

SENATE BILL NO. 405

2/13 Introduced
2/13 Referred to Taxation
2/13 Fiscal Note Requested
2/19 Fiscal Note Received
3/12 Hearing
3/12 Adverse Committee Report
3/12 Bill Killed

1 Senate BILL NO. 405
2 INTRODUCED BY Sturzel

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A STATEWIDE
5 PROPERTY TAX LEVY OF 1 MILL TO SUPPORT PUBLIC AIRPORTS BY
6 RAISING A MAXIMUM OF \$85,000 IN ANY COUNTY; DEFINING "AIR
7 CARRIER AIRPORTS", "COMMERCIAL SERVICE AIRPORTS", AND
8 "GENERAL SERVICE AIRPORTS"; ESTABLISHING AN AIRPORT SERVICES
9 ACCOUNT AND AUTHORIZING ALLOCATIONS FROM THAT ACCOUNT FOR
10 PURPOSES OF AIRPORT SERVICES; AND PROVIDING AN EFFECTIVE
11 DATE OF JULY 1, 1985, WITH AN IMMEDIATE EFFECTIVE DATE FOR
12 RULEMAKING AUTHORITY."

13
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 Section 1. Statewide tax levy for airports. There is
16 levied in each fiscal year, beginning with fiscal year 1986,
17 upon the taxable value of all real and personal property in
18 the state subject to taxation a tax of 1 mill or so much of
19 1 mill in each county as is necessary to raise \$85,000 in
20 that county. All revenue from the property tax levy is
21 deposited in the airport services account of the state
22 special revenue fund provided for in [section 2]. The tax is
23 allocated for the purposes provided in [section 5]. The
24 legislature shall appropriate money from the airport
25 services account as provided in [section 4].

1 Section 2. Airport services account. There is in the
2 state special revenue fund an airport services account into
3 which the proceeds of the statewide property tax levied
4 pursuant to [section 1] are deposited. The state treasurer
5 shall honor orders from the department for disbursements
6 from the account, subject to appropriation by the
7 legislature.

8 Section 3. Definitions. For purposes of [section 4],
9 the following definitions apply:

10 (1) "Air carrier airport" is an airport in Montana at
11 which more than 20,000 passengers a year enplaned on
12 scheduled service air carriers according to the most recent
13 report published by the United States department of
14 transportation.

15 (2) "Commercial service airport" is an airport in
16 Montana that is served by a scheduled service air carrier at
17 which fewer than 20,000 passengers a year enplaned on
18 scheduled service air carriers according to the most recent
19 report published by the United States department of
20 transportation.

21 (3) "General service airport" is an airport in Montana
22 that is not served by a scheduled service air carrier.

23 Section 4. Allocations from account. (1) Subject to
24 appropriation by the legislature, the department shall grant
25 each year from the airport services account to each:



1 (a) air carrier airport, an amount equal to the total
 2 that a levy of 2 mills would raise if applied against all
 3 real and personal property on the assessment rolls of the
 4 county in which the air carrier airport is located during
 5 the most recent year in which the tax pursuant to [section
 6 1] was levied; and

7 (b) commercial service airport, \$45,000.

8 (2) The department shall by rule establish standards
 9 and criteria for distribution of the remainder of the
 10 proceeds of the tax provided for in [section 1] and levied
 11 each year to general service airports and shall make
 12 allocations accordingly as far as available funds allow.

13 (3) Money allocated under this section may be used
 14 only for the purposes provided in [section 5].

15 Section 5. Purposes of expenditures -- accountability
 16 -- disqualification. (1) The department may disburse money
 17 from the airport services account only to a county or a
 18 municipality or an airport authority that has established
 19 and is operating an airport for use to service debt;
 20 construct or expand runways; and purchase, construct, or
 21 install navigational aids, communications facilities,
 22 terminal structures, or other permanent improvements which
 23 are beneficial to air service users.

24 (2) Each unit of local government or airport authority
 25 that receives a grant or loan under [sections 2 through 5]

1 shall, within 60 days after the end of each fiscal year,
 2 report to the department, on forms provided by the
 3 department, on the use of the grant or loan.

4 (3) Failure to timely furnish the report required in
 5 subsection (2) disqualifies the airport from subsequent
 6 grants or loans. The disqualification may be removed if the
 7 required reports are completed and furnished in conformance
 8 with the department's rules.

9 Section 6. Extension of authority. Any existing
 10 authority of the department of revenue or the department of
 11 commerce to make rules on the subject of the provisions of
 12 this act is extended to the provisions of this act.

13 Section 7. Codification instruction. (1) Section 1 is
 14 intended to be codified as an integral part of Title 15,
 15 chapter 10, part 1, and the provisions of Title 15, chapter
 16 10, apply to section 1.

17 (2) Sections 2 through 5 are intended to be codified
 18 as an integral part of Title 67, chapter 1, part 3, and the
 19 provisions of Title 67, chapter 1, apply to sections 2
 20 through 5.

21 Section 8. Effective date. This act is effective July
 22 1, 1985, except that section 6 and this section are
 23 effective on passage and approval. However, rules adopted
 24 pursuant to section 6 may not be made effective before July
 25 1, 1985.

STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNN 430-85

Form BD-15

In compliance with a written request received February 13, 19 85, there is hereby submitted a Fiscal Note for S.B. 405 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 authorizing a statewide property tax levy of 1 mill to support public airports by raising a maximum of \$85,000 in any county; defining "air carrier airports", "commercial service airports", and "general service airports"; establishing an airport services account and authorizing allocations from that account for purposes of airport services; and providing an effective date of July 1, 1985, with an immediate effective date for rulemaking authority."

ASSUMPTIONS:

- The taxable value of the state will be \$2,397,311,111 and \$2,444,888,889 in FY 86 and FY 87, respectively.

FISCAL IMPACT:

	Under Current Law	FY 86 Under Proposed Law	Increase	Under Current Law	FY 87 Under Proposed Law	Increase
Airport Levy	-0-	\$1,949,014	\$1,949,014	-0-	\$1,987,695	\$1,987,695
Fund Information:						
Earmarked Special						
Revenue Fund	-0-	\$1,949,014	\$1,949,014	-0-	\$1,987,695	\$1,987,695

LOCAL IMPACT:

Forty-seven counties would pay the full 1 mill additional levy. Nine counties, Big Horn, Cascade, Fallon, Flathead, Missoula, Richland, Rosebud, Sheridan, and Yellowstone would pay less than one mill because their mill value exceeds \$85,000.

David L Hunter

BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Feb 19, 1985

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