

SENATE BILL NO. 261

INTRODUCED BY LYNCH, STEPHENS, CRIPPEN,  
JACK MOORE, GOODOVER, KOLSTAD, KEATING,  
JACOBSON, CONOVER, HAFHEY, PAVLOVICH,  
RAMIREZ, HARRINGTON, HARBIN, TOWE, ADDY,  
BLAYLOCK, BENGTON, DEVLIN, REGAN

IN THE SENATE

January 28, 1985	Introduced and referred to Committee on Taxation.
January 29, 1985	Fiscal Note requested.
February 2, 1985	Fiscal Note returned.
February 7, 1985	Committee recommend bill do pass as amended. Report adopted.
February 8, 1985	Bill printed and placed on members' desks.
February 11, 1985	Second reading, do pass.
February 12, 1985	Considered correctly engrossed.
February 13, 1985	Third reading, passed. Ayes, 47; Noes, 2.
	Transmitted to House.

IN THE HOUSE

February 27, 1985	Introduced and referred to Committee on Taxation.
March 18, 1985	Committee recommend bill be concurrent in. Report adopted.
March 20, 1985	Second reading, concurrent in.
March 22, 1985	Third reading, concurrent in.
	Returned to Senate.

IN THE SENATE

March 22, 1985

Received from House.

March 23, 1985

Sent to enrolling.

Reported correctly enrolled.

1 *Senate* BILL NO. *261*  
 2 INTRODUCED BY *Lynch* STEPHENS *Copper*  
 3 *Blaylock* *Boughton* *Don* *Keating*  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ELIMINATE THE USE *Johnson*  
 5 AND OWNERSHIP RESTRICTION FOR GOLF COURSES TO BE TAXED AT *Conroe*  
 6 ONE-HALF THE RATE OF OTHER CLASS FOUR PROPERTY; AMENDING *Hilly*  
 7 SECTION 15-6-134, MCA." *Carroll*

8  
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: *Ramirez*  
 10 Section 1. Section 15-6-134, MCA, is amended to read: *Hamm*  
 11 "15-6-134. Class four property -- description -- *Harber*

12 taxable percentage. (1) Class four property includes:  
 13 (a) all land except that specifically included in  
 14 another class;  
 15 (b) all improvements except those specifically  
 16 included in another class;  
 17 (c) the first \$35,000 or less of the market value of  
 18 any improvement on real property and appurtenant land not  
 19 exceeding 5 acres owned or under contract for deed and  
 20 actually occupied for at least 10 months a year as the  
 21 primary residential dwelling of:  
 22 (i) a widow or widower 62 years of age or older who  
 23 qualifies under the income limitations of (iii) of this  
 24 subsection;  
 25 (ii) a widow or widower of any age with dependent

1 children who qualifies under the income limitations of (iii)  
 2 of this subsection; or  
 3 (iii) a recipient or recipients of retirement or  
 4 disability benefits whose total income from all sources  
 5 including otherwise tax-exempt income of all types is not  
 6 more than \$8,000 for a single person or \$10,000 for a  
 7 married couple;

8 (d) all golf courses, including land and improvements  
 9 actually and necessarily used for that purpose, that:  
 10 (i) consist of at least 9 holes and not less than  
 11 3,000 lineal yards; and  
 12 (ii) were used as a golf course on January 1, 1979, and  
 13 were owned by a nonprofit Montana corporation.

14 (2) Class four property is taxed as follows:  
 15 (a) Except as provided in 15-24-1402 or 15-24-1501,  
 16 property described in subsections (1)(a) and (1)(b) is taxed  
 17 at 8.55% of its market value.

18 (b) Property described in subsection (1)(c) is taxed  
 19 at 8.55% of its market value multiplied by a percentage  
 20 figure based on income and determined from the following  
 21 table:

Income	Income	Percentage
Single Person	Married Couple	Multiplier
\$0 - \$1,000	\$0 - \$1,000	0%
1,001 - 2,000	1,001 - 2,000	10%



-2- INTRODUCED BILL  
 SB 261

1	2,001 - 2,800	2,001 - 3,000	20%
2	2,801 - 3,600	3,001 - 4,000	30%
3	3,601 - 4,400	4,001 - 5,000	40%
4	4,401 - 5,200	5,001 - 6,000	50%
5	5,201 - 6,000	6,001 - 7,000	60%
6	6,001 - 6,800	7,001 - 8,000	70%
7	6,801 - 7,600	8,001 - 9,000	80%
8	7,601 - 8,000	9,001 - 10,000	90%

9 (c) Property described in subsection (1)(d) is taxed  
 10 at one-half the taxable percentage established in subsection  
 11 (2)(a), or 4.275%."

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

-End-

## STATE OF MONTANA

## FISCAL NOTE

REQUEST NO. FNN 266-85Form BD-15

In compliance with a written request received January 29, 19 85, there is hereby submitted a Fiscal Note for S.B. 261 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 eliminate the use and ownership restriction for golf courses to be taxed at one-half the rate of other class four property; amending Section 15-6-134, MCA.

ASSUMPTIONS:

1. Total statewide taxable values are assumed to be \$2,397,311,000 for FY 86 and \$2,444,893,000 for FY 87.
2. The average statewide mill levy is 237 mills.
3. A total of seven golf courses will be affected by this proposed legislation.
4. Market value of the golf courses affected will remain constant from FY 85 through FY 87 at \$4,003,033.
5. School foundation program levy will remain constant at 45 mills through FY 87.
6. University levy will remain constant at 6 mills through FY 87.

FISCAL IMPACT:

	FY 86			FY 87		
	Under Current Law	Under Proposed Law	Estimated Decrease	Under Current Law	Under Proposed Law	Estimated Decrease
School Foundation Program	\$107,879,000	\$107,871,299	(\$7,701)	\$110,020,000	\$110,012,299	(\$7,701)
University Fund	14,383,867	14,382,840	(1,027)	14,669,333	14,668,306	(1,027)
TOTAL REVENUE	\$122,262,867	\$122,254,139	(\$8,728)	\$124,689,333	\$124,680,605	(\$8,728)

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

Local governments will lose \$31,830 per year under this proposal.

TECHNICAL OR MECHANICAL DEFECTS:

An effective date for this legislation has not been specified. It has been assumed that this legislation would apply to taxable years after December 31, 1984.

*David L. Hunter*

BUDGET DIRECTOR  
Office of Budget and Program Planning

Date: Feb 2, 1985

APPROVED BY COMMITTEE  
ON TAXATION

SENATE BILL NO. 261

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RAMIREZ, HARRINGTON, HARBIN, TOWE, ADDY,  
BLAYLOCK, BENGTON, DEVLIN, REGAN

A BILL FOR AN ACT ENTITLED: "AN ACT TO ELIMINATE THE USE  
AND OWNERSHIP RESTRICTION FOR GOLF COURSES TO BE TAXED AT  
ONE-HALF THE RATE OF OTHER CLASS FOUR PROPERTY; AMENDING  
SECTION 15-6-134, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE  
DATE AND AN APPLICABILITY DATE."

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

Section 1. Section 15-6-134, MCA, is amended to read:

"15-6-134. Class four property -- description --  
taxable percentage. (1) Class four property includes:

(a) all land except that specifically included in  
another class;

(b) all improvements except those specifically  
included in another class;

(c) the first \$35,000 or less of the market value of  
any improvement on real property and appurtenant land not  
exceeding 5 acres owned or under contract for deed and  
actually occupied for at least 10 months a year as the

primary residential dwelling of:

(i) a widow or widower 62 years of age or older who  
qualifies under the income limitations of (iii) of this  
subsection;

(ii) a widow or widower of any age with dependent  
children who qualifies under the income limitations of (iii)  
of this subsection; or

(iii) a recipient or recipients of retirement or  
disability benefits whose total income from all sources  
including otherwise tax-exempt income of all types is not  
more than \$8,000 for a single person or \$10,000 for a  
married couple;

(d) all golf courses, including land and improvements  
actually and necessarily used for that purpose, that:

(i) consist of at least 9 holes and not less than  
3,000 lineal yards; and

~~(ii) were used as a golf course on January 17, 1979, and  
were owned by a nonprofit Montana corporation.~~

(2) Class four property is taxed as follows:

(a) Except as provided in 15-24-1402 or 15-24-1501,  
property described in subsections (1)(a) and (1)(b) is taxed  
at 8.55% of its market value.

(b) Property described in subsection (1)(c) is taxed  
at 8.55% of its market value multiplied by a percentage  
figure based on income and determined from the following

SECOND READING

1 table:

2	Income	Income	Percentage
3	Single Person	Married Couple	Multiplier
4	\$0 - \$1,000	\$0 - \$1,000	0%
5	1,001 - 2,000	1,001 - 2,000	10%
6	2,001 - 2,800	2,001 - 3,000	20%
7	2,801 - 3,600	3,001 - 4,000	30%
8	3,601 - 4,400	4,001 - 5,000	40%
9	4,401 - 5,200	5,001 - 6,000	50%
10	5,201 - 6,000	6,001 - 7,000	60%
11	6,001 - 6,800	7,001 - 8,000	70%
12	6,801 - 7,600	8,001 - 9,000	80%
13	7,601 - 8,000	9,001 - 10,000	90%

14 (c) Property described in subsection (1)(d) is taxed  
 15 at one-half the taxable percentage established in subsection  
 16 (2)(a) ~~7~~-or-4-275%."

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

21 NEW SECTION. SECTION 3. EFFECTIVE DATE --  
 22 APPLICABILITY. THIS ACT IS EFFECTIVE ON PASSAGE AND  
 23 APPROVAL AND APPLIES TO TAXABLE YEARS BEGINNING AFTER  
 24 DECEMBER 31, 1984.

-End-

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19 another class;

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21 included in another class;

22 (c) the first \$35,000 or less of the market value of  
23 any improvement on real property and appurtenant land not  
24 exceeding 5 acres owned or under contract for deed and  
25 actually occupied for at least 10 months a year as the

1 primary residential dwelling of:

2 (i) a widow or widower 62 years of age or older who  
3 qualifies under the income limitations of (iii) of this  
4 subsection;

5 (ii) a widow or widower of any age with dependent  
6 children who qualifies under the income limitations of (iii)  
7 of this subsection; or

8 (iii) a recipient or recipients of retirement or  
9 disability benefits whose total income from all sources  
10 including otherwise tax-exempt income of all types is not  
11 more than \$8,000 for a single person or \$10,000 for a  
12 married couple;

13 (d) all golf courses, including land and improvements  
14 actually and necessarily used for that purpose, that:

15 {+} consist of at least 9 holes and not less than  
16 3,000 lineal yards; and

17 ~~{+} were used as a golf course on January 17, 1979, and~~  
18 ~~were owned by a nonprofit Montana corporation.~~

19 (2) Class four property is taxed as follows:

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21 property described in subsections (1)(a) and (1)(b) is taxed  
22 at 8.55% of its market value.

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24 at 8.55% of its market value multiplied by a percentage  
25 figure based on income and determined from the following

THIRD READING



1 table:

2	Income	Income	Percentage
3	Single Person	Married Couple	Multiplier
4	\$0 - \$1,000	\$0 - \$1,000	0%
5	1,001 - 2,000	1,001 - 2,000	10%
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