

HOUSE BILL NO. 844

INTRODUCED BY PATTERSON, ASAY, HANNAH, D. BROWN, SPAETH, KELLER,
JENKINS, HAGER, SWITZER, NATHE, COBB, GLASER, KEATING,
DEVLIN, GRADY, ERNST, BENGTON

IN THE HOUSE

February 15, 1985	Introduced and referred to Committee on Taxation.
February 19, 1985	Fiscal Note requested.
February 22, 1985	Fiscal Note returned.
March 8, 1985	Committee recommend bill do pass as amended. Report adopted.
March 9, 1985	Bill printed and placed on members' desks.
March 12, 1985	Second reading, do pass. Considered correctly engrossed.
March 13, 1985	Third reading, passed. Transmitted to Senate.

IN THE SENATE

March 14, 1985	Introduced and referred to Committee on Taxation.
April 4, 1985	Committee recommend bill be concurrent in as amended. Report adopted.
April 8, 1985	Second reading, concurred in.
April 10, 1985	Third reading, concurred in. Ayes, 46; Noes, 4. Returned to House with amendments.

IN THE HOUSE

April 10, 1985

Received from Senate.

April 11, 1985

Second reading, amendments
concurrent in.

April 12, 1985

Third reading, amendments
concurrent in.

Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 844
 2 INTRODUCED BY Patterson Harold Dave Brown Speth
 3 Heller Switzer NATHAN COLE & Gattney
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT FROM TAXATION Switzer
 5 CERTAIN EQUIPMENT USED TO FARM SUGAR BEETS ONLY IF SUCH Switzer
 6 EQUIPMENT HAS BEEN UNUSED FOR A CERTAIN PERIOD; AMENDING Switzer
 7 SECTION 15-6-207, MCA; AND PROVIDING AN APPLICABILITY DATE Switzer

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

9 Section 1. Section 15-6-207, MCA, is amended to read:

10 "15-6-207. Agricultural exemptions. (1) The following
11 agricultural products are exempt from taxation:

12 1(a) all unprocessed, perishable fruits and
13 vegetables in farm storage and owned by the producer;

14 2(b) all nonperishable unprocessed agricultural
15 products, except livestock, held in possession of the
16 original producer for less than 7 months following harvest;
17 and

18 3(c) livestock, defined as cattle, sheep, horses, or
19 mules, which have not attained the age of 9 months as of the
20 last day of any month if assessed on the average inventory
21 basis or on March 1 if assessed as provided in
22 15-24-911(1)(a) and swine which have not attained the age of
23 3 months as of January 1.

24 (2) All farm equipment, machinery, and implements

1 designed exclusively to plant, cultivate, and harvest sugar
2 beets are exempt from taxation if such equipment, machinery,
3 and implements have not been used to plant, cultivate, or
4 harvest sugar beets for the 2 years immediately preceding
5 the current assessment date. However, the exemption in this
6 subsection does not include tractors."

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

11 NEW SECTION. Section 3. Applicability date. This act
12 is applicable to taxable years beginning after December 31,
13 1985.

-End-



-2- INTRODUCED BILL
HB 844

STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNN 466-85

Form BD-15

In compliance with a written request received February 19, 19 85, there is hereby submitted a Fiscal Note for H.B. 844 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 to exempt from taxation certain equipment used to farm sugar beets only if such equipment has been unused for a certain period.

ASSUMPTIONS:

1. Total state taxable value is \$2,444,893,000 in FY 1987.
2. The taxable value of qualifying sugar beet equipment is \$635,000 (DOR estimate).
3. The University mill levy is 6 mills; the School Foundation Program mill levy is 45 mills; the average mill levy in the affected counties is 200.
4. The proposed legislation is applicable to tax years beginning after December 31, 1985. There will be no fiscal impact in FY 1986.

FISCAL IMPACT:

Based on statistics from Treasure County, it appears that the proposal would reduce property tax collections of sugar beet growing counties by approximately \$127,000 per year. The following fund breakdown is estimated:

		FY 87	
	Current	Proposed	Difference
University Levy	\$ 14,669,358	\$ 14,665,548	\$ (3,810)
School Foundation Program	110,020,185	109,991,610	(28,575)
	\$124,689,543	\$124,657,158	\$ (32,385)

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

The total change in property tax resulting from the proposed legislation is an annual reduction of \$127,000. When the impacts to Universities and the School Foundation Program are removed, the impact to local governments is \$94,615. The impact to all school funding is an annual property tax reduction of \$76,200.

David L. Hunter

BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Feb 22, 1985

APPROVED BY COMMITTEE
ON TAXATION

HOUSE BILL NO. 844

INTRODUCED BY PATTERSON, ASAY, HANNAH, D. BROWN,
SPAETH, KELLER, JENKINS, HAGER, SWITZER, NATHE, COBB,
GLASER, KEATING, DEVLIN, GRADY, ERNST, BENGTON

A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT FROM TAXATION
CERTAIN EQUIPMENT USED TO FARM SUGAR BEETS ONLY IF SUCH
EQUIPMENT HAS BEEN UNUSED FOR A CERTAIN PERIOD; AMENDING
SECTION 15-6-207, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

Section 1. Section 15-6-207, MCA, is amended to read:

"15-6-207. Agricultural exemptions. (1) The following
agricultural products are exempt from taxation:

{1}(a) all unprocessed, perishable fruits and
vegetables in farm storage and owned by the producer;

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

{3}(c) livestock, defined as cattle, sheep, horses, or
mules, which have not attained the age of 9 months as of the
last day of any month if assessed on the average inventory
basis or on March 1 if assessed as provided in
15-24-911(1)(a) and swine which have not attained the age of

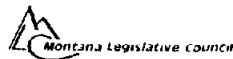
3 months as of January 1.

~~(2) All-farm-equipment, machinery, and implements ANY
BEET DIGGER, BEET TOPPER, BEET DEFOLIATOR, BEET THINNER,
BEET CULTIVATOR, BEET PLANTER, OR BEET TOP SAVER designed
exclusively to plant, cultivate, and harvest sugar beets are
IS exempt from taxation if such equipment, machinery, and
implements have IMPLEMENT HAS not been used to plant,
cultivate, or harvest sugar beets for the 2 years
immediately preceding the current assessment date, AND THERE
ARE NO AVAILABLE SUGAR BEET CONTRACTS IN THE SURROUNDING
AREA. However, the exemption in this subsection does not
include tractors."~~

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. Applicability date. This act
is applicable to taxable years beginning after December 31,
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-End-



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A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT FROM TAXATION CERTAIN EQUIPMENT USED TO FARM SUGAR BEETS ONLY IF SUCH EQUIPMENT HAS BEEN UNUSED FOR A CERTAIN PERIOD; AMENDING SECTION 15-6-207, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

Section 1. Section 15-6-207, MCA, is amended to read:

"15-6-207. Agricultural exemptions. (1) The following agricultural products are exempt from taxation:

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

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

and

(c) livestock, defined as cattle, sheep, horses, or mules, which have not attained the age of 9 months as of the last day of any month if assessed on the average inventory basis or on March 1 if assessed as provided in 15-24-911(1)(a) and swine which have not attained the age of

3 months as of January 1.

(2) ~~All-farm-equipment,-machinery,-and-implements~~ ANY BEET DIGGER, BEET TOPPER, BEET DEFOLIATOR, BEET THINNER, BEET CULTIVATOR, BEET PLANTER, OR BEET TOP SAVER designed exclusively to plant, cultivate, and harvest sugar beets are IS exempt from taxation if such ~~equipment,-machinery,-and-implements-have~~ IMPLEMENT HAS not been used to plant, cultivate, or harvest sugar beets for the 2 years immediately preceding the current assessment date, AND THERE ARE NO AVAILABLE SUGAR BEET CONTRACTS IN THE SURROUNDING AREA. ~~However,-the-exemption-in-this-subsection-does-not-include-tractors:-"~~

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

-End-



STANDING COMMITTEE REPORT

SENATE

April 4, 1985

MR. PRESIDENT

We, your committee on Taxation

having had under consideration House Bill No. 844

third reading copy (blue color)

(Senator Hager)

EXEMPTING CERTAIN IDLED FARM EQUIPMENT NORMALLY USED TO FARM SUGAR BEETS.

Respectfully report as follows: That House Bill No. 844

be amended as follows:

- 1. Page 2, line 10.
- Following: "THE"
- Strike: "SURROUNDING"
- Insert: "sugar beet grower's marketing"

AND AS AMENDED
BE CONCURRED IN

~~XXXXXX~~

~~XXXXXXXXXX~~

Senator Thomas E. Towe,

Chairman.

HOUSE BILL NO. 844

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mules, which have not attained the age of 9 months as of the
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15-24-911(1)(a) and swine which have not attained the age of

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BEET CULTIVATOR, BEET PLANTER, OR BEET TOP SAVER designed
exclusively to plant, cultivate, and harvest sugar beets are
IS exempt from taxation if such equipment, machinery, and
implements have IMPLEMENT HAS not been used to plant,
cultivate, or harvest sugar beets for the 2 years
immediately preceding the current assessment date, AND THERE
ARE NO AVAILABLE SUGAR BEET CONTRACTS IN THE SURROUNDING
SUGAR BEET GROWER'S MARKETING AREA. However, the exemption
in this subsection does not include tractors."~~

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

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