

SENATE BILL NO. 64

1/07 Introduced  
1/07 Referred to Taxation  
1/08 Fiscal Note Requested  
1/14 Fiscal Note Received  
1/30 Hearing  
2/08 Tabled in Committee

1                    SENATE    BILL NO. 64  
 2    INTRODUCED BY   AKLESTAD

3  
 4    A BILL FOR AN ACT ENTITLED: "AN ACT TO CLASSIFY SEPARATELY  
 5    RESIDENCES SITUATED ON AGRICULTURAL LAND AND TAX THEM AT  
 6    6.84 PERCENT OF MARKET VALUE; AMENDING SECTION 15-6-101,  
 7    MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN  
 8    APPLICABILITY DATE."

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

11        Section 1. Section 15-6-101, MCA, is amended to read:  
 12        "15-6-101. Property subject to taxation --  
 13    classification. (1) All property in this state is subject to  
 14    taxation, except as provided otherwise.

15        (2) For the purpose of taxation, the taxable property  
 16    in the state shall be classified in accordance with ~~15-6-131~~  
 17    ~~through-15-6-141~~ this part."

18        NEW SECTION. Section 2. Class thirteen property --  
 19    description -- taxable percentage. (1) Class thirteen  
 20    property includes a building, housetrailer, or mobile home  
 21    situated as a permanent improvement or a leasehold  
 22    improvement on more than 5 acres of agricultural land as  
 23    defined in 15-7-202 and used as a residence.

24        (2) Class thirteen property is taxed at 6.84% of its  
 25    market value.

1                    NEW SECTION. Section 3. Extension of authority. Any  
 2    existing authority of the department of revenue to make  
 3    rules on the subject of the provisions of this act is  
 4    extended to the provisions of this act.

5                    NEW SECTION. Section 4. Codification instruction.  
 6    Section 2 is intended to be codified as an integral part of  
 7    Title 15, chapter 6, part 1, and the provisions of Title 15  
 8    apply to section 2.

9                    NEW SECTION. Section 5. Effective date --  
 10    applicability. This act is effective on passage and approval  
 11    and is applicable to taxable years beginning after December  
 12    31, 1984.

-End-



STATE OF MONTANA

REQUEST NO. FNN030-85

FISCAL NOTE

Form BD-15

In compliance with a written request received January 8, 1985, there is hereby submitted a Fiscal Note for S.B. 64 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 classify separately residences situated on agricultural land and tax them at 6.84 percent of market value and provide an immediate effective date and an applicability date.

ASSUMPTIONS

1. The total taxable value of agricultural improvements remain constant at the FY1984 level of \$67,151,146.
2. Total state taxable value is \$2,408,903,000 in FY1986 and \$2,495,795,000 in FY1987.
3. The University mill levy is 6 mills; the School Foundation Program mill levy is 45 mills; the average weighted mill levy for agricultural improvements remains constant at the FY1984 level of 210.26 mills.
4. The proportion of total property tax required for all school funding is 60%.

EXPENDITURES

	<u>FY86</u>			<u>FY87</u>		
	<u>Under</u> <u>Current Law</u>	<u>Under</u> <u>Proposed Law</u>	<u>Estimated</u> <u>(Decrease)</u>	<u>Under</u> <u>Current Law</u>	<u>Under</u> <u>Proposed Law</u>	<u>Estimated</u> <u>(Decrease)</u>
University Mill Levy	\$ 14,453,418	\$ 14,372,837	(\$ 80,581)	\$ 14,974,770	\$ 14,894,189	(\$ 80,581)
School Foundation Program Levy	\$108,400,635	\$107,796,274	(\$604,361)	\$112,310,775	\$111,706,414	(\$604,361)
<b>TOTAL REVENUE</b>	<b>\$122,854,053</b>	<b>\$122,169,111</b>	<b>(\$684,942)</b>	<b>\$127,285,545</b>	<b>\$126,600,603</b>	<b>(\$684,942)</b>

EFFECT ON COUNTY/LOCAL REVENUE

The total impact of the proposed legislation is on local governments, is a reduction of \$2,138,898 annually (.15926 x 13,430,229). On average, 60% of the total property taxes levied are for schools. Thus, 60% of the total loss or about \$1.7 M annually (.6 x (\$.68 M + \$2.14M)) would be the loss in school funding.

*David L Hunter*

BUDGET DIRECTOR  
Office of Budget and Program Planning

Date: Jan 14, 1985