

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 concurrred in as amended. Report adopted.
April 23, 1985	Motion pass consideration.
April 25, 1985	Second reading, concurrred in.
	Third reading, concurrred in. Ayes, 49; Noes, 1.
	Returned to House with amendments.

IN THE HOUSE

April 25, 1985

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.

1 HOUSE BILL NO. 410
 2 INTRODUCED BY HARP, Thayne
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REDUCE THE TAXABLE
 5 RATE APPLICABLE TO CERTAIN CLASS ELEVEN PROPERTY; AMENDING
 6 SECTION 15-6-141, MCA; AND PROVIDING AN APPLICABILITY DATE."
 7
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 9 Section 1. Section 15-6-141, MCA, is amended to read:
 10 "15-6-141. Class eleven property -- description --
 11 taxable percentage. (1) Class eleven property includes:
 12 (a) centrally assessed electric power companies'
 13 allocations;
 14 (b) allocations for centrally assessed natural gas
 15 companies having a major distribution system in this state;
 16 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.

1 (2) Class eleven property is taxed as follows:
 2 (a) --Property described in subsection (1)(a) and (b) is
 3 taxed at 12% of market value except as provided in 15-23-202
 4 for railroad property.
 5 (b) --Except as provided in 15-23-202, property
 6 described in subsection (1)(c) is taxed at 15% of market
 7 value."
 8 NEW SECTION. Section 2. Extension of authority. Any
 9 existing authority of the department of revenue to make
 10 rules on the subject of the provisions of this act is
 11 extended to the provisions of this act.
 12 NEW SECTION. Section 3. Coordination instruction.
 13 This act is void if:
 14 (1) Senate Bill No. 48, including the section of that
 15 bill amending 15-6-141, is passed and approved;
 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
 19 that bill amending 15-6-141, is passed and approved.
 20 NEW SECTION. Section 4. Applicability date. This act
 21 is applicable to taxable years beginning after December 31,
 22 1985.

-End-



STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNN213-85

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.

	<u>Under</u> <u>Current Law</u>	<u>FY86</u> <u>Under</u> <u>Proposed Law</u>	<u>Estimated</u> <u>Decrease</u>	<u>Under</u> <u>Current Law</u>	<u>FY87</u> <u>Under</u> <u>Proposed Law</u>	<u>Estimated</u> <u>Decrease</u>
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)).

David L Hunter

BUDGET DIRECTOR
Office of Budget and Program Planning

Date: JAN 30, 1985

HB 410

APPROVED BY COMMITTEE
ON TAXATION

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-End-



SECOND READING
HB 410

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 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
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-End-

STANDING COMMITTEE REPORT

SENATE

.....April 20,..... 19.85..

MR. PRESIDENT

We, your committee on.....Taxation.....

having had under consideration.....House Bill.....No. 410.....

third reading copy (blue)
color

(Senator Mazurek)

REDUCING THE TAXABLE PERCENTAGE RATE APPLIED TO CERTAIN CLASS 11
PROPERTY.

Respectfully report as follows: That.....House Bill.....No. 410.....

be amended as follows:

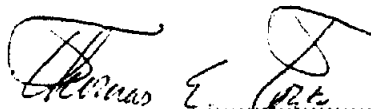
- 1. Page 2, lines 12 through 19.
- Strike: Section 3 in its entirety
- Renumber: subsequent section

AND AS AMENDED
BE CONCURRED IN

~~DO PASS~~

~~DO NOT PASS~~

Reported by



.....
Senator Thomas E. Towe,

Chairman.

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

(c) centrally assessed companies' allocations except:

(i) electric power and natural gas companies' property;

(ii) property owned by cooperative rural electric and cooperative rural telephone associations and classified in class five; and

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

(2) Class eleven property is taxed as follows:

{a}--Property described in subsection (1)(a) and (b) is taxed at 12% of market value except as provided in 15-23-202 for railroad property.

{b}--Except as provided in 15-23-202, property described in subsection (1)(c) is taxed at 15% of market value."

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

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

{1}--Senate Bill No. 487 including the section of that bill amending 15-6-141, is passed and approved;

{2}--Bill No. [50-368] including the section of that bill amending 15-6-141, is passed and approved; or

{3}--Bill No. [50-1100] including the section of that bill amending 15-6-141, is passed and approved.

NEW SECTION. Section 3. Applicability date. This act is applicable to taxable years beginning after December 31, 1985.

-End-

