

HOUSE BILL NO. 766

INTRODUCED BY ASAY, FAGG, HARP,
DEVLIN, SWITZER, COMPTON, JACOBSEN

IN THE HOUSE

February 12, 1983	Introduced and referred to Committee on Taxation.
February 21, 1983	Committee recommend bill do pass. Report adopted. Bill printed and placed on members' desks.
February 22, 1983	Second reading, do pass.
February 23, 1983	Considered correctly engrossed. Third reading, passed. Transmitted to Senate.

IN THE SENATE

March 1, 1983	Introduced and referred to Committee on Taxation.
March 15, 1983	Committee recommend bill be concurrent in. Report adopted.
March 16, 1983	Second reading, concurred in.
March 18, 1983	Third reading, concurred in. Ayes, 49; Noes, 0.

IN THE HOUSE

March 18, 1983	Returned to House.
March 19, 1983	Sent to enrolling. Reported correctly enrolled.

1 House BILL NO. 766
2 INTRODUCED BY CLAY FOSTER HARRIS
3 Committee on Finance

4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE DEPARTMENT
5 OF REVENUE TO EMPLOY A QUALIFIED INDEPENDENT APPRAISER FOR
6 CENTRALLY ASSESSED PROPERTY WHEN THE OWNER OF SUCH PROPERTY
7 AND THE DEPARTMENT AGREE ON AN APPRAISER, TO PAY PART OR ALL
8 OF THE COSTS, AND TO ACCEPT THE RESULTS."

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

11 Section 1. Independent appraisal allowed --
12 limitation. The department of revenue may have property
13 subject to the provisions of this chapter assessed by a
14 qualified independent appraiser when both the department and
15 the owner of the property subject to the assessment agree in
16 writing:

17 (1) on a particular independent appraiser to do an
18 appraisal;

19 (2) to share the costs of the independent appraisal;
20 and

21 (3) to accept the results of the appraisal.

22 Section 2. Codification instruction. Section 1 is
23 intended to be codified as an integral part of Title 15,
24 chapter 23, and the provisions of Title 15, chapter 23,
25 apply to section 1.

-End-

INTRODUCED BILL

HB 766

STATE OF MONTANA

REQUEST NO. 412-83

FISCAL NOTE

Form BD-15

In compliance with a written request received February 15,, 19 83, there is hereby submitted a Fiscal Note for House Bill 766 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:

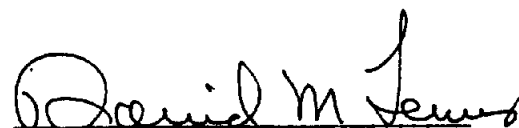
House Bill 766 allows the Department of Revenue to employ a qualified independent appraiser for centrally assessed property when the owner of such property and the department agree on an appraiser, to pay part or all of the costs, and to accept the results.

ASSUMPTIONS:

- 1) In 1981 there was a request for an independent appraisal for centrally assessed property owned by Burlington Northern that would cost approximately \$500,000.
- 2) At least three other corporations with centrally assessed property are included in the same category as Burlington Northern and include: Montana Power, Mountain Bell, and Montana Dakota Utilities.
- 3) The cost of hiring an independent appraiser for the other three corporations will be the same as that for Burlington Northern.
- 4) In addition, industrial plants may opt for an independent appraiser. Examples of the costs of independent appraisers for these plants are the Anaconda Aluminum Plant at \$45,000, Golden Mines at \$30,000, Bonner Saw Mill at \$10,000, and Missoula Pulp Plant at \$100,000.
- 5) There are a minimum of ten industrial plants at \$45,000 nine at \$30,000, 20 at \$10,000, and one at \$100,000.
- 6) The state would pay half of these appraisal costs.

FISCAL IMPACT:

	<u>FY 84</u>	<u>FY 85</u>
Operating Expenses for Contracted Services		
Under Current Law	.335M	.335M
Under Proposed Law	1.835M	1.835M
Estimated Increase	<u>1.500M</u>	<u>1.500M</u>

Continued

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-18-83

COMMENTS:

House Bill 766 may require additional administrative costs.

- 1) It is possible department staff would need to be increased to coordinate activities between independent appraisers, the department, and the owners of centrally assessed property.
- 2) The independent appraisals may need to be updated each year, and subsequently, need to be defended as to the maintained value.

Approved by committee
on Taxation

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3 Comptroller

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THIRD READING

HB 766

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