

HB 375 INTRODUCED BY JENKINS
EXEMPT FROM TAX REAL PROPERTY AND IMPROVEMENTS WITHIN
100 FEET OF CENTER OF PUBLIC ACCESS ON
PRIVATE PROPERTY

1/21 INTRODUCED
1/21 FISCAL NOTE REQUESTED
1/21 REFERRED TO TAXATION
1/23 FISCAL NOTE RECEIVED
2/10 HEARING
2/13 TABLED IN COMMITTEE

1 House BILL NO. 375
2 INTRODUCED BY J. [Signature]

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT FROM TAXATION
5 ALL REAL PROPERTY AND IMPROVEMENTS WITHIN 100 FEET OF EITHER
6 SIDE OF THE CENTERLINE OF A PUBLIC ACCESS ROUTE ON OR
7 THROUGH PRIVATELY OWNED PROPERTY; AND PROVIDING AN
8 APPLICABILITY DATE."

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

11 Section 1. Public access route on or through private
12 property. All real property and improvements within 100 feet
13 of either side of the centerline of a public access route on
14 or through privately owned property are exempt from
15 taxation.

16 Section 2. Codification instruction. Section 1 is
17 intended to be codified as an integral part of Title 15,
18 chapter 6, part 2, and the provisions of Title 15 apply to
19 section 1.

20 Section 3. Extension of authority. Any existing
21 authority of the department of revenue to make rules on the
22 subject of the provisions of this act is extended to the
23 provisions of this act.

24 Section 4. Applicability. This act applies to taxable
25 years beginning after December 31, 1987.

-End-



INTRODUCED BILL
HB 375

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB375, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to exempt from taxation all real property within 100 feet of either side of the centerline of a public access route on or through privately owned property; and providing an immediate effective date.

ASSUMPTIONS:

1. Public access routes include all federal, state and county roads.
2. The proposal applies to taxable years beginning after December 31, 1987, so there is no impact in FY88.

FISCAL IMPACT:

The proposal, as drafted, would significantly impact property tax revenues in FY89 by exempting all real property within 100 feet of a state, county, or federal road. Since virtually all real property in a city or town and much rural property is within 100 feet of a road, this property would become tax exempt. Hence, the potential impact of the proposal is a reduction in property tax revenues of up to \$480 million per year, since taxes levied on real property are roughly 80 percent of the total.

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

The proposal needs a clear definition of a "public access route through private property". As drafted, the term would apply to all roads.

David L. Hunter DATE 1/23/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

DATE _____
LOREN JENKINS, PRIMARY SPONSOR
Fiscal Note for HB375, as introduced.
HB 375