

HOUSE BILL NO. 641

INTRODUCED BY QUILICI, DRISCOLL, PAVLOVICH,  
DAILY, HARRINGTON, MERCER, MENAHAN

IN THE HOUSE

FEBRUARY 10, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
FEBRUARY 11, 1989	FIRST READING.
MARCH 21, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
MARCH 22, 1989	PRINTING REPORT.
MARCH 29, 1989	SECOND READING, DO PASS.
MARCH 30, 1989	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 91; NOES, 8.
	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 31, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
APRIL 12, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
APRIL 13, 1989	SECOND READING, CONCURRED IN.
	ON MOTION, RULES SUSPENDED TO PLACE BILL ON THIRD READING THIS DAY.
	THIRD READING, CONCURRED IN. AYES, 47; NOES, 0.
	RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 15, 1989

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS NOT  
CONCURRED IN.

APRIL 17, 1989

ON MOTION, CONFERENCE COMMITTEE  
REQUESTED AND APPOINTED.

IN THE SENATE

APRIL 18, 1989

ON MOTION, CONFERENCE COMMITTEE  
REQUESTED AND APPOINTED.

IN THE HOUSE

APRIL 20, 1989

CONFERENCE COMMITTEE REPORTED.

SECOND READING, CONFERENCE COMMITTEE  
REPORT ADOPTED.

THIRD READING, CONFERENCE COMMITTEE  
REPORT ADOPTED.

IN THE SENATE

APRIL 20, 1989

CONFERENCE COMMITTEE  
REPORT ADOPTED.

IN THE HOUSE

APRIL 20, 1989

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *HOUSE* BILL NO. *641*  
2 INTRODUCED BY *Dail Hampton*  
3 *MERCER*  
4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A LOCAL  
5 GOVERNMENT TO EXEMPT AN INDUSTRIAL PARK OWNED BY A LOCAL  
6 ECONOMIC DEVELOPMENT ORGANIZATION FROM CERTAIN PROPERTY  
7 TAXES."  
8  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
10 NEW SECTION. **Section 1.** Definitions. Unless the  
11 context requires otherwise, the following definitions apply  
12 to [section 2]:  
13 (1) "Industrial park" means property zoned for light  
14 and heavy industry. The term includes fully developed or  
15 partially developed land and improvements and undeveloped  
16 land.  
17 (2) "Local economic development organization" means a  
18 private, nonprofit organization whose primary purposes are  
19 to develop the economy of its area and to provide assistance  
20 to businesses in that area.  
21 NEW SECTION. **Section 2.** Industrial park tax exemption  
22 -- procedure. (1) An industrial park owned and operated by a  
23 local economic development organization is eligible for an  
24 exemption from certain local property taxes as provided in  
25 this section.

1 (2) In order to qualify for the tax exemption described  
2 in this section, the governing body of the affected county,  
3 consolidated government, or incorporated city or town shall  
4 approve the tax exemption by resolution, after notice and  
5 hearing. Prior to holding the hearing, the governing body  
6 shall determine that the local economic development  
7 organization:  
8 (a) is a private, nonprofit corporation as provided in  
9 Title 35, chapter 2;  
10 (b) has a history of being engaged in economic  
11 development and business assistance work in the area; and  
12 (c) owns and operates or will operate the industrial  
13 development park.  
14 (3) The tax exemption described in subsection (1)  
15 applies only to the number of mills levied for local high  
16 school district and elementary school district purposes and  
17 to the number of mills levied and assessed by the governing  
18 body approving the exemption over which the governing body  
19 has sole discretion. The exemption may not apply to levies  
20 or assessments required under Title 15, chapter 10,  
21 20-9-331, or 20-9-333 or otherwise required under state law.  
22 NEW SECTION. **Section 3.** Codification instruction.  
23 [Sections 1 and 2] are intended to be codified as an  
24 integral part of Title 15, chapter 24, and the provisions of  
25 Title 15, chapter 24, apply to [sections 1 and 2].

-End-

-2-

INTRODUCED BILL

HB 641

APPROVED BY COMMITTEE  
ON TAXATION

HOUSE BILL NO. 641

INTRODUCED BY QUILICI, DRISCOLL, PAVLOVICH,

DAILY, HARRINGTON, MERCER, MENAHAN

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A LOCAL GOVERNMENT TO EXEMPT AN INDUSTRIAL PARK OWNED BY A LOCAL ECONOMIC DEVELOPMENT ORGANIZATION OR PORT AUTHORITY FROM CERTAIN PROPERTY TAXES."

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

NEW SECTION. **Section 1.** Definitions. Unless the context requires otherwise, the following definitions apply to [section 2]:

(1) "Industrial park" means property zoned for light and heavy industry. The term includes fully developed or partially developed land and improvements and undeveloped land.

(2) "Local economic development organization" means a private, nonprofit organization whose primary purposes are to develop the economy of its area and to provide assistance to businesses in that area.

(3) "PORT AUTHORITY" MEANS A PORT AUTHORITY CREATED UNDER 7-14-1101 OR 7-14-1102.

NEW SECTION. **Section 2.** Industrial park tax exemption -- procedure -- TERMINATION. (1) An industrial park owned

and operated by a local economic development organization OR A PORT AUTHORITY is eligible for an exemption from certain local property taxes as provided in this section.

(2) In order to qualify for the tax exemption described in this section, the governing body of the affected county, consolidated government, or incorporated city or town shall approve the tax exemption by resolution, after notice and hearing. Prior to holding the hearing, the governing body shall determine that:

(A) the local economic development organization: ~~ta~~(I) is a private, nonprofit corporation as provided in Title 35, chapter 2;

~~tb~~(II) ~~has a history of being~~ IS engaged in economic development and business assistance work in the area; and

~~tc~~(III) owns and operates or will OWN AND operate the industrial development park; OR

(B) THE PORT AUTHORITY LEGALLY EXISTS UNDER THE PROVISIONS OF 7-14-1101 OR 7-14-1102.

(3) The tax exemption described in subsection (1) applies only to the number of mills levied for local high school district and elementary school district purposes and to the number of mills levied and assessed by the governing body approving the exemption over which the governing body has sole discretion. The exemption may not apply to levies or assessments required under Title 15, chapter 10,

20-9-331, or 20-9-333 or otherwise required under state law.

(4) IF A LOCAL ECONOMIC DEVELOPMENT ORGANIZATION  
SELLS, LEASES, OR OTHERWISE DISPOSES OF THE EXEMPT PROPERTY  
TO A PURCHASER OR LESSEE THAT IS NOT A LOCAL ECONOMIC  
DEVELOPMENT ORGANIZATION OR A UNIT OF FEDERAL, STATE, OR  
LOCAL GOVERNMENT, THE TAX EXEMPTION PROVIDED IN THIS SECTION  
TERMINATES. THE TERMINATION OF THE EXEMPTION APPLIES  
JANUARY 1 OF THE TAXABLE YEAR IMMEDIATELY FOLLOWING THE  
SALE, LEASE, OR OTHER DISPOSITION OF THE PROPERTY.

NEW SECTION. **Section 3.** Codification instruction.  
[Sections 1 and 2] are intended to be codified as an  
integral part of Title 15, chapter 24, and the provisions of  
Title 15, chapter 24, apply to [sections 1 and 2].

-End-

HOUSE BILL NO. 641

INTRODUCED BY QUILICI, DRISCOLL, PAVLOVICH,  
DAILY, HARRINGTON, MERCER, MENAHAN

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A LOCAL  
GOVERNMENT TO EXEMPT AN INDUSTRIAL PARK OWNED BY A LOCAL  
ECONOMIC DEVELOPMENT ORGANIZATION OR PORT AUTHORITY FROM  
CERTAIN PROPERTY TAXES."

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

NEW SECTION. Section 1. Definitions. Unless the  
context requires otherwise, the following definitions apply  
to [section 2]:

(1) "Industrial park" means property zoned for light  
and heavy industry. The term includes fully developed or  
partially developed land and improvements and undeveloped  
land.

(2) "Local economic development organization" means a  
private, nonprofit organization whose primary purposes are  
to develop the economy of its area and to provide assistance  
to businesses in that area.

(3) "PORT AUTHORITY" MEANS A PORT AUTHORITY CREATED  
UNDER 7-14-1101 OR 7-14-1102.

NEW SECTION. Section 2. Industrial park tax exemption  
-- procedure -- TERMINATION. (1) An industrial park owned

and operated by a local economic development organization OR  
A PORT AUTHORITY is eligible for an exemption from certain  
local property taxes as provided in this section.

(2) In order to qualify for the tax exemption  
described in this section, the governing body of the  
affected county, consolidated government, or incorporated  
city or town shall approve the tax exemption by resolution,  
after notice and hearing. Prior to holding the hearing, the  
governing body shall determine that:

(A) the local economic development organization:  
(i) is a private, nonprofit corporation as provided  
in Title 35, chapter 2;  
(ii) has-a-history-of-being IS engaged in economic  
development and business assistance work in the area; and  
(iii) owns and operates or will OWN AND operate the  
industrial development park; OR

(B) THE PORT AUTHORITY LEGALLY EXISTS UNDER THE  
PROVISIONS OF 7-14-1101 OR 7-14-1102.

(3) The tax exemption described in subsection (1)  
applies only to the number of mills levied for local high  
school district and elementary school district purposes and  
to the number of mills levied and assessed by the governing  
body approving the exemption over which the governing body  
has sole discretion. The exemption may not apply to levies  
or assessments required under Title 15, chapter 10,

HB 0641/02

20-9-331, or 20-9-333 or otherwise required under state law.

(4) IF A LOCAL ECONOMIC DEVELOPMENT ORGANIZATION  
SELLS, LEASES, OR OTHERWISE DISPOSES OF THE EXEMPT PROPERTY  
TO A PURCHASER OR LESSEE THAT IS NOT A LOCAL ECONOMIC  
DEVELOPMENT ORGANIZATION OR A UNIT OF FEDERAL, STATE, OR  
LOCAL GOVERNMENT, THE TAX EXEMPTION PROVIDED IN THIS SECTION  
TERMINATES. THE TERMINATION OF THE EXEMPTION APPLIES  
JANUARY 1 OF THE TAXABLE YEAR IMMEDIATELY FOLLOWING THE  
SALE, LEASE, OR OTHER DISPOSITION OF THE PROPERTY.

NEW SECTION. Section 3. Codification instruction.  
[Sections 1 and 2] are intended to be codified as an  
integral part of Title 15, chapter 24, and the provisions of  
Title 15, chapter 24, apply to [sections 1 and 2].

-End-

**SENATE STANDING COMMITTEE REPORT**

April 12, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration HB 641 (third reading copy -- blue), respectfully report that HB 641 be amended and as so amended be concurred in:

Sponsor: Quillici (Lynch)

1. Page 2, line 6.

Following: "government,"

Strike: "or"

2. Page 2, line 7.

Following: "town"

Insert: ", or school district"

3. Page 2, line 12.

Following: "chapter 2"

Insert: ", and is exempt from taxation under section 501(c)(3) or 501(c)(6) of the Internal Revenue Code"

4. Page 2, line 18.

Following: "7-14-1102"

Insert: "; and

(c) the proposed tax exemption will not have an adverse economic impact on any private, for-profit industrial park within the jurisdiction of the local governing body"

5. Page 2, lines 20 through 22.

Strike: "for" on line 20 through "levied" on line 22

AND AS AMENDED BE CONCURRED IN

Signed: \_\_\_\_\_



Bob Brown, Chairman

SENATE

HB 641

## HOUSE BILL NO. 641

INTRODUCED BY QUILICI, DRISCOLL, PAVLOVICH,

DAILY, HARRINGTON, MERCER, MENAHAN

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A LOCAL GOVERNMENT TO EXEMPT AN INDUSTRIAL PARK OWNED BY A LOCAL ECONOMIC DEVELOPMENT ORGANIZATION OR PORT AUTHORITY FROM CERTAIN PROPERTY TAXES."

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

NEW SECTION. Section 1. Definitions. Unless the context requires otherwise, the following definitions apply to [section 2]:

(1) "Industrial park" means property zoned for light and heavy industry. The term includes fully developed or partially developed land and improvements and undeveloped land.

(2) "Local economic development organization" means a private, nonprofit organization whose primary purposes are to develop the economy of its area and to provide assistance to businesses in that area.

(3) "PORT AUTHORITY" MEANS A PORT AUTHORITY CREATED UNDER 7-14-1101 OR 7-14-1102.

NEW SECTION. Section 2. Industrial park tax exemption

-- procedure -- TERMINATION. (1) An industrial park owned

and operated by a local economic development organization OR A PORT AUTHORITY is eligible for an exemption from certain local property taxes as provided in this section.

(2) In order to qualify for the tax exemption described in this section, the governing body of the affected county, consolidated government, or incorporated city or town, OR SCHOOL DISTRICT shall approve the tax exemption by resolution, after notice and hearing. Prior to holding the hearing, the governing body shall determine that:

(A) the local economic development organization:

(a)(I) is a private, nonprofit corporation as provided in Title 35, chapter 2, AND IS EXEMPT FROM TAXATION UNDER SECTION 501(C)(3) OR 501(C)(6) OF THE INTERNAL REVENUE CODE;

(b)(II) has-a-history-of-being IS engaged in economic development and business assistance work in the area; and

(c)(III) owns and operates or will OWN AND operate the industrial development park; OR

(B) THE PORT AUTHORITY LEGALLY EXISTS UNDER THE PROVISIONS OF 7-14-1101 OR 7-14-1102; AND

(C) THE PROPOSED TAX EXEMPTION WILL NOT HAVE AN ADVERSE ECONOMIC IMPACT ON ANY PRIVATE, FOR-PROFIT INDUSTRIAL PARK WITHIN THE JURISDICTION OF THE LOCAL GOVERNING BODY.

(3) The tax exemption described in subsection (1)

1 applies only to the number of mills levied for-local-high  
 2 school-district-and-elementary-school-district-purposes--and  
 3 to--the-number-of-mills-levied and assessed by the governing  
 4 body approving the exemption over which the governing body  
 5 has sole discretion. The exemption may not apply to levies  
 6 or assessments required under Title 15, chapter 10,  
 7 20-9-331, or 20-9-333 or otherwise required under state law.

8 (4) IF A LOCAL ECONOMIC DEVELOPMENT ORGANIZATION  
 9 SELLS, LEASES, OR OTHERWISE DISPOSES OF THE EXEMPT PROPERTY  
 10 TO A PURCHASER OR LESSEE THAT IS NOT A LOCAL ECONOMIC  
 11 DEVELOPMENT ORGANIZATION OR A UNIT OF FEDERAL, STATE, OR  
 12 LOCAL GOVERNMENT, THE TAX EXEMPTION PROVIDED IN THIS SECTION  
 13 TERMINATES. THE TERMINATION OF THE EXEMPTION APPLIES  
 14 JANUARY 1 OF THE TAXABLE YEAR IMMEDIATELY FOLLOWING THE  
 15 SALE, LEASE, OR OTHER DISPOSITION OF THE PROPERTY.

16 NEW SECTION. Section 3. Codification instruction.  
 17 [Sections 1 and 2] are intended to be codified as an  
 18 integral part of Title 15, chapter 24, and the provisions of  
 19 Title 15, chapter 24, apply to [sections 1 and 2].

-End-

Conference Committee  
on House Bill 641  
Report No. 1, April 20, 1989

Page 1 of 1

Mr. Speaker and Mr. President:

We, your Conference Committee on House Bill 641 met and considered:

The Senate Committee on Taxation's report of April 12, 1989, which contains amendments to House Bill 641 (third reading - blue copy).

We recommend that House Bill 641 (reference copy -- salmon) be amended as follows:

1. Strike amendment no. 1 contained in the Senate Committee on Taxation's report of April 12, 1989. [see page 2, line 6 of salmon reference copy]
2. Strike amendment no. 2 contained in the Senate Committee on Taxation's report of April 12, 1989. [see page 2, line 7 of salmon reference copy]
3. Strike amendment no. 4 contained in the Senate Committee on Taxation's report of April 12, 1989. [see page 2, lines 20-24 of salmon reference copy]

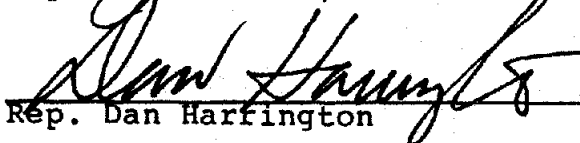
And that this Conference Committee Report be adopted.

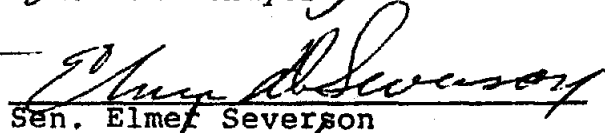
For the House:

For the Senate:

  
Rep. Joe Quilici, Chairman

  
Sen. Gene Thayer

  
Rep. Dan Harfington

  
Sen. Elmer Severson

  
Rep. John Patterson

  
Sen. Mike Halligan

ADOPT

REJECT

HB 641

## HOUSE BILL NO. 641

INTRODUCED BY QUILICI, DRISCOLL, PAVLOVICH,

DAILY, HARRINGTON, MERCER, MENAHAN

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A LOCAL GOVERNMENT TO EXEMPT AN INDUSTRIAL PARK OWNED BY A LOCAL ECONOMIC DEVELOPMENT ORGANIZATION OR PORT AUTHORITY FROM CERTAIN PROPERTY TAXES."

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

NEW SECTION. Section 1. Definitions. Unless the context requires otherwise, the following definitions apply to [section 2]:

(1) "Industrial park" means property zoned for light and heavy industry. The term includes fully developed or partially developed land and improvements and undeveloped land.

(2) "Local economic development organization" means a private, nonprofit organization whose primary purposes are to develop the economy of its area and to provide assistance to businesses in that area.

(3) "PORT AUTHORITY" MEANS A PORT AUTHORITY CREATED UNDER 7-14-1101 OR 7-14-1102.

NEW SECTION. Section 2. Industrial park tax exemption  
-- procedure -- TERMINATION. (1) An industrial park owned

and operated by a local economic development organization OR A PORT AUTHORITY is eligible for an exemption from certain local property taxes as provided in this section.

(2) In order to qualify for the tax exemption described in this section, the governing body of the affected county, consolidated government, or OR incorporated city or town ~~OR SCHOOL DISTRICT~~ shall approve the tax exemption by resolution, after notice and hearing. Prior to holding the hearing, the governing body shall determine that:

(A) the local economic development organization:

(a)(I) is a private, nonprofit corporation as provided in Title 35, chapter 2, AND IS EXEMPT FROM TAXATION UNDER SECTION 501(C)(3) OR 501(C)(6) OF THE INTERNAL REVENUE CODE;

(b)(II) has ~~a~~ history of being IS engaged in economic development and business assistance work in the area; and

(c)(III) owns and operates or will OWN AND operate the industrial development park; OR

(B) THE PORT AUTHORITY LEGALLY EXISTS UNDER THE PROVISIONS OF 7-14-1101 OR 7-14-1102; AND

(C) ~~THE PROPOSED TAX EXEMPTION WILL NOT HAVE AN ADVERSE ECONOMIC IMPACT ON ANY PRIVATE FOR PROFIT INDUSTRIAL PARK WITHIN THE JURISDICTION OF THE LOCAL GOVERNING BODY.~~

(3) The tax exemption described in subsection (1)

1 applies only to the number of mills levied ~~for--local--high~~  
 2 ~~school--district-and-elementary-school-district-purposes-and~~  
 3 ~~to-the-number-of-mills-levied~~ and assessed by the governing  
 4 body approving the exemption over which the governing body  
 5 has sole discretion. The exemption may not apply to levies  
 6 or assessments required under Title 15, chapter 10,  
 7 20-9-331, or 20-9-333 or otherwise required under state law.

8 (4) IF A LOCAL ECONOMIC DEVELOPMENT ORGANIZATION  
 9 SELLS, LEASES, OR OTHERWISE DISPOSES OF THE EXEMPT PROPERTY  
 10 TO A PURCHASER OR LESSEE THAT IS NOT A LOCAL ECONOMIC  
 11 DEVELOPMENT ORGANIZATION OR A UNIT OF FEDERAL, STATE, OR  
 12 LOCAL GOVERNMENT, THE TAX EXEMPTION PROVIDED IN THIS SECTION  
 13 TERMINATES. THE TERMINATION OF THE EXEMPTION APPLIES  
 14 JANUARY 1 OF THE TAXABLE YEAR IMMEDIATELY FOLLOWING THE  
 15 SALE, LEASE, OR OTHER DISPOSITION OF THE PROPERTY.

16 NEW SECTION. Section 3. Codification instruction.  
 17 [Sections 1 and 2] are intended to be codified as an  
 18 integral part of Title 15, chapter 24, and the provisions of  
 19 Title 15, chapter 24, apply to [sections 1 and 2].

-End-