

HB 315 INTRODUCED BY HOFFMAN, R., ET AL.
CHANGE ASSESSMENT DATE OF LIVESTOCK

1/20	INTRODUCED		
1/20	REFERRED TO TAXATION		
1/21	FISCAL NOTE REQUESTED		
1/22	FISCAL NOTE RECEIVED		
2/06	HEARING		
2/09	COMMITTEE REPORT--BILL PASSED AS AMENDED		
2/11	2ND READING PASSED	80	16
2/12	3RD READING PASSED	87	11
	TRANSMITTED TO SENATE		
2/13	REFERRED TO TAXATION		
3/18	HEARING		
3/20	ADVERSE COMMITTEE REPORT ADOPTED	45	2
3/20	RETURNED TO HOUSE NOT CONCURRED		

1 House BILL NO. 315
 2 INTRODUCED BY Huffman Bob Keller Diacomotto Gray
 3 M. Hansen Switzer Meyers NATH
 4 Boehndel John Anderson
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REPEAL THE AVERAGE
 6 INVENTORY BASIS OF ASSESSMENT OF LIVESTOCK; TO REQUIRE
 7 ASSESSMENT OF LIVESTOCK AS OF MARCH 1 OF EACH YEAR; AMENDING
 8 SECTIONS 15-6-207, 15-24-911, 15-24-941, AND 15-24-942, MCA;
 9 REPEALING SECTIONS 15-24-908 THROUGH 15-24-910 AND
 10 15-24-926, MCA; AND PROVIDING AN APPLICABILITY DATE AND AN
 11 EFFECTIVE DATE."
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 13 Section 1. Section 15-24-911, MCA, is amended to read:
 14 "15-24-911. Livestock assessment. (1) ~~The department~~
 15 ~~of revenue or its agent must assess all livestock on the~~
 16 ~~average inventory basis as provided in 15-24-908 through~~
 17 ~~15-24-910 unless:~~
 18 (a) ~~the owner elects to have his livestock assessed on~~
 19 ~~March 1 of each year as provided in (4) and~~
 20 (b) ~~the assessor of the county in which the livestock~~
 21 ~~is located on assessment date accepts this election;~~
 22 (2) ~~The owner shall file his election with the county~~
 23 ~~assessor on the statement required in 15-24-903;~~
 24 (3) ~~The county assessor shall accept the owner's~~
 25 ~~election unless he determines that the election is made to~~

1 ~~evade property taxation. The livestock owner may appeal the~~
 2 ~~assessor's decision to the county tax appeal board and the~~
 3 ~~state tax appeal board under the procedures established in~~
 4 ~~Title 15, chapter 15, part 17 and chapter 27, part 3.~~
 5 (4) ~~if an owner chooses the method of assessment~~
 6 ~~provided in (1)(a), the~~ The department of revenue or its
 7 agent must assess the owner's livestock in each county as of
 8 March 1 of each year. This livestock shall be assessed to
 9 the person by whom owned or claimed or in whose possession
 10 or control it was at midnight of March 1 in each year."
 11 Section 2. Section 15-24-941, MCA, is amended to read:
 12 "15-24-941. Assessment Place of assessment and
 13 taxation of migratory livestock. (1) ~~All livestock that are~~
 14 ~~assessed on the method provided in 15-24-911(1)(a) must be~~
 15 ~~assessed in the county in which they are located on March 1.~~
 16 The county in which livestock are assessed is their home
 17 county.
 18 (2) A livestock owner must pay the total property tax
 19 levied on his livestock for the year of assessment to the
 20 county treasurer of the home county."
 21 Section 3. Section 15-24-942, MCA, is amended to read:
 22 "15-24-942. Apportionment of migratory livestock tax
 23 among counties. (1) When livestock ~~that are assessed on the~~
 24 ~~method provided in 15-24-911(1)(a)~~ are moved from the home
 25 county to another county, the owner must within 15 days

1 notify the assessors of the home county and of the county to
 2 which the cattle have been moved. He must provide the
 3 information required in 15-24-903 to the assessor of the
 4 county to which the livestock are moved.

5 (2) The property tax on migratory livestock is
 6 prorated among the counties in which the livestock have been
 7 located in any year in proportion to the time the livestock
 8 spent in each county during the year.

9 (3) The home county assessor shall indicate on the
 10 assessment rolls any livestock that have been located in
 11 more than one county during the year. When the treasurer
 12 collects the tax on migratory livestock, he shall:

13 (a) remit to the state that portion of the tax raised
 14 by statewide levies; and

15 (b) place the remainder in a migratory livestock
 16 fund."

17 Section 4. Section 15-6-207, MCA, is amended to read:

18 "15-6-207. Agricultural exemptions. (1) The following
 19 agricultural products are exempt from taxation:

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

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

25 (c) except as provided in subsection (1)(d), livestock

1 which have not attained the age of 9 months ~~as of the last~~
 2 ~~day of any month if assessed on the average inventory basis~~
 3 ~~or on March 1 if assessed as provided in 15-24-911(a);~~
 4 and

5 (d) swine which have not attained the age of 3 months
 6 as of January 1.

7 (2) Any beet digger, beet topper, beet defoliator,
 8 beet thinner, beet cultivator, beet planter, or beet top
 9 saver designed exclusively to plant, cultivate, and harvest
 10 sugar beets is exempt from taxation if such implement has
 11 not been used to plant, cultivate, or harvest sugar beets
 12 for the 2 years immediately preceding the current assessment
 13 date and there are no available sugar beet contracts in the
 14 sugar beet grower's marketing area."

15 NEW SECTION. Section 5. Repealer. Sections 15-24-908
 16 through 15-24-910 and 15-24-926, MCA, are repealed.

17 NEW SECTION. Section 6. 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 7. Applicability. This act
 22 applies to taxable years beginning after December 31, 1987.

23 NEW SECTION. Section 8. Effective date. This act is
 24 effective January 1, 1988.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB315, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An Act to repeal the average inventory basis for the assessment of livestock; to require assessment of livestock as of March 1 of each year; and providing an applicability date and an effective date.

ASSUMPTIONS:

1. Livestock producers currently choose the assessment method that minimizes their personal property tax on livestock. Hence, those currently using the average inventory method will face an increase in personal property tax of an indeterminate amount due to the proposal.

FISCAL IMPACT:

Revenue:

The proposal should result in an increase in the amounts levied for the university mill levy, the livestock mill levies, and the school foundation program mill levy. Lack of data on the value of livestock assessed under the average inventory method and the increase due to the proposal makes it impossible to estimate the magnitude of the effect.

Expenditures:

The proposal will reduce the work required to assess livestock because adjustments for migratory livestock and calculations of average inventories would no longer be required.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

The proposal should result in an increase in local government property tax revenue. Lack of data on the value of livestock assessed under the average inventory method and the increase due to the proposal makes it impossible to estimate the magnitude of the effect.


LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

N/A

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:

N/A

 DATE 1/21/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

 DATE _____
ROBERT E. HOFFMAN, PRIMARY SPONSOR

Fiscal Note for HB315, as introduced.

HB-315

APPROVED BY COMMITTEE
ON TAXATION

HOUSE BILL NO. 315

INTRODUCED BY HOFFMAN, COBB, KELLER, GIACOMETTO,
ASAY, HANSON, SWITZER, MEYERS, NATHE, ANDERSON,
SWYSGOOD, KOEHNKE, POFF

A BILL FOR AN ACT ENTITLED: "AN ACT TO REPEAL THE AVERAGE
INVENTORY BASIS OF ASSESSMENT OF LIVESTOCK; TO REQUIRE
ASSESSMENT OF LIVESTOCK AS OF MARCH 1 OF EACH YEAR; AMENDING
SECTIONS 15-6-207, 15-24-911, 15-24-941, AND 15-24-942, MCA;
REPEALING SECTIONS 15-24-908 THROUGH 15-24-910 AND
15-24-926, MCA; AND PROVIDING AN APPLICABILITY DATE AND AN
EFFECTIVE DATE."

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

Section 1. Section 15-24-911, MCA, is amended to read:

"15-24-911. Livestock assessment. ~~{1}~~--The--department
of--revenue--or--its--agent--must--assess--all--livestock--on--the
average--inventory--basis--as--provided--in--15-24-908--through
15-24-910--unless:

~~{a}~~--the--owner--elects--to--have--his--livestock--assessed--on
March--1--of--each--year--as--provided--in--{4};--and

~~{b}~~--the--assessor--of--the--county--in--which--the--livestock
is--located--on--assessment--date--accepts--this--election;

~~{2}~~--The--owner--shall--file--his--election--with--the--county
assessor--on--the--statement--required--in--15-24-903.

~~{3}~~--The--county--assessor--shall--accept--the--owner's
election--unless--he--determines--that--the--election--is--made--to
evade--property--taxation;--The--livestock--owner--may--appeal--the
assessor's--decision--to--the--county--tax--appeal--board--and--the
state--tax--appeal--board--under--the--procedures--established--in
Title--15;--chapter--15;--part--1;--and--chapter--2;--part--3;

~~{4}~~--If--an--owner--chooses--the--method--of--assessment
provided--in--{1}{a};--the (1) The department of revenue or its
agent must assess the owner's livestock in each county as of
March 1 of each year. This livestock shall be assessed to
the person by whom owned or claimed or in whose possession
or control it was at midnight of March 1 in each year.

(2) THE LIVESTOCK NUMBER BEING FED IN PENS OR FEED
LOTS MAY BE COMPUTED BY ADDING THE NUMBERS OF LIVESTOCK
MONTHS OF AGE OR OVER THAT WERE FED ON THE LAST DAY OF EACH
MONTH SINCE THE LAST ASSESSMENT DATE AND DIVIDING THE TOTAL
NUMBER BY 12."

Section 2. Section 15-24-941, MCA, is amended to read:

"15-24-941. Assessment Place of assessment and
taxation of migratory livestock. (1) ~~All--livestock--that--are~~
~~assessed--on--the--method--provided--in--15-24-911{1}{a}~~ must be
assessed in the county in which they are located on March 1.
The county in which livestock are assessed is their home
county.

(2) A livestock owner must pay the total property tax



1 levied on his livestock for the year of assessment to the
2 county treasurer of the home county."

3 Section 3. Section 15-24-942, MCA, is amended to read:

4 "15-24-942. Apportionment of migratory livestock tax
5 among counties. (1) When livestock ~~that are assessed on the~~
6 ~~method provided in 15-24-911(a)~~ are moved from the home
7 county to another county, the owner must within 15 days
8 notify the assessors of the home county and of the county to
9 which the cattle have been moved. He must provide the
10 information required in 15-24-903 to the assessor of the
11 county to which the livestock are moved.

12 (2) The property tax on migratory livestock is
13 prorated among the counties in which the livestock have been
14 located in any year in proportion to the time the livestock
15 spent in each county during the year.

16 (3) The home county assessor shall indicate on the
17 assessment rolls any livestock that have been located in
18 more than one county during the year. When the treasurer
19 collects the tax on migratory livestock, he shall:

20 (a) remit to the state that portion of the tax raised
21 by statewide levies; and

22 (b) place the remainder in a migratory livestock
23 fund."

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25 "15-6-207. Agricultural exemptions. (1) The following

1 agricultural products are exempt from taxation:

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

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5 products, except livestock, held in possession of the
6 original producer for less than 7 months following harvest;

7 (c) except as provided in subsection (1)(d), livestock
8 which have not attained the age of 9 months ~~as of the last~~
9 ~~day of any month if assessed on the average inventory basis~~
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15 beet thinner, beet cultivator, beet planter, or beet top
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21 sugar beet grower's marketing area."

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23 through 15-24-910 and 15-24-926, MCA, are repealed.

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25 existing authority of the department of revenue to make

1 rules on the subject of the provisions of this act is
2 extended to the provisions of this act.

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March 1 of each year as provided in (4), and~~

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