

HOUSE BILL NO. 704

Introduced: 02/10/83

Referred to Committee on Taxation: 02/10/83

Hearing: 2/17/83

Report: 4/1/83, Do Pass, As Amended

2nd Reading: 04/06/83, Do Pass

3rd Reading: 04/08/83, Do Not Pass

Bill Killed

1 House BILL NO. 704  
 2 INTRODUCED BY HARP Clial McBull  
 3 Harp Keating  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION Thorne  
 5 15-6-141, MCA, TO REDUCE THE TAXABLE VALUE OF CERTAIN CLASS Hend  
 6 ELEVEN PROPERTY; AND PROVIDING A DELAYED EFFECTIVE DATE."  
 7  
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 9 Section 1. Section 15-6-141, MCA, is amended to read:  
 10 "15-6-141. Class eleven property — description —  
 11 taxable percentage. (1) Class eleven property includes:  
 12 (a) centrally assessed electric power companies'  
 13 allocations;  
 14 (b) allocations for centrally assessed natural gas  
 15 companies having a major distribution system in this state;  
 16 and  
 17 (c) centrally assessed companies' allocations except:  
 18 (i) electric power and natural gas companies'  
 19 property;  
 20 (ii) property owned by cooperative rural electric and  
 21 cooperative rural telephone associations and classified in  
 22 class five; and  
 23 (iii) property owned by organizations providing  
 24 telephone communications to rural areas and classified in  
 25 class seven.

1 (2) Class eleven property is taxed as follows:  
 2 ~~(a) Property described in subsection (1)(a) and (b) is~~  
 3 ~~taxed at 12% of market value, except as provided in~~  
 4 ~~15-23-202 for railroad property.~~  
 5 ~~(b) Except as provided in 15-23-202, property~~  
 6 ~~described in subsection (1)(c) is taxed at 15% of market~~  
 7 ~~value.~~  
 8 NEW SECTION. Section 2. Effective date. This act is  
 9 effective January 1, 1985.

-End-

## STATE OF MONTANA

REQUEST NO. 386-83

## FISCAL NOTE

Form BD-15

In compliance with a written request received February 14, 19 83, there is hereby submitted a Fiscal Note for House Bill 704 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 704 amends Section 15-6-141, MCA, to reduce the taxable value of certain class eleven property; and provides a delayed effective date.

FISCAL IMPACT:

University Levy	No Effect This Biennium
School Equalization Levy	No Effect This Biennium

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

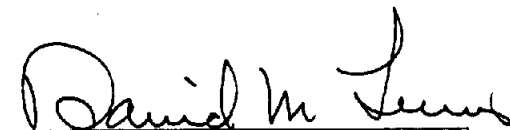
No effect this biennium.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Using 1982 values and assuming no change in the collections from railroads, the following declines in property tax collections per year are estimated for FY 86 and beyond:

University Levy	\$ 118,000
School Foundation	785,000
Counties at 224 Mills	4,396,000

FISCAL NOTE 13:BB/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-17-83

Approved by committee  
on Taxation

1 HOUSE BILL NO. 704  
2 INTRODUCED BY HARP, ELLIOTT, MCCALLUM,  
3 KEATING, THOMAS, HAND, HAZELBAKER  
4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION  
6 15-6-141, MCA, TO REDUCE THE TAXABLE VALUE OF CERTAIN CLASS  
7 ELEVEN PROPERTY; AND PROVIDING A DELAYED EFFECTIVE DATE."  
8  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
10 Section 1. Section 15-6-141, MCA, is amended to read:  
11 "15-6-141. Class eleven property -- description --  
12 taxable percentage. (1) Class eleven property includes:  
13 (a) centrally assessed electric power companies'  
14 allocations;  
15 (b) allocations for centrally assessed natural gas  
16 companies having a major distribution system in this state;  
17 and  
18 (c) centrally assessed companies' allocations except:  
19 (i) electric power and natural gas companies'  
20 property;  
21 (ii) property owned by cooperative rural electric and  
22 cooperative rural telephone associations and classified in  
23 class five; and  
24 (iii) property owned by organizations providing  
25 telephone communications to rural areas and classified in

1 class seven.  
2 (2) Class eleven property is taxed as follows:  
3 (a) ~~Property described in subsection (1)(a) and (b) is~~  
4 ~~taxed at 12% of market value, except as provided in~~  
5 ~~15-23-202 for railroad property.~~  
6 (b) ~~Except as provided in 15-23-202, property~~  
7 ~~described in subsection (1)(c) is taxed at 15% of market~~  
8 ~~value.~~  
9 SECTION 2. COORDINATION INSTRUCTION. IF HOUSE BILL  
10 NO. 704 925 [LC 1452] PASSES AND IS APPROVED THE AMENDMENT  
11 TO SECTION 1 WHICH READS "EXCEPT AS PROVIDED IN 15-23-202  
12 FOR RAILROAD PROPERTY" IS VOID.  
13 NEW SECTION. Section 3. Effective date. This act is  
14 effective January 1, 1985.

-End-

## HOUSE BILL NO. 704

INTRODUCED BY HARP, ELLIOTT, MCCALLUM,

KEATING, THOMAS, HAND, HAZELBAKER

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION 15-6-141, MCA, TO REDUCE THE TAXABLE VALUE OF CERTAIN CLASS ELEVEN PROPERTY; AND PROVIDING A DELAYED EFFECTIVE DATE."

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

Section 1. Section 15-6-141, MCA, is amended to read:

"15-6-141. Class eleven property -- description -- taxable percentage. (1) Class eleven property includes:

(a) centrally assessed electric power companies' allocations;

(b) allocations for centrally assessed natural gas companies having a major distribution system in this state; and

(c) centrally assessed companies' allocations except:

(i) electric power and natural gas companies' property;

(ii) property owned by cooperative rural electric and cooperative rural telephone associations and classified in class five; and

(iii) property owned by organizations providing telephone communications to rural areas and classified in

class seven.

(2) Class eleven property is taxed as follows:

(a) Property described in subsection (1)(a) and (b) is taxed at 12% of market value, except as provided in 15-23-202 for railroad property.

(b) Except as provided in 15-23-202, property described in subsection (1)(c) is taxed at 15% of market value."

SECTION 2. COORDINATION INSTRUCTION. IF HOUSE BILL NO. 704 [LC 1452] PASSES AND IS APPROVED THE AMENDMENT TO SECTION 1 WHICH READS "EXCEPT AS PROVIDED IN 15-23-202 FOR RAILROAD PROPERTY" IS VOID.

NEW SECTION. Section 3. Effective date. This act is effective January 1, 1985.

-End-