a permanent care and  
improvement fund has been established as provided for in  
Title 35, chapter 20, part 3; and

(iii) is not maintained and operated for private or  
corporate profit;

(e) institutions of purely public charity;

(f) evidence of debt secured by mortgages of record  
upon real or personal property in the state of Montana;

(g) public art galleries and public observatories not  
used or held for private or corporate profit;

(h) all household goods and furniture, including but  
not limited to clocks, musical instruments, sewing machines,

1 and wearing apparel of members of the family, used by the  
2 owner for personal and domestic purposes or for furnishing  
3 or equipping the family residence;

4 (i) a truck canopy cover or topper weighing less than  
5 300 pounds and having no accommodations attached. Such  
6 property is also exempt from the fee in lieu of tax.

7 (j) a bicycle, as defined in 61-1-123, used by the  
8 owner for personal transportation purposes; and

9 (k) automobiles and trucks having a rated capacity of  
10 three-quarters of a ton or less; AND

11 ~~(L) PROPERTY OWNED AND USED BY AN INSTITUTION~~  
12 ~~ORGANIZED PURSUANT TO TITLE 35 THAT PROVIDES CARE FOR THE~~  
13 ~~DEVELOPMENTALLY DISABLED.~~

14 (2) (a) The term "institutions of purely public  
15 charity" ~~means: a corporation or association organized and~~  
16 ~~operated exclusively for charitable purposes; no part of the~~  
17 ~~net income of which inures to the benefit of any private~~  
18 ~~stockholder or individual; and~~ includes organizations owning  
19 and operating facilities for the care of the retired or  
20 aged, or OR chronically ill, ~~or developmentally disabled,~~  
21 which are not operated for gain or profit.

22 (b) The terms "public art galleries" and "public  
23 observatories" include only those art galleries and  
24 observatories, whether of public or private ownership, that  
25 are open to the public without charge at all reasonable

1 hours and are used for the purpose of education only.

2 (3) The following portions of the appraised value of a  
3 capital investment made after January 1, 1979, in a  
4 recognized nonfossil form of energy generation, as defined  
5 in 15-32-102, are exempt from taxation for a period of 10  
6 years following installation of the property:

7 (a) \$20,000 in the case of a single family residential  
8 dwelling;

9 (b) \$100,000 in the case of a multifamily residential  
10 dwelling or a nonresidential structure."

-End-

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(ii) irrigation districts organized under the laws of Montana and not operating for profit;

(iii) municipal corporations; and

(iv) public libraries;

(b) buildings, with land they occupy and furnishings therein, owned by a church and used for actual religious worship or for residences of the clergy, together with adjacent land reasonably necessary for convenient use of such buildings;

(c) property used exclusively for agricultural and horticultural societies, for educational purposes, and for hospitals;

(d) property that meets the following conditions:

(i) is owned and held by any association or corporation organized under Title 35, chapter 2, 3, 20, or 21;

(ii) is devoted exclusively to use in connection with a cemetery or cemeteries for which a permanent care and improvement fund has been established as provided for in Title 35, chapter 20, part 3; and

(iii) is not maintained and operated for private or corporate profit;

(e) institutions of purely public charity;

(f) evidence of debt secured by mortgages of record upon real or personal property in the state of Montana;

(g) public art galleries and public observatories not used or held for private or corporate profit;

(h) all household goods and furniture, including but not limited to clocks, musical instruments, sewing machines,



1 and wearing apparel of members of the family, used by the  
2 owner for personal and domestic purposes or for furnishing  
3 or equipping the family residence;

4 (i) a truck canopy cover or topper weighing less than  
5 300 pounds and having no accommodations attached. Such  
6 property is also exempt from the fee in lieu of tax.

7 (j) a bicycle, as defined in 61-1-123, used by the  
8 owner for personal transportation purposes; and

9 (k) automobiles and trucks having a rated capacity of  
10 three-quarters of a ton or less; AND

11 ~~(L) PROPERTY OWNED AND USED BY AN INSTITUTION~~  
12 ~~ORGANIZED PURSUANT TO TITLE 35 THAT PROVIDES CARE FOR THE~~  
13 ~~DEVELOPMENTALLY DISABLED A CORPORATION OR ASSOCIATION~~  
14 ~~ORGANIZED AND OPERATED EXCLUSIVELY FOR THE CARE OF THE~~  
15 ~~DEVELOPMENTALLY DISABLED, WHICH IS NOT OPERATED FOR GAIN OR~~  
16 ~~PROFIT.~~

17 (2) (a) The term "institutions of purely public  
18 charity" ~~means a corporation or association organized and~~  
19 ~~operated exclusively for charitable purposes, no part of the~~  
20 ~~net income of which inures to the benefit of any private~~  
21 ~~stockholder or individual, and~~ includes organizations owning  
22 and operating facilities for the care of the retired or  
23 aged or ~~or chronically ill or developmentally disabled,~~  
24 which are not operated for gain or profit.

25 (b) The terms "public art galleries" and "public

1 observatories" include only those art galleries and  
2 observatories, whether of public or private ownership, that  
3 are open to the public without charge at all reasonable  
4 hours and are used for the purpose of education only.

5 (3) The following portions of the appraised value of a  
6 capital investment made after January 1, 1979, in a  
7 recognized nonfossil form of energy generation, as defined  
8 in 15-32-102, are exempt from taxation for a period of 10  
9 years following installation of the property:

10 (a) \$20,000 in the case of a single family residential  
11 dwelling;

12 (b) \$100,000 in the case of a multifamily residential  
13 dwelling or a nonresidential structure."

-End-

SENATE STANDING COMMITTEE REPORT  
(Taxation)

That House Bill No. 702 be amended as follows:

1. Title, line 7.

Following: "DISABLED"

Insert: ", MENTALLY ILL, AND VOCATIONALLY HANDICAPPED"

2. Title, line 9.

Following: "MCA"

Insert: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

3. Page 3, line 15.

Following: "DISABLED,"

Insert: "mentally ill, or vocationally handicapped as defined in  
18-5-101,"

4. Page 4.

Following: line 13

Insert: "Section 2. Effective date. This act is effective on  
passage and approval."

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HOLLIDAY, SPAETH, MAZUREK

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(d) property that meets the following conditions:

(i) is owned and held by any association or corporation organized under Title 35, chapter 2, 3, 20, or 21;

(ii) is devoted exclusively to use in connection with a cemetery or cemeteries for which a permanent care and improvement fund has been established as provided for in Title 35, chapter 20, part 3; and

(iii) is not maintained and operated for private or corporate profit;

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not limited to clocks, musical instruments, sewing machines, and wearing apparel of members of the family, used by the owner for personal and domestic purposes or for furnishing or equipping the family residence;

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(j) a bicycle, as defined in 61-1-123, used by the owner for personal transportation purposes; and

(k) automobiles and trucks having a rated capacity of three-quarters of a ton or less; ~~AND~~

~~(L) PROPERTY OWNED AND USED BY AN INSTITUTION ORGANIZED PURSUANT TO TITLE 35 THAT PROVIDES CARE FOR THE DEVELOPMENTALLY DISABLED A CORPORATION OR ASSOCIATION ORGANIZED AND OPERATED EXCLUSIVELY FOR THE CARE OF THE DEVELOPMENTALLY DISABLED, MENTALLY ILL, OR VOCATIONALLY HANDICAPPED AS DEFINED IN 18-5-101, WHICH IS NOT OPERATED FOR GAIN OR PROFIT.~~

(2) (a) The term "institutions of purely public charity" ~~means a corporation or association organized and operated exclusively for charitable purposes; no part of the net income of which inures to the benefit of any private stockholder or individual; and~~ includes organizations owning and operating facilities for the care of the retired or aged or ~~or~~ OR chronically ill ~~or developmentally disabled,~~

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(a) \$20,000 in the case of a single family residential dwelling;

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SECTION 2. EFFECTIVE DATE. THIS ACT IS EFFECTIVE ON PASSAGE AND APPROVAL.

-End-