

HOUSE BILL NO. 696

INTRODUCED BY KITSELMAN, SPAETH, HAFLEY, GOODOVER, ASAY

IN THE HOUSE

February 7, 1985	Introduced and referred to Committee on Taxation. Fiscal Note requested.
February 12, 1985	Fiscal Note returned.
February 22, 1985	Committee recommend bill do pass. Report adopted. Bill printed and placed on members' desks.
February 25, 1985	Second reading, do pass. Considered correctly engrossed.
February 26, 1985	Third reading, passed. Transmitted to Senate.

IN THE SENATE

March 4, 1985	Introduced and referred to Committee on Taxation.
April 17, 1985	Committee recommend bill be concurrent in as amended. Report adopted.
April 18, 1985	Second reading, concurred in.
April 19, 1985	Third reading, concurred in. Ayes, 50; Noes, 0. Returned to House with amendments.

IN THE HOUSE

April 19, 1985

Received from Senate.

April 20, 1985

Second reading, amendments
concurrent in.

April 22, 1985

Third reading, amendments
concurrent in.

Sent to enrolling.

Reported correctly enrolled.

HOUSE BILL NO. 696

INTRODUCED BY *Ritchie* *Spaul* *Hoffey* *Boyd*

A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO THE COST INDICATOR USED IN THE VALUATION OF CENTRALLY ASSESSED PROPERTIES; DIRECTING THE AMENDMENT OF RULE 42.22.112, ADMINISTRATIVE RULES OF MONTANA."

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

Section 1. The Department of Revenue shall amend Rule 42.22.112, Administrative Rules of Montana, to read:

"42.22.112 COST INDICATOR (1) The cost indicator of value shall be derived from information contained in the company's report to the department, report to a regulatory agency, property descriptions submitted to the department, and any other reliable source of information. The department will include the cost of all operating properties which are taxable under Montana law. This includes properties both within and without the state.

(2) The type of cost used may be one of the following:

- (a) replacement;
- (b) replacement less depreciation;
- (c) reproduction;
- (d) reproduction less depreciation;
- (e) historical (original); and

(f) historical less depreciation.

(3) The choice of cost shall depend upon which type best reflects market value of the property at the time of valuation. ~~For taxable periods ending on or beginning after December 31, 1985, the cost indicator shall be consistent with the cost approach used in valuation of other commercial and industrial property."~~

-End-

STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNN 360-85

Form BD-15

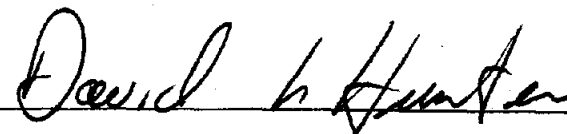
In compliance with a written request received February 7, 19 85, there is hereby submitted a Fiscal Note for H.B. 696 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act relating to the cost indicator used in the valuation of centrally assessed properties; directing the amendment of rule 42.22.112, administrative rules of Montana.

FISCAL IMPACT:

It is estimated that this legislation would have no fiscal impact. The Department of Revenue currently performs the valuation as proposed in this legislation.



BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Feb 12, 1985

HB 696

APPROVED BY COMMITTEE
ON TAXATION

1 HOUSE BILL NO. 696
2 INTRODUCED BY Kitselmond Aspell Haffey Goodwin
3 Long

4 A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO THE COST
5 INDICATOR USED IN THE VALUATION OF CENTRALLY ASSESSED
6 PROPERTIES; DIRECTING THE AMENDMENT OF RULE 42.22.112,
7 ADMINISTRATIVE RULES OF MONTANA."
8

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11 42.22.112, Administrative Rules of Montana, to read:

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14 company's report to the department, report to a regulatory
15 agency, property descriptions submitted to the department,
16 and any other reliable source of information. The department
17 will include the cost of all operating properties which are
18 taxable under Montana law. This includes properties both
19 within and without the state.

- 20 (2) The type of cost used may be one of the following:
21 (a) replacement;
22 (b) replacement less depreciation;
23 (c) reproduction;
24 (d) reproduction less depreciation;
25 (e) historical (original); and

- 1 (f) historical less depreciation.
2 (3) The choice of cost shall depend upon which type
3 best reflects market value of the property at the time of
4 valuation. ~~For taxable periods ending on or beginning after~~
5 ~~December 31, 1985, the cost indicator shall be consistent~~
6 ~~with the cost approach used in valuation of other commercial~~
7 ~~and industrial property."~~

-End-

SECOND READING
HB 696



1 HOUSE BILL NO. 696
 2 INTRODUCED BY Kitselman Spaeth Haffey Bordman
 3 Long

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 5 INDICATOR USED IN THE VALUATION OF CENTRALLY ASSESSED
 6 PROPERTIES; DIRECTING THE AMENDMENT OF RULE 42.22.112,
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 4 valuation. ~~For taxable periods ending on or beginning after~~
 5 ~~December 31, 1985, the cost indicator shall be consistent~~
 6 ~~with the cost approach used in valuation of other commercial~~
 7 ~~and industrial property."~~

-End-



THIRD READING
 HB 696

SENATE

STANDING COMMITTEE REPORT

APRIL 17

19 85

MR. PRESIDENT

TAXATION

We, your committee on.....

HOUSE BILL

having had under consideration..... No. 696

THIRD reading copy (BLUE)
(TOWE WILL CARRY) color

DEPARTMENT OF REVENUE REQUIRED TO AMEND RULE ON CENTRALLY ASSESSED PROPERTY

HOUSE BILL

696

Respectfully report as follows: That..... No.....

be amended as follows:

1. Page 2, line 7.

Following: "property"

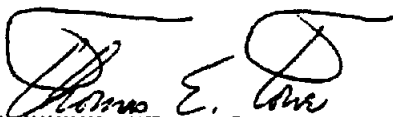
Insert: "For taxable periods beginning after December 31, 1985, the cost indicator for railroads, airlines, and other federally protected taxpayers shall be treated consistent with federal law."

AND AS AMENDED

BE CONCURRED IN

XXXXXXXXXX

XXXXXXXXXX


.....
Senator Tom Towe
Chairman.

HOUSE BILL NO. 696

INTRODUCED BY KITSELMAN, SPAETH, HAFPEY,
GOODOVER, ASAY

A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO THE COST INDICATOR USED IN THE VALUATION OF CENTRALLY ASSESSED PROPERTIES; DIRECTING THE AMENDMENT OF RULE 42.22.112, ADMINISTRATIVE RULES OF MONTANA."

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(2) The type of cost used may be one of the following:

- (a) replacement;
- (b) replacement less depreciation;
- (c) reproduction;
- (d) reproduction less depreciation;

- (e) historical (original); and
- (f) historical less depreciation.

(3) The choice of cost shall depend upon which type best reflects market value of the property at the time of valuation. ~~For taxable periods ending on or beginning after December 31, 1985, the cost indicator shall be consistent with the cost approach used in valuation of other commercial and industrial property.~~ FOR TAXABLE PERIODS BEGINNING AFTER DECEMBER 31, 1985, THE COST INDICATOR FOR RAILROADS, AIRLINES, AND OTHER FEDERALLY PROTECTED TAXPAYERS SHALL BE TREATED CONSISTENT WITH FEDERAL LAW.

-End-

