

HOUSE BILL NO. 717

Introduced: 02/11/83

Referred to Committee on Taxation: 02/11/83

Hearing: 3/1/83

Report: 03/11/83, Do Pass, As Amended

2nd Reading: 03/17/83, Do Not Pass

Bill Killed

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House BILL NO. 717

INTRODUCED BY *Murphy, Barker, Curtiss, Moran*
McBellar, Feltz, Dan Brown HARP *Walters*

A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE TAXABLE
PERCENTAGE OF ANNUAL NET PROCEEDS OF MINES AND MINING
CLAIMS; AMENDING SECTION 15-6-131, MCA."

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

Section 1. Section 15-6-131, MCA, is amended to read:

"15-6-131. Class one property -- description --
taxable percentage. (1) Class one property includes:

(a) the right of entry that is a property right
reserved in land or received by mesne conveyance (exclusive
of leasehold interests), devise, or succession to enter land
whose surface title is held by another to explore, prospect,
or dig for oil, gas, coal, or minerals; and

(b) the annual net proceeds of all mines and mining
claims except coal and metal mines.

(2) Class one property is taxed as follows:

(a) Property described in subsection (1)(a) is taxed
at 100% of its market value, as determined by the department
of revenue.

(b) Property described in subsection (1)(b) is taxed
at ~~100%~~ 80% of its annual net proceeds after deducting the
expenses specified and allowed by 15-23-503."

-End-

INTRODUCED BILL
#5717

STATE OF MONTANA

REQUEST NO. 389-83

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 717 pursuant to Title 6, 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 717 changes the taxable percentage of annual net proceeds of mines and mining claims.

ASSUMPTIONS:

- 1) The taxable value of net proceeds is estimated to be \$593.159 million in CY 83.
- 2) Total average county mill levies are assumed constant at 123.5 mills.
- 3) The taxable value of the state is \$2,299,731,000 in FY 85.

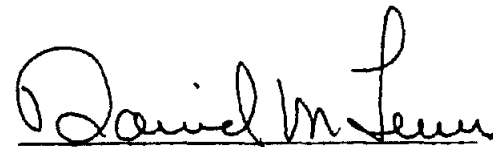
FISCAL IMPACT:

	<u>FY 84</u>	<u>FY 85</u>
University Levy		
Under Current Law	No Effect	\$ 13,798,386
Under Proposed Law	No Effect	13,086,595
Estimated Decrease	No Effect	<u>\$ (711,791)</u>
School Equalization Levy		
Under Current Law	No Effect	\$ 91,989,240
Under Proposed Law	No Effect	87,243,969
Estimated Decrease	No Effect	<u>\$ 4,745,271</u>

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

The proposal would reduce the property tax collections of counties with net proceeds by a total of \$9.194 million in FY 85 assuming mill levies are not increased to offset the loss in taxable value.

FISCAL NOTE 14:F/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-17-83

STATE OF MONTANA

REQUEST NO. 491-83

FISCAL NOTE

Form BD-15

In compliance with a written request received March 2, 19 83, there is hereby submitted a Fiscal Note for House Bill 717, 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.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 717, amended, changes the taxable percentage of annual net proceeds of mines and mining claims.

ASSUMPTIONS:

- 1) The taxable value of net proceeds of miscellaneous mines will be \$6.403M in CY83.
- 2) The average total county mill levy for counties with miscellaneous mines net proceeds was 217 mills in 1982. This average is assumed constant.
- 3) The taxable value of the state will be \$2,299,731,000 in FY 85.

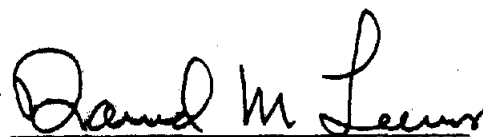
FISCAL IMPACT:

	<u>FY84</u>	<u>FY85</u>
University Levy		
Under Current Law	No Effect	\$ 13,798,386
Under Proposed Law	No Effect	13,790,702
Estimated Decrease	No Effect	<u>\$ (7,684)</u>
School Equalization Levy		
Under Current Law	No Effect	\$ 91,989,240
Under Proposed Law	No Effect	91,938,016
Estimated Decrease	No Effect	<u>\$ (51,224)</u>

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

The proposal would reduce the property tax collections of counties with miscellaneous mines net proceeds by \$218,983 in FY 85 assuming mill levies are not increased to offset the loss in taxable value.

FISCAL NOTE 17:K/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 3-4-83

Approved by committee
on Taxation

HOUSE BILL NO. 717

INTRODUCED BY MUELLER, DARKO, CURTISS, MOHAR,

MCCALLUM, FABREGA, D. BROWN, HARP, NORDTVEDT

A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE TAXABLE
PERCENTAGE OF ANNUAL NET PROCEEDS OF ~~CERAIN~~ MINES AND
MINING CLAIMS; AMENDING SECTION 15-6-131, MCA."

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

Section 1. Section 15-6-131, MCA, is amended to read:

"15-6-131. Class one property -- description --
taxable percentage. (1) Class one property includes:

(a) the right of entry that is a property right
reserved in land or received by mesne conveyance (exclusive
of leasehold interests), devise, or succession to enter land
whose surface title is held by another to explore, prospect,
or dig for oil, gas, coal, or minerals; and

(b) the annual net proceeds of all mines and mining
claims except coal and metal mines.

(2) Class one property is taxed as follows:

(a) Property described in subsection (1)(a) is taxed
at 100% of its market value, as determined by the department
of revenue.

(b) ~~Property II) EXCEPT AS PROVIDED IN (2)(B)(II).~~
PROPERTY described in subsection (1)(b) is taxed at ~~±00% 80%~~

~~100%~~ of its annual net proceeds after deducting the expenses
specified and allowed by ~~15-23-603.~~

~~(II) MISCELLANEOUS MINES, OTHER THAN OIL AND GAS MINES,
ARE TAXED AT 80% OF THEIR ANNUAL NET PROCEEDS AFTER
DEDUCTING THE EXPENSES SPECIFIED AND ALLOWED BY 15-23-503."~~

-End-