

SB 129 INTRODUCED BY MANNING, PAVLOVICH, NISBET, ET AL.
CLARIFY VETERANS' CLUBHOUSE TAX-EXEMPT STATUS --
UNAFFECTED BY BAR

1/17	INTRODUCED		
1/17	REFERRED TO TAXATION		
1/18	FISCAL NOTE REQUESTED		
1/21	FISCAL NOTE RECEIVED		
1/23	HEARING		
1/23	COMMITTEE REPORT--BILL PASSED		
1/27	2ND READING PASSED	50	0
1/29	3RD READING PASSED	50	0
	TRANSMITTED TO HOUSE		
2/04	REFERRED TO TAXATION		
3/05	HEARING		
4/06	TABLED IN COMMITTEE		

1 *Senate* BILL NO. *129*
 2 INTRODUCED BY *Richard Manning* *Forbush Nisbet*
 3 *Smith*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THAT THE
 5 VETERANS' CLUBHOUSE PROPERTY TAX EXEMPTION IS NOT AFFECTED
 6 BY THE EXISTENCE OF A BAR OR TAVERN IN THE CLUBHOUSE IF THE
 7 GAIN FROM THE BAR OR TAVERN IS USED EXCLUSIVELY FOR
 8 EDUCATIONAL, FRATERNAL, BENEVOLENT, OR PURELY PUBLIC
 9 CHARITABLE PURPOSES; AMENDING SECTION 15-6-203, MCA; AND
 10 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE
 11 APPLICABILITY DATE."

12
 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 Section 1. Section 15-6-203, MCA, is amended to read:
 15 "15-6-203. Veterans' clubhouse exemption --
 16 incompetent veterans' trusts. (1) When a veterans' clubhouse
 17 or building erected by or belonging to any society or
 18 organization of honorably discharged United States military
 19 personnel is used exclusively for educational, fraternal,
 20 benevolent, or purely public charitable purposes ~~rather than~~
 21 ~~for-gain-or-profit~~, together with the library and furniture
 22 necessarily used in any such building, such property is
 23 exempt from taxation. A veterans' clubhouse exemption is
 24 not affected by the existence of a bar or tavern in the
 25 clubhouse or building if the gain realized from the bar or

1 tavern by the veterans' society or organization is used
 2 exclusively for educational, fraternal, benevolent, or
 3 purely public charitable purposes.

4 (2) All property, real or personal, in the possession
 5 of legal guardians of incompetent veterans of U.S. military
 6 service or minor dependents of such veterans, where such
 7 property is funds or derived from funds received from the
 8 United States as pension, compensation, insurance, adjusted
 9 compensation, or gratuity, shall be exempt from all taxation
 10 as property of the United States while held by the guardian,
 11 but not after title passes to the veteran or minor in his or
 12 her own right on account of removal of legal disability."

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

17 NEW SECTION. Section 3. Effective date --
 18 applicability. (1) This act is effective on passage and
 19 approval.

20 (2) This act applies retroactively, within the meaning
 21 of 1-2-109, to taxable years beginning after December 31,
 22 1986.

-End-



-2- INTRODUCED BILL
 SB-129

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB129, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to clarify that the Veteran's clubhouse property tax exemption is not affected by the existence of a bar or tavern in the clubhouse if the gain from the bar or tavern is used exclusively for educational, fraternal, benevolent, or purely public charitable purposes; providing an immediate effective date and a retroactive applicability date.

ASSUMPTIONS:

1. The taxable value of the state will be \$1,997,193,000 in FY 88 and \$2,024,661,000 in FY 89 (REAC).
2. Property tax data indicate that 19 Montana veteran's clubs would be affected by this bill, with a total drop in taxable value of \$69,393.
3. Mill levies are 6 mills for the university levy, 45 mills for the school foundation program, and the weighted average local government levy remains constant at the 1986 level of 289 mills.

FISCAL IMPACT:Revenue Impact:

	FY88			FY89		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
University Levy	\$ 11,983,158	\$ 11,982,742	\$ (416)	\$ 12,147,966	\$ 12,147,550	\$ (416)
School Equalization	\$ 89,873,685	\$ 89,870,562	\$ (3,123)	\$ 91,109,745	\$ 91,106,622	\$ (3,123)
Total	\$101,856,843	\$101,853,304	\$ (3,539)	\$103,257,711	\$103,254,172	\$ (3,539)

EFFECT ON LOCAL GOVERNMENT REVENUES:

Counties that have Veteran's clubhouses affected by the bill would share in a total reduction of \$20,055 in property tax revenue in each year of the biennium. On average, about 60% of total property tax is levied for schools; therefore, about \$12,033 would be lost in school funding.

David L. Hunter

DATE

1/21/87

DAVID L. HUNTER, BUDGET DIRECTOR

Office of Budget and Program Planning

Richard Manning

DATE

1/21/87

RICHARD MANNING, PRIMARY SPONSOR

Fiscal Note for SB129, as introduced.SB-129

APPROVED BY COMMITTEE
ON TAXATION

1 *Senate* BILL NO. *129*
2 INTRODUCED BY *Richard Manning* *Carlson Nisbet*
3 *Arath*

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8 EDUCATIONAL, FRATERNAL, BENEVOLENT, OR PURELY PUBLIC
9 CHARITABLE PURPOSES; AMENDING SECTION 15-6-203, MCA; AND
10 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE
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16 incompetent veterans' trusts. (1) When a veterans' clubhouse
17 or building erected by or belonging to any society or
18 organization of honorably discharged United States military
19 personnel is used exclusively for educational, fraternal,
20 benevolent, or purely public charitable purposes ~~rather than~~
21 ~~for-gain-or-profit~~, together with the library and furniture
22 necessarily used in any such building, such property is
23 exempt from taxation. A veterans' clubhouse exemption is
24 not affected by the existence of a bar or tavern in the
25 clubhouse or building if the gain realized from the bar or

1 tavern by the veterans' society or organization is used
2 exclusively for educational, fraternal, benevolent, or
3 purely public charitable purposes.

4 (2) All property, real or personal, in the possession
5 of legal guardians of incompetent veterans of U.S. military
6 service or minor dependents of such veterans, where such
7 property is funds or derived from funds received from the
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9 compensation, or gratuity, shall be exempt from all taxation
10 as property of the United States while held by the guardian,
11 but not after title passes to the veteran or minor in his or
12 her own right on account of removal of legal disability."

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-End-



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Senate BILL NO. 229
INTRODUCED BY *Richard Manning* *Pauline Nisbet*
Archie

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THAT THE VETERANS' CLUBHOUSE PROPERTY TAX EXEMPTION IS NOT AFFECTED BY THE EXISTENCE OF A BAR OR TAVERN IN THE CLUBHOUSE IF THE GAIN FROM THE BAR OR TAVERN IS USED EXCLUSIVELY FOR EDUCATIONAL, FRATERNAL, BENEVOLENT, OR PURELY PUBLIC CHARITABLE PURPOSES; AMENDING SECTION 15-6-203, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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Section 1. Section 15-6-203, MCA, is amended to read:

"15-6-203. Veterans' clubhouse exemption -- incompetent veterans' trusts. (1) When a veterans' clubhouse or building erected by or belonging to any society or organization of honorably discharged United States military personnel is used exclusively for educational, fraternal, benevolent, or purely public charitable purposes ~~rather than for-gain-or-profit~~, together with the library and furniture necessarily used in any such building, such property is exempt from taxation. A veterans' clubhouse exemption is not affected by the existence of a bar or tavern in the clubhouse or building if the gain realized from the bar or

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(2) This act applies retroactively, within the meaning of 1-2-109, to taxable years beginning after December 31, 1986.

-End-

