

SENATE BILL NO. 337

INTRODUCED BY MANNING, LYNCH, HARRINGTON, D. BROWN,
FARRELL, PHILLIPS, SQUIRES, PAVLOVICH, JENKINS, MILLER,
KITSELMAN, B. WILLIAMS, NATHE, DRISCOLL, MENAHAN, PECK,
SWYSGOOD, MILES, SEVERSON, ELLISON, VAN VALKENBURG,
SCHYE, HARPER, PATTERSON, E. SMITH

IN THE SENATE

FEBRUARY 14, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

MARCH 2, 1987 COMMITTEE RECOMMEND BILL DO PASS.
REPORT ADOPTED.

MARCH 3, 1987 PRINTING REPORT.

MARCH 4, 1987 SECOND READING, DO PASS.

MARCH 5, 1987 ENGROSSING REPORT.

MARCH 6, 1987 THIRD READING, PASSED.
AYES, 46; NOES, 0.

TRANSMITTED TO HOUSE.

IN THE HOUSE

MARCH 9, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

APRIL 6, 1987 COMMITTEE RECOMMEND BILL BE
CONCURRED IN AS AMENDED. REPORT
ADOPTED.

APRIL 9, 1987 SECOND READING, CONCURRED IN.

APRIL 10, 1987 THIRD READING, CONCURRED IN.
AYES, 94; NOES, 0.

RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

APRIL 15, 1987

RECEIVED FROM HOUSE.

SECOND READING, AMENDMENTS
CONCURRED IN.

ON MOTION, RULES SUSPENDED TO PLACE
BILL ON THIRD READING THIS DAY.

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

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SENATE BILL NO. 337
 INTRODUCED BY *Richard E. Spinning*
Hamington Dave Bran Faircliff Phillip Spiciness
 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE EXTENT
 OF THE PROPERTY TAX EXEMPTION GRANTED TO SURVIVING SPOUSES
 OF DISABLED VETERANS; AND AMENDING SECTION 15-6-211, MCA."
 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA.

Section 1. Section 15-6-211, MCA, is amended to read:

"15-6-211. Certain disabled or deceased veterans' residences exempt. (1) A residence, including the lot on which it is built, owned and occupied by a disabled veteran or a veteran's spouse is exempt from property taxation under the following conditions. The owner veteran must:

- (a) have been killed while on active duty or have died as a result of a service-connected disability; or
- (b) if living:
 - (i) have been honorably discharged from active service in any branch of the armed services;
 - (ii) be rated 100% disabled due to a service-connected disability by the United States veterans administration or its successor; and
 - (iii) have an annual adjusted gross income, as reported on the latest federal income tax return, of not more than \$15,000 for a single person and \$18,000 for a

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married couple.

(2) If--a-veteran-whose-property-has-been-eligible-for this-exemption-dies, the-property Property shall continue to be exempt under this section so long as the--surviving spouse:

(a)--remains--unmarried the property is the primary residence owned and occupied by the veteran or, if the veteran is deceased, the veteran's spouse and the spouse:

(b)(a) is the owner and occupant of the house; and

(c)(b) has an annual adjusted gross income, as reported on the latest federal income tax return, of not more than \$15,000+; and

(c) has obtained from the United States veterans administration a letter indicating that the veteran was 100% service-connected disabled at the time of death or that the veteran died while on active duty or as a result of a service-connected disability."

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

-End-



-2-
INTRODUCED BILL
SB 337

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB337, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to clarify the extent of the property tax exemption granted to surviving spouses of disabled veterans.

ASSUMPTIONS:

1. There are 594 100% disabled veterans and 7,945 partially disabled veterans in the state (Veterans Affairs Division).
2. The market value of land and improvements owned by 100% disabled veterans meeting the conditions of 15-6-211, MCA under current law is \$12,537,275 (Property Assessment Division).
3. The university mill levy is 6 mills; the school equalization mill levy is 45 mills; the average statewide mill levy is 240 mills.
4. 58.3% of Montana households have federal adjusted gross income at or below \$15,000 for a single person or \$18,000 for a married couple.
5. The effective date of the proposal is October 1, 1987, so any impact would not be felt until FY89.


FISCAL IMPACT:


It is not possible to accurately estimate the fiscal impact of this proposal. There is no way of predicting the number of individuals who would take advantage of the proposed property tax exemption. Under current law, there are approximately 346 veterans qualifying for the existing property tax exemption. The average market value of land and improvements exempt from property taxation is \$36,235. Foregone revenue for each exempt residence is approximately \$336 per year (\$116,256 statewide total annually).

The proposed law would have no effect on disabled veterans who currently receive the property tax exemption. It would extend the exemption to spouses of veterans that have been killed while on active duty or died as a result of a service-connected disability.

New candidates for property tax exemption under the proposed law would come from surviving spouses of the following groups:

- 1) Partially disabled veterans who die of service related causes (there are currently 7,945 partially disabled veterans in the state);
- 2) Individuals currently in the military who are killed while on active duty;
- 3) Individuals who have died in years past while on active duty or as a result of service related causes.

 DATE 2/20/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

 DATE 2/21/87
RICHARD MANNING, PRIMARY SPONSOR
Fiscal Note for SB337, as introduced.

50 337

APPROVED BY COMMITTEE ON TAXATION

1 *Senate* BILL NO. *337*
 2 INTRODUCED BY *Richard E. Manning*
 3 *Hammyton Dave Brown Tardiff Phillip Stice*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE EXTENT *Leje*
 5 OF THE PROPERTY TAX EXEMPTION GRANTED TO SURVIVING SPOUSES *Kitzelman*
 6 OF DISABLED VETERANS; AND AMENDING SECTION 15-6-211, MCA." *W. Williams NATH*
 7 *Menghan Swygood Mills E. Smith*
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA.

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 11 residences exempt. (1) A residence, including the lot on
 12 which it is built, owned and occupied by a disabled veteran
 13 or a veteran's spouse is exempt from property taxation under
 14 the following conditions. The owner veteran must:
 15 (a) have been killed while on active duty or have died
 16 as a result of a service-connected disability; or
 17 (b) if living:
 18 (a)(i) have been honorably discharged from active
 19 service in any branch of the armed services;
 20 (b)(ii) be rated 100% disabled due to a
 21 service-connected disability by the United States veterans
 22 administration or its successor; and
 23 (c)(iii) have an annual adjusted gross income, as
 24 reported on the latest federal income tax return, of not
 25 more than \$15,000 for a single person and \$18,000 for a

1 married couple.
 2 (2) If--a-veteran-whose-property-has-been-eligible-for
 3 this-exemption-dies,--the-property Property shall continue to
 4 be exempt under this section so long as the--surviving
 5 spouse:
 6 (a)--remains--unmarried the property is the primary
 7 residence owned and occupied by the veteran or, if the
 8 veteran is deceased, the veteran's spouse and the spouse;:
 9 (b)(a) is the owner and occupant of the house; and
 10 (c)(b) has an annual adjusted gross income, as
 11 reported on the latest federal income tax return, of not
 12 more than \$15,000-; and
 13 (c) has obtained from the United States veterans
 14 administration a letter indicating that the veteran was 100%
 15 service-connected disabled at the time of death or that the
 16 veteran died while on active duty or as a result of a
 17 service-connected disability."
 18 NEW SECTION. Section 2. Extension of authority. Any
 19 existing authority of the department of revenue to make
 20 rules on the subject of the provisions of this act is
 21 extended to the provisions of this act.

-End-



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 2 INTRODUCED BY *Richard E. Jennings* *Spink* *Spink* BILL NO. *337*
 3 *Hamington* *Joe Brown* *Faircliff* *Phillips* *Spicer*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE EXTENT *Leh*
 5 OF THE PROPERTY TAX EXEMPTION GRANTED TO SURVIVING SPOUSES *Kitelson*
 6 OF DISABLED VETERANS; AND AMENDING SECTION 15-6-211, MCA." *NATH*
 7 *Wendell* *Surgeon* *Mills* *Sawson* *Van Vleet* *E. Smith*
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 24 reported on the latest federal income tax return, of not
 25 more than \$15,000 for a single person and \$18,000 for a

1 married couple.
 2 (2) ~~If a veteran whose property has been eligible for~~
 3 ~~this exemption dies, the property~~ Property shall continue to
 4 be exempt under this section so long as the ~~surviving~~
 5 spouse:
 6 (a) ~~remains unmarried~~ the property is the primary
 7 residence owned and occupied by the veteran or, if the
 8 veteran is deceased, the veteran's spouse and the spouse;
 9 (b)(a) is the owner and occupant of the house; and
 10 (b)(b) has an annual adjusted gross income, as
 11 reported on the latest federal income tax return, of not
 12 more than \$15,000; and
 13 (c) has obtained from the United States veterans
 14 administration a letter indicating that the veteran was 100%
 15 service-connected disabled at the time of death or that the
 16 veteran died while on active duty or as a result of a
 17 service-connected disability."
 18 NEW SECTION. Section 2. Extension of authority. Any
 19 existing authority of the department of revenue to make
 20 rules on the subject of the provisions of this act is
 21 extended to the provisions of this act.

-End-



-2- THIRD READING SB-337

SENATE BILL NO. 337

INTRODUCED BY MANNING, LYNCH, HARRINGTON, D. BROWN,
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(2) ~~If a veteran whose property has been eligible for
 this exemption dies, the property~~ Property shall continue to
 be exempt under this section so long as the surviving
 spouse:

~~(a) remains unmarried~~ the property is the primary
 residence owned and occupied by the veteran or, if the
 veteran is deceased, the veteran's spouse and the spouse;

(b)(a) is the owner and occupant of the house; and

(c)(b) has an annual adjusted gross income, as
 reported on the latest federal income tax return, of not
 more than \$15,000; and

(C) IS UNMARRIED; AND

(c)(D) has obtained from the United States veterans
 administration a letter indicating that the veteran was 100%
 service-connected disabled at the time of death or that the
 veteran died while on active duty or as a result of a
 service-connected disability."

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

SB 0337/02

1 extended to the provisions of this act.

-End-

STANDING COMMITTEE REPORT

HOUSE

APRIL 6

1987

Mr. Speaker: We, the committee on HOUSE TAXATION

report SENATE BILL NO. 337

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

Ramirez
Representative Jack Ramirez, Chairman

Be amended as follows:

1. Page 2, line 12
Strike: "and"
2. Page 2, line 13
Following: line 12
Insert: "(c) is unmarried; and"
Renumber: subsequent subsection

0 SW AA

Carried by Rep. Harrington