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 2 INTRODUCED BY *House, BILL NO. 513*  
 3 *Daryl Eastwick Turley*  
*Hamington Lynch Jackson Dave Brian Steins*

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT CERTAIN  
 5 PROCEEDS RECEIVED FROM THE SETTLEMENT OF DISPUTED TAXES FROM  
 6 THE MINES NET PROCEEDS TAX AND THE METAL MINES GROSS  
 7 PROCEEDS TAX DO NOT CONSTITUTE THE PAYMENT OF DELINQUENT  
 8 TAXES OR MONEY ARISING FROM THE TAXATION OF PROPERTY;  
 9 AUTHORIZING SUCH PROCEEDS ALLOCATED TO SCHOOL BUILDING FUNDS  
 10 OR USED TO SECURE BONDS FOR LOCAL GOVERNMENT FACILITIES; AND  
 11 PROVIDING AN APPLICABILITY DATE AND AN IMMEDIATE EFFECTIVE  
 12 DATE."

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

15 Section 1. Disputed mines net proceeds or metal mines  
 16 gross proceeds taxes -- characterization of proceeds of  
 17 settlement. (1) Proceeds received by a municipality or  
 18 county in settlement of an alleged tax obligation arising  
 19 under the mines net proceeds tax in Title 15, chapter 23,  
 20 part 5, or the metal mines gross proceeds tax in Title 15,  
 21 chapter 23, part 8, do not constitute the payment of  
 22 delinquent taxes or money arising from the taxation of  
 23 property if all of the following conditions are met:

24 (a) there are no entries in the county's assessment  
 25 book reflecting the disputed valuations;

1 (b) the proceeds are not apportioned to previous tax  
 2 years in which the department through revised assessment  
 3 determined taxes were owing;

4 (c) the payment schedule differs from that applicable  
 5 to mines net proceeds and metal mines gross proceeds taxes  
 6 with respect to time of payment;

7 (d) the settlement agreement provides for penalty and  
 8 interest provisions that differ from relevant statutory  
 9 provisions; and

10 (e) the county and the taxpayer are given the  
 11 discretion to modify the time and amount of payments.

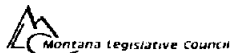
12 (2) Settlement proceeds satisfying all the conditions  
 13 set forth in subsection (1) may be:

14 (a) allocated to a school district building fund  
 15 established under 20-9-508; or

16 (b) used to provide additional security for bonds  
 17 issued under Title 90, chapter 5, part 1, for financing of  
 18 projects for local government facilities, including schools  
 19 and local port authorities.

20 Section 2. Effective date -- applicability. This act  
 21 is effective on passage and approval and applies to  
 22 settlement proceeds received after January 1, 1987.

-End-



STATE OF MONTANA - FISCAL NOTE

Form BD-15

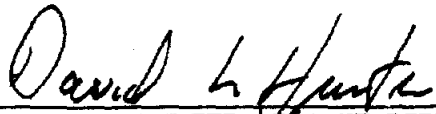
In compliance with a written request, there is hereby submitted a Fiscal Note for HB513, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act providing that certain proceeds received from the settlement of disputed taxes from the mines net proceeds tax and the metal mines gross proceeds tax do not constitute the payment of delinquent taxes or money arising from the taxation of property; authorizing such proceeds allocated to school building funds or used to secure bonds for local government facilities; and providing an applicability date and an immediate effective date.

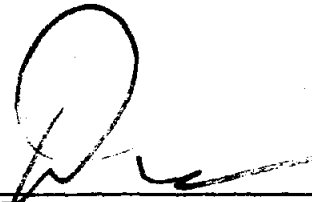
FISCAL IMPACT:

The proposal is attempting to put into statute an allocation mechanism for a specific audit settlement agreement. The proposal should not have a significant fiscal impact.



DATE 2/3/87

DAVID L. HUNTER, BUDGET DIRECTOR  
Office of Budget and Program Planning



DATE

FRITZ DAILY, PRIMARY SPONSOR

Fiscal Note for HB513, as introduced.

**HB 513**

APPROVED BY COMMITTEE  
ON TAXATION

HOUSE BILL NO. 513

INTRODUCED BY DAILY, PAVLOVICH, QUILICI, HARRINGTON,  
LYNCH, JACOBSON, D. BROWN, STIMATZ

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT CERTAIN  
PROCEEDS RECEIVED FROM THE SETTLEMENT OF DISPUTED TAXES FROM  
THE MINES NET PROCEEDS TAX AND THE METAL MINES GROSS  
PROCEEDS TAX DO NOT CONSTITUTE THE PAYMENT OF DELINQUENT  
TAXES OR MONEY ARISING FROM THE TAXATION OF PROPERTY;  
AUTHORIZING SUCH PROCEEDS ALLOCATED TO SCHOOL BUILDING FUNDS  
OR USED TO SECURE BONDS FOR LOCAL GOVERNMENT FACILITIES; AND  
PROVIDING AN APPLICABILITY DATE AND AN IMMEDIATE EFFECTIVE  
DATE."

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

Section 1. Disputed mines net proceeds or metal mines  
gross proceeds taxes -- characterization of proceeds of  
settlement. (1) Proceeds received by a municipality or  
county in settlement of an alleged tax obligation arising  
under the mines net proceeds tax in Title 15, chapter 23,  
part 5, or the metal mines gross proceeds tax in Title 15,  
chapter 23, part 8, do not constitute the payment of  
delinquent taxes or money arising from the taxation of  
property if all of the following conditions are met:

(a) there are no entries in the county's assessment

book reflecting the disputed valuations;

(b) the proceeds are not apportioned to previous tax  
years in which the department through revised assessment  
determined taxes were owing;

(c) the payment schedule differs from that applicable  
to mines net proceeds and metal mines gross proceeds taxes  
with respect to time of payment;

(d) the settlement agreement provides for penalty and  
interest provisions that differ from relevant statutory  
provisions; and

(e) the county and the taxpayer are given the  
discretion to modify the time and amount of payments.

(2) Settlement AFTER ALL MANDATORY DISTRIBUTIONS HAVE  
BEEN MADE TO STATE AND LOCAL TAXING JURISDICTIONS, REMAINING  
SETTLEMENT proceeds satisfying all the conditions set forth  
in subsection (1) may be:

(a) allocated to a school district building fund  
established under 20-9-508; or

(b) used to provide additional security for bonds  
issued under Title 90, chapter 5, part 1, for financing of  
projects for local government facilities, including schools  
and local port authorities.

Section 2. Effective date -- applicability. This act  
is effective on passage and approval and applies ONLY to  
settlement proceeds received after-January-17-1987 DURING

HB 0513/02

1 CALENDAR YEAR 1993.

-End-

## 1 HOUSE BILL NO. 513

2 INTRODUCED BY DAILY, PAVLOVICH, QUILICI, HARRINGTON,

3 LYNCH, JACOBSON, D. BROWN, STIMATZ

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT CERTAIN  
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11 OR USED TO SECURE BONDS FOR LOCAL GOVERNMENT FACILITIES; AND  
12 PROVIDING AN APPLICABILITY DATE AND AN IMMEDIATE EFFECTIVE  
13 DATE."  
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15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16 Section 1. Disputed mines net proceeds or metal mines  
17 gross proceeds taxes -- characterization of proceeds of  
18 settlement. (1) Proceeds received by a municipality or  
19 county in settlement of an alleged tax obligation arising  
20 under the mines net proceeds tax in Title 15, chapter 23,  
21 part 5, or the metal mines gross proceeds tax in Title 15,  
22 chapter 23, part 8, do not constitute the payment of  
23 delinquent taxes or money arising from the taxation of  
24 property if all of the following conditions are met:

25 (a) there are no entries in the county's assessment

1 book reflecting the disputed valuations;

2 (b) the proceeds are not apportioned to previous tax  
3 years in which the department through revised assessment  
4 determined taxes were owing;

5 (c) the payment schedule differs from that applicable  
6 to mines net proceeds and metal mines gross proceeds taxes  
7 with respect to time of payment;

8 (d) the settlement agreement provides for penalty and  
9 interest provisions that differ from relevant statutory  
10 provisions; and

11 (e) the county and the taxpayer are given the  
12 discretion to modify the time and amount of payments.

13 (2) Settlement AFTER ALL MANDATORY DISTRIBUTIONS HAVE  
14 BEEN MADE TO STATE AND LOCAL TAXING JURISDICTIONS, REMAINING  
15 SETTLEMENT proceeds satisfying all the conditions set forth  
16 in subsection (1) may be:

17 (a) allocated to a school district building fund  
18 established under 20-9-508; or

19 (b) used to provide additional security for bonds  
20 issued under Title 90, chapter 5, part 1, for financing of  
21 projects for local government facilities, including schools  
22 and local port authorities.

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25 settlement proceeds received after-January-17-1987 DURING

HB 0513/02

1 CALENDAR YEAR 1993.

-End-

HOUSE BILL NO. 513

INTRODUCED BY DAILY, PAVLOVICH, QUILICI, HARRINGTON,  
LYNCH, JACOBSON, D. BROWN, STIMATZ

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT CERTAIN PROCEEDS RECEIVED FROM THE SETTLEMENT OF DISPUTED TAXES FROM THE MINES NET PROCEEDS TAX AND THE METAL MINES GROSS PROCEEDS TAX DO NOT CONSTITUTE THE PAYMENT OF DELINQUENT TAXES OR MONEY ARISING FROM THE TAXATION OF PROPERTY; AUTHORIZING SUCH PROCEEDS ALLOCATED TO SCHOOL BUILDING FUNDS OR USED TO SECURE BONDS FOR LOCAL GOVERNMENT FACILITIES; AND PROVIDING AN APPLICABILITY DATE AND AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Disputed mines net proceeds or metal mines gross proceeds taxes -- characterization of proceeds of settlement. (1) Proceeds received by a municipality or county in settlement of an alleged tax obligation arising under the mines net proceeds tax in Title 15, chapter 23, part 5, or the metal mines gross proceeds tax in Title 15, chapter 23, part 8, do not constitute the payment of delinquent taxes or money arising from the taxation of property if all of the following conditions are met:

(a) there are no entries in the county's assessment

book reflecting the disputed valuations;

(b) the proceeds are not apportioned to previous tax years in which the department through revised assessment determined taxes were owing;

(c) the payment schedule differs from that applicable to mines net proceeds and metal mines gross proceeds taxes with respect to time of payment;

(d) the settlement agreement provides for penalty and interest provisions that differ from relevant statutory provisions; and

(e) the county and the taxpayer are given the discretion to modify the time and amount of payments.

(2) Settlement AFTER ALL MANDATORY DISTRIBUTIONS HAVE BEEN MADE TO STATE AND LOCAL TAXING JURISDICTIONS, REMAINING SETTLEMENT proceeds satisfying all the conditions set forth in subsection (1) may be:

(a) allocated to a school district building fund established under 20-9-508; or

(b) used to provide additional security for bonds issued under Title 90, chapter 5, part 1, for financing of projects for local government facilities, including schools and local port authorities.

Section 2. Effective date -- applicability. This act is effective on passage and approval and applies ONLY to settlement proceeds received ~~after January 1, 1987~~ DURING





HB 0513/02

1 CALENDAR YEAR 1993.

-End-