



IN THE SENATE

MARCH 19, 1987

RECEIVED FROM HOUSE.

SECOND READING, AMENDMENTS  
CONCURRED IN.

MARCH 20, 1987

THIRD READING, AMENDMENTS  
CONCURRED IN.

SENT TO ENROLLING.

1 *Senate* BILL NO. *382*  
2 INTRODUCED BY *Jarquon*  
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT FROM SPECIAL  
5 ASSESSMENTS ALL PROPERTY OWNED BY A NONPROFIT WATER COMPANY,  
6 WATER USERS' ASSOCIATION, IRRIGATION COMPANY, IRRIGATION  
7 DISTRICT, CANAL COMPANY, DITCH COMPANY, RESERVOIR COMPANY,  
8 OR SIMILAR NONPROFIT WATER USER ENTITY; AMENDING SECTION  
9 85-7-2011, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE  
10 AND A RETROACTIVE APPLICABILITY DATE."  
11

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

13 NEW SECTION. Section 1. Water user entities exempt  
14 from special assessments. All property owned by a nonprofit  
15 water company, water users' association, irrigation company,  
16 irrigation district, canal company, ditch company, reservoir  
17 company, or similar nonprofit water user entity is exempt  
18 from every special assessment imposed by any special  
19 improvement district or rural special improvement district.

20 Section 2. Section 85-7-2011, MCA, is amended to read:

21 "85-7-2011. Exemption of irrigation district property.  
22 The bonds issued under the provisions of this part,  
23 rights-of-way, ditches, flumes, pipelines, dams, water  
24 rights, reservoirs, equipment, machinery, motor vehicles,  
25 and all other personal property belonging to any irrigation

1 district organized under the laws of Montana and not  
2 operating for profit may not be taxed for state, county, or  
3 municipal purposes, including special improvement district  
4 and rural special improvement district purposes."

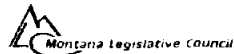
5 NEW SECTION. Section 3. Codification instruction.  
6 Section 1 is intended to be codified as an integral part of  
7 Title 7, chapter 12, parts 11, 21 through 23, and 41 through  
8 46, and the provisions of those parts apply to section 1.

9 NEW SECTION. Section 4. Extension of authority. Any  
10 existing authority of the department of revenue to make  
11 rules on the subject of the provisions of this act is  
12 extended to the provisions of this act.

13 NEW SECTION. Section 5. Effective date --  
14 applicability. (1) This act is effective on passage and  
15 approval.

16 (2) This act applies retroactively, within the meaning  
17 of 1-2-109, to taxable years beginning after December 31,  
18 1986.

-End-



-2- INTRODUCED BILL  
SB-382

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB382, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to exempt from special assessments all property owned by a nonprofit water company, water users' association, irrigation company, irrigation district, canal company, ditch company, reservoir company, or similar nonprofit water user entity; providing an immediate effective date and a retroactive applicability date.

FISCAL IMPACT:

The proposed law would have no impact on state property tax revenue. At the local level, the proposed exemption would shift the burden for the share of special assessments, shouldered by water user entities, to the other property owners in the respective districts.

*David L. Hunter* DATE *2/26/87*

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

*Greg Jergeson* DATE *3/2/87*

GREG JERGESON, PRIMARY SPONSOR

Fiscal Note for SB382, as introduced.

*SB 382*

APPROVED BY COMMITTEE  
ON AGRICULTURE LIVESTOCK  
& IRRIGATION

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2 INTRODUCED BY Jerguson

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



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19 improvement OR MAINTENANCE district ~~or rural special~~  
20 improvement-district CREATED UNDER TITLE 7, CHAPTER 12.

21 Section 2. Section 85-7-2011, MCA, is amended to read:

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1 and all other personal property belonging to any irrigation  
2 district organized under the laws of Montana and not  
3 operating for profit may not be taxed for state, county, or  
4 municipal purposes ~~including special improvement district~~  
5 ~~and rural special improvement district purposes~~ AND MAY NOT  
6 BE ASSESSED COSTS FOR ANY IMPROVEMENT OR MAINTENANCE  
7 DISTRICT CREATED UNDER TITLE 7, CHAPTER 12."

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22 1986.

-End-

# STANDING COMMITTEE REPORT

HOUSE

March 11

19 87

Mr. Speaker: We, the committee on LOCAL GOVERNMENT

report SB 382

do pass  
 do not pass

be concurred in  
 be not concurred in

as amended  
 statement of intent attached

  
Rep. Norm Wallin Chairman

1. Title, line 5.

Strike: "ALL"

Insert: "CERTAIN"

2. Page <sup>1</sup> 2, line 14.

Strike: "All"

Insert: "Rights-of-way, ditches, flumes, pipelines, dams, water rights, reservoirs, equipment, machinery, motor vehicles, and other personal"

3. Page 1, line 16.

Strike: "irrigation district,"

4. Page 1, line 17.

Strike: "is"

Insert: "are"

5. Page 2.

Following: line 22

Insert: "(3) This act does not apply to any special assessments for the repayment of bonded indebtedness incurred before the effective date of this act if the bonds were issued on representations that the property exempted from special assessments by this act would be liable for repayment of the bonded indebtedness."

(Rep. Spaeth)

THIRD

reading copy ( BLUE )  
color

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 7 IRRIGATION DISTRICT, CANAL COMPANY, DITCH COMPANY, RESERVOIR  
 8 COMPANY, OR SIMILAR NONPROFIT WATER USER ENTITY; AMENDING  
 9 SECTION 85-7-2011, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE  
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 15 FLUMES, PIPELINES, DAMS, WATER RIGHTS, RESERVOIRS,  
 16 EQUIPMENT, MACHINERY, MOTOR VEHICLES, AND OTHER PERSONAL  
 17 property owned by a nonprofit water company, water users'  
 18 association, irrigation company, ~~irrigation-district,~~ canal  
 19 company, ditch company, reservoir company, or similar  
 20 nonprofit water user entity ~~is~~ ARE exempt from every special  
 21 assessment imposed by any ~~special improvement OR MAINTENANCE~~  
 22 ~~district or rural-special-improvement-district~~ CREATED UNDER  
 23 TITLE 7, CHAPTER 12.  
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 7 municipal purposes, ~~--including-special-improvement-district~~  
 8 ~~and-rural-special-improvement-district-purposes~~ AND MAY NOT  
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1       (3) THIS ACT DOES NOT APPLY TO ANY SPECIAL ASSESSMENTS  
2       FOR THE REPAYMENT OF BONDED INDEBTEDNESS INCURRED BEFORE THE  
3       EFFECTIVE DATE OF THIS ACT IF THE BONDS WERE ISSUED ON  
4       REPRESENTATIONS THAT THE PROPERTY EXEMPTED FROM SPECIAL  
5       ASSESSMENTS BY THIS ACT WOULD BE LIABLE FOR REPAYMENT OF THE  
6       BONDED INDEBTEDNESS.

-End-