

SENATE BILL NO. 32

1/07 Introduced
1/07 Referred to Taxation
1/08 Hearing
1/08 Fiscal Note Requested
1/14 Fiscal Note Received
2/08 Adverse Committee Report
2/09 Bill Killed

1 SENATE BILL NO. 32
2 INTRODUCTION BY AKLESTAD

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT PRODUCER-HELD
5 GRAIN IN STORAGE FROM PROPERTY TAXATION; AMENDING SECTIONS
6 15-6-136 AND 15-6-207, MCA; AND PROVIDING AN IMMEDIATE
7 EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

10 Section 1. Section 15-6-136, MCA, is amended to read:

11 "15-6-136. Class six property -- description --
12 taxable percentage. (1) Class six property includes:

13 (a) livestock and poultry and the unprocessed products
14 of both;

15 (b) all unprocessed agricultural products on the farm
16 or in storage except:

17 (i) all perishable fruits and vegetables in farm
18 storage and owned by the producer; and

19 (ii) all producer-held grain in storage;

20 (c) items of personal property intended for lease in
21 the ordinary course of business provided each item of
22 personal property satisfies all of the following:

23 (i) the full and true value of the personal property
24 is less than \$5,000;

25 (ii) the personal property is owned by a business whose

1 primary business income is from rental or lease of personal
2 property to individuals wherein no one customer of the
3 business accounts for more than 10% of the total rentals or
4 leases during a calendar year; and

5 (iii) the lease of the personal property is generally
6 on an hourly, daily, or weekly basis.

7 (2) Class six property is taxed at 4% of its market
8 value."

9 Section 2. Section 15-6-207, MCA, is amended to read:

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

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

14 (2) all producer-held grain in storage;

15 ~~(2)~~(3) all nonperishable unprocessed agricultural
16 products, except livestock, held in possession of the
17 original producer for less than 7 months following harvest;
18 and

19 ~~(3)~~(4) livestock, defined as cattle, sheep, horses, or
20 mules, which have not attained the age of 9 months as of the
21 last day of any month if assessed on the average inventory
22 basis or on March 1 if assessed as provided in
23 15-24-911(1)(a) and swine which have not attained the age of
24 3 months as of January 1."

25 NEW SECTION. Section 3. Effective date --



LC 0358/01

1 applicability. This act is effective on passage and approval
2 and is applicable to taxable years beginning after December
3 31, 1984.

-End-

STATE OF MONTANA

FISCAL NOTE

REQUEST NO. FNN022-85Form BD-15

In compliance with a written request received January 8 19 85, there is hereby submitted a Fiscal Note for S.B. 32 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 exempt producer-held grain in storage from property taxation; amending sections 15-6-136 and 15-6-207, MCA; and providing an immediate effective date and an applicability date.

ASSUMPTIONS

1. Taxable value of producer-held grain in storage remains constant at the 1984 level of \$7,200,512.
2. Total state taxable value is \$2,408,903,000 for FY86 and \$2,495,795,000 for FY87.
3. University mill levy = 6 mills; School Foundation Program levy = 45 mills; average weighted mill levy for producer-held grain in storage remains constant at the FY1984 level of 195.28 mills.
4. The proportion of total property tax required for all school funding is 60%.

EXPENDITURES

	Under Current Law	FY86 Under Proposed Law	Estimated (Decrease)	Under Current Law	FY87 Under Proposed Law	Estimated (Decrease)
University Mill Levy	\$ 14,453,418	\$ 14,410,215	(\$ 43,203)	\$ 14,974,770	\$ 14,931,567	(\$ 43,203)
School Foundation Program Levy	\$108,400,635	\$108,076,612	(\$324,023)	\$112,310,775	\$111,986,752	(\$324,023)
TOTAL REVENUE	\$122,854,053	\$122,486,827	(\$367,226)	\$127,285,545	\$126,918,319	(\$367,226)

EFFECT ON COUNTY/LOCAL REVENUE

The total impact of the proposed legislation on Local Government Revenues is a reduction of \$1,038,889 (.14428 x \$7,200,512). On average, 60% of total property taxes are levied for schools. Thus, 60% of the revenue loss or about \$0.8 M annually (.60 x (\$.367 M + \$1.038M)) would be the loss in school funding.

David L. Hunter
BUDGET DIRECTOR
Office of Budget and Program Planning

Date: JAN 14, 1985

STANDING COMMITTEE REPORT

HOUSE

APRIL 10 1985

MR. **SPEAKER**

We, your committee on **EDUCATION AND CULTURAL RESOURCES**

having had under consideration **SENATE JOINT RESOLUTION** Bill No. **32**

THIRD reading copy (BLUE)
color

REQUESTING INTERIM STUDY OF EDUCATIONAL TELEVISION IN MONTANA

Respectfully report as follows: That **SENATE JOINT RESOLUTION** Bill No. **32**

BE AMENDED AS FOLLOWS:

1. Page 2, line 14.
Following: **"EDUCATION,"**
Insert: **"major organizations representing teachers, school administrators, school boards, and other educational personnel, the Montana Hospital Association,"**

AND, AS AMENDED,

BE CONCURRED IN
~~REPORT~~

34
4/11

REP. DAN HARRINGTON

Chairman.