

HB 736 INTRODUCED BY PECK, ET AL.
EXEMPT NONCOMMERCIAL BROADCASTING EQUIPMENT FROM
PROPERTY TAX

2/13 INTRODUCED
2/13 REFERRED TO TAXATION
2/23 FISCAL NOTE REQUESTED
2/24 FISCAL NOTE RECEIVED
3/06 HEARING
3/12 TABLED IN COMMITTEE

1 *House* BILL NO. *736*
 2 INTRODUCED BY *Rep. Kolstad Ferguson Hand*
 3 *Bachini Jackson*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING CERTAIN
 5 NONCOMMERCIAL, NONPROFIT RADIO AND TELEVISION BROADCASTING
 6 AND TRANSMITTING EQUIPMENT FROM PROPERTY TAXATION; AMENDING
 7 SECTIONS 15-6-140 AND 15-6-201, MCA; AND PROVIDING AN
 8 IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY
 9 DATE."
 10
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 12 Section 1. Section 15-6-140, MCA, is amended to read:
 13 "15-6-140. Class ten property -- description --
 14 taxable percentage. (1) Class ten property includes:
 15 (a) radio and television broadcasting and transmitting
 16 equipment not exempt under 15-6-201;
 17 (b) cable television systems;
 18 (c) coal and ore haulers;
 19 (d) trucks having a rated capacity of more than 1 1/2
 20 tons, including those prorated under 15-24-102;
 21 (e) all trailers exceeding 18,000 pounds maximum gross
 22 loaded weight, including those prorated under 15-24-102 and
 23 except those subject to a fee in lieu of property tax;
 24 (f) theater projectors and sound equipment; and
 25 (g) all other property not included in any other class

1 in this part except that property subject to a fee in lieu
 2 of a property tax.
 3 (2) Class ten property is taxed at 16% of its market
 4 value."
 5 Section 2. Section 15-6-201, MCA, is amended to read:
 6 "15-6-201. Exempt categories. (1) The following
 7 categories of property are exempt from taxation:
 8 (a) the property of:
 9 (i) the United States, the state, counties, cities,
 10 towns, school districts, except, if congress passes
 11 legislation that allows the state to tax property owned by
 12 an agency created by congress to transmit or distribute
 13 electrical energy, the property constructed, owned, or
 14 operated by a public agency created by the congress to
 15 transmit or distribute electric energy produced at privately
 16 owned generating facilities (not including rural electric
 17 cooperatives);
 18 (ii) irrigation districts organized under the laws of
 19 Montana and not operating for profit;
 20 (iii) municipal corporations; and
 21 (iv) public libraries;
 22 (b) buildings, with land they occupy and furnishings
 23 therein, owned by a church and used for actual religious
 24 worship or for residences of the clergy, together with
 25 adjacent land reasonably necessary for convenient use of



1 such buildings;

2 (c) property used exclusively for agricultural and
3 horticultural societies, for educational purposes, and for
4 hospitals;

5 (d) property that meets the following conditions:

6 (i) is owned and held by any association or
7 corporation organized under Title 35, chapter 2, 3, 20, or
8 21;

9 (ii) is:

10 (A) radio or television broadcasting and transmitting
11 equipment of a public or nonpublic broadcasting station; or
12 (B) devoted exclusively to use in connection with a
13 cemetery or cemeteries for which a permanent care and
14 improvement fund has been established as provided for in
15 Title 35, chapter 20, part 3; and

16 (iii) is not maintained and operated for private or
17 corporate profit;

18 (e) institutions of purely public charity;

19 (f) evidence of debt secured by mortgages of record
20 upon real or personal property in the state of Montana;

21 (g) public art galleries and public observatories not
22 used or held for private or corporate profit;

23 (h) all household goods and furniture, including but
24 not limited to clocks, musical instruments, sewing machines,
25 and wearing apparel of members of the family, used by the

1 owner for personal and domestic purposes or for furnishing
2 or equipping the family residence;

3 (i) a truck canopy cover or topper weighing less than
4 300 pounds and having no accommodations attached. Such
5 property is also exempt from the fee in lieu of tax.

6 (j) a bicycle, as defined in 61-1-123, used by the
7 owner for personal transportation purposes;

8 (k) automobiles and trucks having a rated capacity of
9 three-quarters of a ton or less;

10 (l) motorcycles and quadricycles;

11 (m) fixtures, buildings, and improvements owned by a
12 cooperative association or nonprofit corporation organized
13 to furnish potable water to its members or customers for
14 uses other than the irrigation of agricultural land;

15 (n) the right of entry that is a property right
16 reserved in land or received by mesne conveyance (exclusive
17 of leasehold interests), devise, or succession to enter land
18 whose surface title is held by another to explore, prospect,
19 or dig for oil, gas, coal, or minerals;

20 (o) property owned and used by a corporation or
21 association organized and operated exclusively for the care
22 of the developmentally disabled, mentally ill, or
23 vocationally handicapped as defined in 18-5-101, which is
24 not operated for gain or profit; and

25 (p) all farm buildings with a market value of less

1 than \$500 and all agricultural implements and machinery with
2 a market value of less than \$100.

3 (2) (a) The term "institutions of purely public
4 charity" includes organizations owning and operating
5 facilities for the care of the retired or aged or
6 chronically ill, which are not operated for gain or profit.

7 (b) The terms "public art galleries" and "public
8 observatories" include only those art galleries and
9 observatories, whether of public or private ownership, that
10 are open to the public without charge at all reasonable
11 hours and are used for the purpose of education only.

12 (3) The following portions of the appraised value of a
13 capital investment made after January 1, 1979, in a
14 recognized nonfossil form of energy generation, as defined
15 in 15-32-102, are exempt from taxation for a period of 10
16 years following installation of the property:

17 (a) \$20,000 in the case of a single-family residential
18 dwelling;

19 (b) \$100,000 in the case of a multifamily residential
20 dwelling or a nonresidential structure. (Subsection (1)(p)
21 applicable to taxable years beginning after December 31,
22 1985--sec. 4, Ch. 463, L. 1985.)"

23 NEW SECTION. Section 3. Extension of authority. Any
24 existing authority of the department of revenue to make
25 rules on the subject of the provisions of this act is

1 extended to the provisions of this act.

2 NEW SECTION. Section 4. Effective date --
3 applicability. This act is effective on passage and approval
4 and applies retroactively, within the meaning of 1-2-109, to
5 tax years beginning after December 31, 1986.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB736, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act exempting certain noncommercial, nonprofit radio and television broadcasting and transmitting equipment from property taxation; providing an immediate effective date and a retroactive applicability date.

ASSUMPTIONS:

1. One nonprofit corporate radio station in Hill County would be affected by the proposal.
2. The total taxable value of that station's equipment = \$14,012.
3. The total taxes levied = \$3,089.
4. Average Hill County mill levy = 220.45 mills, university levy = 6 mills, and school equalization = 45 mills.
5. No other corporate radio and television stations would reorganize under nonprofit status.

FISCAL IMPACT:

The total reduction in revenues each year under the proposed legislation would be \$3,089, which includes an \$84 reduction for the university levy and a \$631 reduction for school equalization.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

The proposed legislation would decrease local revenues by \$2,374.

 DATE 2/24/87

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

 DATE 3/3/87

RAY PECK, PRIMARY SPONSOR

Fiscal Note for HB736, as introduced.

HB 736