HOUSE BILL NO. 410

,

INTRODUCED BY HARP, MAZUREK

IN THE HOUSE

January 23, 1985	Introduced and referred to Committee on Taxation.			
January 25, 1985	Fiscal Note requested.			
January 30, 1985	Fiscal Note returned.			
March 28, 1985	Committee recommend bill do pass. Report adopted.			
	Bill printed and placed on members' desks.			
March 30, 1985	Second reading, do pass.			
	Considered correctly engrossed.			
April 1, 1985	Third reading, passed.			
	Transmitted to Senate.			
IN THE SENATE				
April 3, 1985	Introduced and referred to Committee on Taxation.			
April 22, 1985	Committee recommend bill be concurred in as amended. Report adopted.			
April 23, 1985	Motion pass consideration.			
April 25, 1985	Second reading, concurred in.			
	Third reading, concurred in. Ayes, 49; Noes, 1.			
	Returned to House with amendments.			

IN THE HOUSE

April 25, 1985

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Received from Senate.

On motion, rules suspended to allow Senate amendments on second reading.

Second reading, amendments concurred in.

Third reading, amendments concurred in.

Sent to enrolling.

Reported correctly enrolled.

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LC 1181/01

HOUSE BILL NO. 410 INTRODUCED BY HARP, Theymin A BILL FOR AN ACT ENTITLED: "AN ACT TO REDUCE THE TAXABLE RATE APPLICABLE TO CERTAIN CLASS ELEVEN PROPERTY; AMENDING SECTION 15-6-141, MCA; AND PROVIDING AN APPLICABILITY 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 --

11 taxable percentage. (1) Class eleven property includes:

12 (a) centrally assessed electric power companies'13 allocations;

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

Montana Legislative Council

1 (2) Class eleven property is taxed as-follows: ta)--Property-described-in-subsection-(1)(a)-and-(b)-is 2 taxed at 12% of market value except as provided in 15-23-202 3 for railroad property. 4 5 (b)--Except---as---provided---in---15-23-2027--property described-in-subsection-(1)(c)-is-taxed--at--15%--of--market 6 7 value." 8 NEW SECTION. Section 2. Extension of authority. Any existing authority of the department of revenue to make 9 rules on the subject of the provisions of this act is 10 11 extended to the provisions of this act. NEW SECTION. Section 3. Coordination 12 instruction. 13 This act is void if: (1) Senate Bill No. 48, including the section of that 14 bill amending 15-6-141, is passed and approved; 15 16 (2) Bill No. [LC 360], including the section of 17 that bill amending 15-6-141, is passed and approved; or 18 (3) Bill No. [LC 1100], including the section of that bill amending 15-6-141, is passed and approved. 19 NEW SECTION. Section 4. Applicability date. This act 20 21 is applicable to taxable years beginning after December 31,

-End-

1985.

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-2- INTRODUCED BILL HB 4/0

STATE OF MONTANA

REQUEST NO. FNN213-85

FISCAL NOTE

Form BD-15

In compliance with a written request received January 25 19 85, there is hereby submitted a Fiscal Note for H.B. 410 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:

An act to reduce the taxable rate applicable to certain class eleven property.

ASSUMPTIONS:

- 1. The taxable value of Class 11 property taxed at 15% will remain constant at the 1984 level of \$160,278,631.
- 2. Average mill levies are 6 mills for the university system, 45 mills for the school foundation program and the weighted average local government levy is 174 mills.
- 3. The taxable value of the state will be 2,397,311,111 and 2,444,888,889 in FY86 and FY87, respectively.
- 4. On average 60% of the total property taxes levied are for schools.

	Under Current Law	FY86 Under Proposed Law	Estimated Decrease	Under Current Law	FY87 Under Proposed Law	Estimated Decrease
University Levy	14,383,867	14,383,867	-0-	14,669,333	14,476,999	(192,334)
School Foundation Program Levy	107,879,000	107,879,000	-0-	110,020,000	108,577,492	(1,442,508)
Total Revenue	122,262,867	122,262,867	-0-	124,689,333	123,054,491	(1,634,842)

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

Revenue to local governments will be reduced by \$5,577,696 in FY87. School district revenue which is approximately 60% of total property tax revenue, would decrease by about \$4.3 million (=.60 X (1.634M + 5.578M)).

BUDGET DIRECTOR Office of Budget and Program Planning

JAN 30. Date: NB 410

LC 1181/01

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APPROVED BY COMMITTEE ON TAXATION

HOUSE BILL NO. 410 1 INTRODUCED BY HARP, Thursday 2 3 A BILL FOR AN ACT ENTITLED: "AN ACT TO REDUCE THE TAXABLE 4 RATE APPLICABLE TO CERTAIN CLASS ELEVEN PROPERTY; AMENDING 5 SECTION 15-6-141, MCA: AND PROVIDING AN APPLICABILITY DATE." 6 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 8 Section 1. Section 15-6-141, MCA, is amended to read: 9 "15-6-141. Class eleven property -- description --10 taxable percentage. (1) Class eleven property includes: 11 12 (a) centrally assessed electric power companies' 13 allocations; (b) allocations for centrally assessed natural gas 14 companies having a major distribution system in this state; 15 16 and (c) centrally assessed companies' allocations except: 17 (i) electric power and natural gas companies' 18 19 property: (ii) property owned by cooperative rural electric and 20 21 cooperative rural telephone associations and classified in 22 class five; and 23 (iii) property owned by organizations providing telephone communications to rural areas and classified in 24 25 class seven.

(2) Class eleven property is taxed as-follows: 2 ta)--Property-described-in-subsection-tittat-and-tbt-is taxed at 12% of market value except as provided in 15-23-202 for railroad property.

tb}--Except---as---provided---in---15-23-2027--property 5 6 described-in-subsection-(1)(c)-is-taxed--at--15%--of--market 7 Value-"

8 NEW SECTION. Section 2. Extension of authority. Any existing authority of the department of revenue to make 9 rules on the subject of the provisions of this act is 10 11 extended to the provisions of this act.

NEW SECTION. Section 3. Coordination instruction. 12 13 This act is void if:

(1) Senate Bill No. 48, including the section of that 14 15 bill amending 15-6-141, is passed and approved;

(2) Bill No. [LC 360], including the section of 16 that bill amending 15-6-141, is passed and approved; or 17

(3) __Bill No.__ [LC 1100], including the section of 18 19 that bill amending 15-6-141, is passed and approved.

NEW SECTION. Section 4. Applicability date. This act 20 is applicable to taxable years beginning after December 31, 21 22 1985.

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SECOND READING HBHIO

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property;

class five; and

1 (2) Class eleven property is taxed as-follows: tat--Property-described-in-subsection-fltatatad-tbt-is 2 taxed at 12% of market value except as provided in 15-23-202 3 A BILL FOR AN ACT ENTITLED: "AN ACT TO REDUCE THE TAXABLE 4 for railroad property. RATE APPLICABLE TO CERTAIN CLASS ELEVEN PROPERTY; AMENDING (b)--Except---as---provided---in---15-23-2027--property 5 SECTION 15-6-141, MCA; AND PROVIDING AN APPLICABILITY DATE." 6 described-in-subsection-flift-is-taxed--at--15%--of--market 7 value-" BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 8 NEW SECTION. Section 2. Extension of authority. Any Section 1. Section 15-6-141, MCA, is amended to read: 9 existing authority of the department of revenue to make "15-6-141. Class eleven property -- description -rules on the subject of the provisions of this act is 10 taxable percentage. (1) Class eleven property includes: extended to the provisions of this act. 11 (a) centrally assessed electric power companies' NEW SECTION. Section 3. Coordination 12 This act is void if: 13 (b) allocations for centrally assessed natural gas 14 (1) Senate Bill No. 48, including the section of that companies having a major distribution system in this state; 15 bill amending 15-6-141, is passed and approved; (2) __Bill No.__ [LC 360], including the section of 16 (c) centrally assessed companies' allocations except: that bill amending 15-6-141, is passed and approved; or 17 (i) electric power and natural gas companies' (3) Bill No. [LC 1100], including the section of 18 that bill amending 15-6-141, is passed and approved. 19 (ii) property owned by cooperative rural electric and 20 NEW SECTION. Section 4. Applicability date. This act cooperative rural telephone associations and classified in is applicable to taxable years beginning after December 31, 21 1985. 22 -End-

(iii) property owned by organizations providing 23 telephone communications to rural areas and classified in 24 25 class seven.

HOUSE BILL NO. 410

INTRODUCED BY HARP, Thayulle

na Legislative Council

THIRD READING HB 410

-2-

instruction.

STANDING COMMITTEE REPORT

SENATE		April20, 1985
MR. PRESIDENT		
We, your committee on	Taxation	
having had under consideration	House Bill	No.410
thirdreading copy (blu		
(Senator Mazurek)	blor	
REDUCING THE TAXABLE PERCEN PROPERTY.	TAGE RATE APPLIED TO CER	TAIN CLASS 11

be amended as follows:

1. Page 2, lines 12 through 19.
Strike: Section 3 in its entirety
Renumber: subsequent section

AND AS AMENDED BE CONCURRED IN

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Senator Thomas E. Towe,

Chairman.

1	HOUSE BILL NO. 410		
2	INTRODUCED BY HARF, MAZUREK	1	(2) Class eleven property is taxed as-follows:
3		2	{a}Property-described-in-subsection-(1)(a)-and-(b)-is
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO REDUCE THE TAXABLE	3	taxed at 12% of market value except as provided in 15-23-202
5	RATE APPLICABLE TO CERTAIN CLASS ELEVEN PROPERTY; AMENDING	4	for railroad property.
6	SECTION 15-6-141, MCA; AND PROVIDING AN APPLICABILITY DATE."	5	<pre>tb}Exceptasprovidedin15-23-2027property</pre>
7		6	described-in-subsection-(1)(c)-is-taxedat15%ofmarket
8	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	7	Vaiuer"
9	Section 1. Section 15-6-141, MCA, is amended to read:	8	NEW SECTION. Section 2. Extension of authority. Any
10	"15-6-141. Class eleven property description	9	existing authority of the department of revenue to make
11	taxable percentage. (1) Class eleven property includes:	10	rules on the subject of the provisions of this act is
12*	(a) centrally assessed electric power companies'	11	extended to the provisions of this act.
13	allocations;	12	NEW-SECTION,Section-3,Coordinationinstruction-
14	(b) allocations for centrally assessed natural gas	13	This-act-is-void-if:
15	companies having a major distribution system in this state;	14	<pre>tltSenateBill-Nor-487-including-the-section-of-that</pre>
16	and	15	bill-amending-15-6-141;-is-passed-and-approved;
17	(c) centrally assessed companies' allocations except:	16	<pre>{2}Bill-No{be-360};-includingthesectionof</pre>
18	(i) electric power and natural gas companies'	17	that-bill-amending-15-6-1417-is-passed-and-approved;-or
19	property;	18	<pre>(3)BittNo(50-tt00);-inctuding-the-section-of</pre>
20	(ii) property owned by cooperative rural electric and	19	that-bill-amending-15-6-1417-is-passed-and-approved.
21	cooperative rural telephone associations and classified in	20	NEW SECTION. Section 3. Applicability date. This act
22	class five; and	21	is applicable to taxable years beginning after December 31,
23	(iii) property owned by organizations providing	2 2	1985.
24	telephone communications to rural areas and classified in		-End-
25	class seven.		

Montana Legislative Council

REFERENCE BILL

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