

HOUSE BILL NO. 794

INTRODUCED BY M. WILLIAMS, SANDS

BY REQUEST OF THE HOUSE COMMITTEE ON TAXATION

IN THE HOUSE

FEBRUARY 17, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

MARCH 10, 1987 COMMITTEE RECOMMEND BILL
DO PASS AS AMENDED. REPORT ADOPTED.

MARCH 11, 1987 PRINTING REPORT.

MARCH 13, 1987 SECOND READING, DO PASS.

MARCH 14, 1987 ENGROSSING REPORT.

 THIRD READING, PASSED.
 AYES, 88; NOES, 9.

 TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 16, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

MARCH 27, 1987 COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

MARCH 31, 1987 SECOND READING, CONCURRED IN.

APRIL 1, 1987 THIRD READING, CONCURRED IN.
 AYES, 49; NOES, 0.

 RETURNED TO HOUSE.

IN THE HOUSE

APRIL 1, 1987 RECEIVED FROM SENATE.

 SENT TO ENROLLING.

1 House BILL NO. 794
 2 INTRODUCED BY M. Williams Senade
 3 BY REQUEST OF THE HOUSE COMMITTEE ON TAXATION

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE PROPERTY
 6 TAX EXEMPTION FOR LICENSED, NONPROFIT HOSPITALS AND
 7 OUTPATIENT SURGICAL CENTERS; AMENDING SECTION 15-6-201, MCA;
 8 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE
 9 APPLICABILITY DATE."

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

12 Section 1. Section 15-6-201, MCA, is amended to read:
 13 "15-6-201. Exempt categories. (1) The following
 14 categories of property are exempt from taxation:

- 15 (a) the property of:
 16 (i) the United States, the state, counties, cities,
 17 towns, school districts, except, if congress passes
 18 legislation that allows the state to tax property owned by
 19 an agency created by congress to transmit or distribute
 20 electrical energy, the property constructed, owned, or
 21 operated by a public agency created by the congress to
 22 transmit or distribute electric energy produced at privately
 23 owned generating facilities (not including rural electric
 24 cooperatives);
 25 (ii) irrigation districts organized under the laws of

- 1 Montana and not operating for profit;
 2 (iii) municipal corporations; and
 3 (iv) public libraries;
 4 (b) buildings, with land they occupy and furnishings
 5 therein, owned by a church and used for actual religious
 6 worship or for residences of the clergy, together with
 7 adjacent land reasonably necessary for convenient use of
 8 such buildings;
 9 (c) property used exclusively for agricultural and
 10 horticultural societies, for educational purposes, and for
 11 licensed, nonprofit hospitals and licensed, nonprofit
 12 outpatient surgical centers;
 13 (d) property that meets the following conditions:
 14 (i) is owned and held by any association or
 15 corporation organized under Title 35, chapter 2, 3, 20, or
 16 21;
 17 (ii) is devoted exclusively to use in connection with a
 18 cemetery or cemeteries for which a permanent care and
 19 improvement fund has been established as provided for in
 20 Title 35, chapter 20, part 3; and
 21 (iii) is not maintained and operated for private or
 22 corporate profit;
 23 (e) institutions of purely public charity;
 24 (f) evidence of debt secured by mortgages of record
 25 upon real or personal property in the state of Montana;



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

3 (h) all household goods and furniture, including but
4 not limited to clocks, musical instruments, sewing machines,
5 and wearing apparel of members of the family, used by the
6 owner for personal and domestic purposes or for furnishing
7 or equipping the family residence;

8 (i) a truck canopy cover or topper weighing less than
9 300 pounds and having no accommodations attached. Such
10 property is also exempt from the fee in lieu of tax.

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

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

15 (l) motorcycles and quadricycles;

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

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

25 (o) property owned and used by a corporation or

1 association organized and operated exclusively for the care
2 of the developmentally disabled, mentally ill, or
3 vocationally handicapped as defined in 18-5-101, which is
4 not operated for gain or profit; and

5 (p) all farm buildings with a market value of less
6 than \$500 and all agricultural implements and machinery with
7 a market value of less than \$100.

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

12 (b) The terms "public art galleries" and "public
13 observatories" include only those art galleries and
14 observatories, whether of public or private ownership, that
15 are open to the public without charge at all reasonable
16 hours and are used for the purpose of education only.

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

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

24 (b) \$100,000 in the case of a multifamily residential
25 dwelling or a nonresidential structure. (Subsection (1)(p)

1 applicable to taxable years beginning after December 31,
2 1985--sec. 4, Ch. 463, L. 1985.)"

3 NEW SECTION. Section 2. Extension of authority. Any
4 existing authority of the department of revenue to make
5 rules on the subject of the provisions of this act is
6 extended to the provisions of this act.

7 NEW SECTION. Section 3. Effective date. This act is
8 effective on passage and approval.

9 NEW SECTION. Section 4. Applicability. This act
10 applies retroactively, within the meaning of 1-2-109, to
11 taxable years beginning after December 31, 1986.

-End-

APPROVED BY COMMITTEE
ON TAXATION

HOUSE BILL NO. 794

INTRODUCED BY M. WILLIAMS, SANDS

BY REQUEST OF THE HOUSE COMMITTEE ON TAXATION

A BILL FOR AN ACT ENTITLED: "AN ACT ~~ELABORATING~~ REPLACING THE PROPERTY TAX EXEMPTION FOR HOSPITALS BY ESTABLISHING A PROPERTY TAX EXEMPTION FOR LICENSED, NONPROFIT HOSPITALS--AND--OUTPATIENT-SURGICAL-CENTERS HEALTH CARE FACILITIES; AMENDING SECTION 15-6-201, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND ~~A-RETROACTIVE AN~~ APPLICABILITY DATE."

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

Section 1. Section 15-6-201, MCA, is amended to read:

"15-6-201. Exempt categories. (1) The following

categories of property are exempt from taxation:

(a) the property of:

(i) the United States, the state, counties, cities, towns, school districts, except, if congress passes legislation that allows the state to tax property owned by an agency created by congress to transmit or distribute electrical energy, the property constructed, owned, or operated by a public agency created by the congress to transmit or distribute electric energy produced at privately owned generating facilities (not including rural electric

cooperatives);

(ii) irrigation districts organized under the laws of Montana and not operating for profit;

(iii) municipal corporations; and

(iv) public libraries;

(b) buildings, with land they occupy and furnishings therein, owned by a church and used for actual religious worship or for residences of the clergy, together with adjacent land reasonably necessary for convenient use of such buildings;

(c) property used exclusively for agricultural and horticultural societies, for educational purposes, and for ~~licensed, nonprofit hospitals and--licensed,--nonprofit outpatient--surgical--centers;~~ HEALTH CARE FACILITIES, AS DEFINED IN 50-5-101, LICENSED BY THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES AND ORGANIZED UNDER TITLE 35, CHAPTER 2 OR 3. A HEALTH CARE FACILITY THAT IS NOT LICENSED BY THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES AND ORGANIZED UNDER TITLE 35, CHAPTER 2 OR 3, IS NOT EXEMPT.

(d) property that meets the following conditions:

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

(ii) is devoted exclusively to use in connection with a cemetery or cemeteries for which a permanent care and



1 improvement fund has been established as provided for in
2 Title 35, chapter 20, part 3; and

3 (iii) is not maintained and operated for private or
4 corporate profit;

5 (e) institutions of purely public charity;

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

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

10 (h) all household goods and furniture, including but
11 not limited to clocks, musical instruments, sewing machines,
12 and wearing apparel of members of the family, used by the
13 owner for personal and domestic purposes or for furnishing
14 or equipping the family residence;

15 (i) a truck canopy cover or topper weighing less than
16 300 pounds and having no accommodations attached. Such
17 property is also exempt from the fee in lieu of tax.

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

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

22 (l) motorcycles and quadricycles;

23 (m) fixtures, buildings, and improvements owned by a
24 cooperative association or nonprofit corporation organized
25 to furnish potable water to its members or customers for

1 uses other than the irrigation of agricultural land;

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

7 (o) property owned and used by a corporation or
8 association organized and operated exclusively for the care
9 of the developmentally disabled, mentally ill, or
10 vocationally handicapped as defined in 18-5-101, which is
11 not operated for gain or profit; and

12 (p) all farm buildings with a market value of less
13 than \$500 and all agricultural implements and machinery with
14 a market value of less than \$100.

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

19 (b) The terms "public art galleries" and "public
20 observatories" include only those art galleries and
21 observatories, whether of public or private ownership, that
22 are open to the public without charge at all reasonable
23 hours and are used for the purpose of education only.

24 (3) The following portions of the appraised value of a
25 capital investment made after January 1, 1979, in a

1 recognized nonfossil form of energy generation, as defined
2 in 15-32-102, are exempt from taxation for a period of 10
3 years following installation of the property:

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

6 (b) \$100,000 in the case of a multifamily residential
7 dwelling or a nonresidential structure. (Subsection (1)(p)
8 applicable to taxable years beginning after December 31,
9 1985--sec. 4, Ch. 463, L. 1985.)"

10 NEW SECTION. Section 2. Extension of authority. Any
11 existing authority of the department of revenue to make
12 rules on the subject of the provisions of this act is
13 extended to the provisions of this act.

14 NEW SECTION. Section 3. Effective date. This act is
15 effective on passage and approval.

16 NEW SECTION. Section 4. Applicability. This act
17 applies ~~retroactively,--within--the--meaning--of--1-2-109,~~ to
18 taxable years beginning after December 31, ~~1986~~ 1987.

-End-

1 HOUSE BILL NO. 794

2 INTRODUCED BY M. WILLIAMS, SANDS

3 BY REQUEST OF THE HOUSE COMMITTEE ON TAXATION

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT ~~CLARIFYING--THE~~
6 REPLACING THE PROPERTY TAX EXEMPTION FOR HOSPITALS BY
7 ESTABLISHING A PROPERTY TAX EXEMPTION FOR LICENSED,
8 NONPROFIT HOSPITALS--AND-OUTPATIENT-SURGICAL-CENTERS HEALTH
9 CARE FACILITIES; AMENDING SECTION 15-6-201, MCA; AND
10 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A-RETROACTIVE AN
11 APPLICABILITY DATE."
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13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 Section 1. Section 15-6-201, MCA, is amended to read:

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16 categories of property are exempt from taxation:

17 (a) the property of:

18 (i) the United States, the state, counties, cities,
19 towns, school districts, except, if congress passes
20 legislation that allows the state to tax property owned by
21 an agency created by congress to transmit or distribute
22 electrical energy, the property constructed, owned, or
23 operated by a public agency created by the congress to
24 transmit or distribute electric energy produced at privately
25 owned generating facilities (not including rural electric

1 cooperatives);

2 (ii) irrigation districts organized under the laws of
3 Montana and not operating for profit;

4 (iii) municipal corporations; and

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6 (b) buildings, with land they occupy and furnishings
7 therein, owned by a church and used for actual religious
8 worship or for residences of the clergy, together with
9 adjacent land reasonably necessary for convenient use of
10 such buildings;

11 (c) property used exclusively for agricultural and
12 horticultural societies, for educational purposes, and for
13 licensed, nonprofit hospitals and---licensed,---nonprofit
14 outpatient--surgical--centers; HEALTH CARE FACILITIES, AS
15 DEFINED IN 50-5-101, LICENSED BY THE DEPARTMENT OF HEALTH
16 AND ENVIRONMENTAL SCIENCES AND ORGANIZED UNDER TITLE 35,
17. CHAPTER 2 OR 3. A HEALTH CARE FACILITY THAT IS NOT LICENSED
18 BY THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES AND
19 ORGANIZED UNDER TITLE 35, CHAPTER 2 OR 3, IS NOT EXEMPT.

20 (d) property that meets the following conditions:

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22 corporation organized under Title 35, chapter 2, 3, 20, or
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25 cemetery or cemeteries for which a permanent care and

1 improvement fund has been established as provided for in
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25 capital investment made after January 1, 1979, in a

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7 dwelling or a nonresidential structure. (Subsection (1)(p)
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17 applies retroactively, ~~within the meaning of 1-2-189,~~ to
18 taxable years beginning after December 31, 1986 1987.

-End-

HOUSE BILL NO. 794

INTRODUCED BY M. WILLIAMS, SANDS

BY REQUEST OF THE HOUSE COMMITTEE ON TAXATION

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING--THE REPLACING THE PROPERTY TAX EXEMPTION FOR HOSPITALS BY ESTABLISHING A PROPERTY TAX EXEMPTION FOR LICENSED, NONPROFIT HOSPITALS--AND-OUTPATIENT-SURGICAL-CENTERS HEALTH CARE FACILITIES; AMENDING SECTION 15-6-201, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A-RETROACTIVE AN APPLICABILITY DATE."

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