

SENATE BILL NO. 411

Introduced: 02/14/83

Referred to Committee on Taxation: 02/14/83

Hearing: 3/1/83

Died in Committee.

1 Sen. Dan Brown BILL NO. 411
 2 INTRODUCED BY Sen. Dan Brown
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A COUNTY
 5 GOVERNING BODY TO IMPUTE AND APPORTION A PORTION OF THE
 6 TAXABLE VALUATION OF A MAJOR NEW BUSINESS THAT IS IN THE
 7 COUNTY BUT NOT IN A MUNICIPALITY TO MUNICIPALITIES IN THE
 8 COUNTY AND TO SCHOOL DISTRICTS OTHER THAN THE DISTRICT IN
 9 WHICH THE BUSINESS IS LOCATED; PROVIDING FOR A HEARING ON
 10 IMPUTED TAXABLE VALUATION APPORTIONMENT; AMENDING SECTION
 11 15-10-305, MCA; AND PROVIDING AN EFFECTIVE DATE."

12
 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 NEW SECTION. Section 1. Definitions. As used in
 15 [sections 1 through 5], the following definitions apply:

16 (1) "Business" means an industrial or commercial
 17 entity actively engaging in any transaction for the purpose
 18 of financial gain that:

19 (a) employs 20 or more persons or owns real and
 20 personal property the market value of which exceeds \$1
 21 million; and

22 (b) is located within a county but not within the
 23 limits of a municipality.

24 (2) "Eligible entity" means:

25 (a) a municipality for imputed taxable valuation under

1 [section 2]; or

2 (b) a school district for imputed taxable valuation
 3 under [section 3].

4 (3) "Municipality" means an incorporated city or town
 5 located within the county.

6 (4) "School district" means an elementary or high
 7 school district located within the county.

8 NEW SECTION. Section 2. Municipal imputed taxable
 9 valuation. (1) Every business established in the state after
 10 July 1, 1983, may be subject to property taxation by one or
 11 more municipalities on up to 40% of its taxable valuation in
 12 addition to taxation on all of its taxable valuation by the
 13 county in which it is located.

14 (2) Subject to the provisions of [section 4], the
 15 county governing body may by resolution, upon application by
 16 a municipality, impute all or a part of 40% of the taxable
 17 valuation of a business to the municipality. If more than
 18 one municipality applies for imputed taxable valuation, the
 19 county governing body may apportion the 40% taxable
 20 valuation among the municipalities.

21 NEW SECTION. Section 3. School district imputed
 22 taxable valuation. Subject to the provisions of [section 4],
 23 the county governing body may by resolution, upon
 24 application by a school district, impute a portion of the
 25 taxable valuation of a business from the school district in

1 which the business is located to one or more other school
2 districts of the county that have children of the business's
3 employees attending or that are in some other identifiable
4 manner affected by the business.

5 NEW SECTION. Section 4. Procedure for imputing
6 taxable valuation. (1) Before the county governing body may
7 pass a resolution imputing taxable valuation, it shall:

8 (a) make a written finding that the entity subject to
9 imputed taxable valuation meets the definition of a business
10 in [section 1];

11 (b) notify the governing body of each eligible entity
12 in the county that it intends to apportion taxable valuation
13 and inform each eligible entity that has not made
14 application for apportionment that it may do so;

15 (c) set a date for a hearing on apportioning taxable
16 valuation and publish notice, not more than 4 weeks prior to
17 the date of the hearing, in a newspaper of general
18 circulation in the county at least once on 2 successive
19 weeks; and

20 (d) hold a hearing on the date set and admit testimony
21 relating to numbers and residences of business employees,
22 their use of facilities or services of the eligible
23 entities, their economic effect on the community or eligible
24 entity, and any other matter considered necessary to make an
25 apportionment decision.

1 (2) The county governing body may hold a joint hearing
2 on imputing taxable valuation under both [sections 2 and 3].

3 (3) The resolution apportioning taxable valuation must
4 describe the business whose taxable valuation is being
5 apportioned, the eligible entities, and the percentage of
6 the total taxable valuation of the business that each entity
7 will have imputed to it. For an apportionment of imputed
8 taxable valuation under [section 3], the resolution must
9 also state the percentage of the taxable valuation of the
10 business that is not taxable valuation subject to taxation
11 by the school district in which the business is located. A
12 copy of the resolution must be sent to the department of
13 revenue.

14 (4) A county may revise the apportionment of taxable
15 valuation annually in the same manner that the initial
16 apportionment was established under subsection (1).

17 NEW SECTION. Section 5. Levying taxes on imputed
18 taxable valuation. (1) The municipality or school district
19 may levy property taxes upon the imputed taxable valuation
20 in the same manner as if the business had that taxable
21 valuation and were located within its taxing jurisdiction.
22 The property taxes that are levied on the business must be
23 the same as those levied on the property owners resident
24 within the municipality or school district.

25 (2) The county treasurer shall collect and distribute

property taxes collected on imputed taxable valuation in the same manner and at the same time as all other property taxes are collected and distributed.

Section 6. Section 15-10-305, MCA, is amended to read:

"15-10-305. Department to compute and enter taxes -- affidavit. The department of revenue or its agent must then compute and enter in a separate money column in the assessment book the respective sums in dollars and cents, rejecting the fractions of a cent, to be paid as a tax on the property therein enumerated, including any taxes resulting from an imputed taxable valuation as provided in [sections 1 through 5], and foot up the columns showing the total amount of such taxes and the columns of total value of property in the county and shall attach thereto his affidavit, by him subscribed as follows and shall on or before the second Monday of October deliver the completed assessment book to the county clerk and recorder:

"I,, an agent of the department of revenue, do swear that I have reckoned the respective sums due as taxes and have added up the columns of valuations, taxes, and acreage as required by law, and the assessment book to which this affidavit is affixed is full, true, and correct and made in the manner prescribed by law."

~~NEW SECTION.~~ Section 7. Effective date. This act is effective July 1, 1983.