

SENATE BILL NO. 187

Introduced: 01/18/83

Referred to Committee on Taxation: 01/18/83

Hearing: 1/26/83

Died in Committee

1 *Senate* BILL NO. 187
 2 INTRODUCED BY ARLESTAD, Kolstad E. Smith & Jackson
 3 Underdal Manuel

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT CERTAIN
 5 PRODUCER-HELD GRAIN IN STORAGE FROM PROPERTY TAXATION;
 6 AMENDING SECTIONS 15-6-136 AND 15-6-207, MCA."

7
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Section 15-6-136, MCA, is amended to read:

10 "15-6-136. Class six property -- description --
 11 taxable percentage. (1) Class six property includes:

12 (a) livestock and poultry and the unprocessed products
 13 of both;

14 (b) all unprocessed agricultural products on the farm
 15 or in storage except:

16 (i) all perishable fruits and vegetables in farm
 17 storage and owned by the producer; and

18 (ii) all producer-held grain in storage.

19 (2) Class six property is taxed at 4% of its market
 20 value."

21 Section 2. Section 15-6-207, MCA, is amended to read:

22 "15-6-207. Agricultural exemptions. The following
 23 agricultural products are exempt from taxation:

24 (1) all unprocessed, perishable fruits and vegetables
 25 in farm storage and owned by the producer;

1 (2) all producer-held grain in storage;

2 (2)(3) all nonperishable unprocessed agricultural
 3 products, except livestock, held in possession of the
 4 original producer for less than 7 months following harvest;
 5 and

6 (3)(4) livestock, defined as cattle, sheep, horses, or
 7 mules, which have not attained the age of 9 months as of the
 8 last day of any month if assessed on the average inventory
 9 basis or on March 1 if assessed as provided in
 10 15-24-911(1)(a) and swine which have not attained the age of
 11 3 months as of January 1."

-End-

-2- INTRODUCED BILL
 58187

STATE OF MONTANA

REQUEST NO. 142-83

FISCAL NOTE

Form BD-15

In compliance with a written request received January 19, 1983, there is hereby submitted a Fiscal Note for Senate Bill 187 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:

Senate Bill 187 exempts certain producer-held grain in storage from property taxation.

ASSUMPTIONS:

- 1) The taxable value of unprocessed agricultural products, as reported by county assessors for the year 1982, will remain constant through tax year 1984.
- 2) County average mill levies are assumed to hold for tax year 1984.
- 3) The university levy and school foundation levy are assumed to be 6 mills and 40 mills, respectively.
- 4) Unprocessed agricultural products are assumed to be taxed at the same time as associated real property. Therefore, the proposal applies to fiscal year 1985 collections and beyond.
- 5) The taxable value of the state will be \$2,352,151,000 in FY 85.

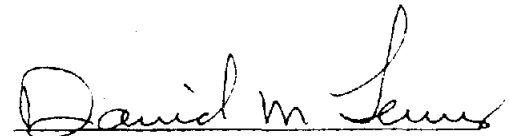
FISCAL IMPACT:

	<u>FY 84</u>	<u>FY 85</u>
University Levy		
Under Current Law	Minimal Effect	\$14,112,906
Under Proposed Law	Minimal Effect	14,082,960
Estimated Decrease	Minimal Effect	\$ (29,946)
School Foundation Program		
Under Current Law	Minimal Effect	\$94,086,040
Under Proposed Law	Minimal Effect	93,886,400
Estimated Decrease	Minimal Effect	\$ (199,640)

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES

The proposal will reduce local government property tax collections by \$928,918 in fiscal year 1985, assuming mill levies are not increased to offset the loss in taxable value.

FISCAL NOTE 6:G/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-24-83