

HOUSE BILL 27

Introduced by Elliot, et al.

6/20	Introduced
6/20	Referred to Taxation
6/20	Fiscal Note Requested
6/22	Fiscal Note Received
6/23	Hearing
6/26	Fiscal Note Printed
6/26	Tabled in Committee

1 *House* BILL NO. *27*
 2 INTRODUCED BY *(Cliff Kelley) Zappan Cobb*
 3 *Ream MERZER Hoffmann Pugh Rapp-Smuk*
 4 *Walker* A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE
 5 APPORTIONMENT OF THE ASSESSED VALUATION OF CERTAIN CENTRALLY
 6 ASSESSED PROPERTY AMONG COUNTIES BY BASING THE APPORTIONMENT
 7 ON TRENDED INSTALLED COST; AMENDING SECTION 15-23-105, MCA;
 8 AND PROVIDING A DELAYED EFFECTIVE DATE AND AN APPLICABILITY
 9 DATE."

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

12 **Section 1.** Section 15-23-105, MCA, is amended to read:

13 *15-23-105. Apportionment among counties. (1) The
 14 department shall apportion the value of property assessed
 15 under 15-23-101, 15-23-202 or 15-23-403 among the counties
 16 in which such property is located. Apportionment Except as
 17 provided in subsection (2), apportionment shall be on a
 18 mileage basis or and on the basis of the original installed
 19 cost of the centrally assessed property located in the
 20 respective counties. If the property is of such a character
 21 that its value cannot reasonably be apportioned on the basis
 22 of mileage or on the basis of the original installed cost of
 23 the centrally assessed property located in the respective
 24 counties, the department may adopt such other method or
 25 basis of apportionment as may be just or proper.

1 (2) Apportionment of property described in
 2 15-23-101(2) shall be based on mileage and on the trended
 3 installed cost of the centrally assessed property located in
 4 the respective counties. The trended installed cost is
 5 determined by changing the original installed cost by a
 6 trending index developed from the implicit price deflator
 7 for gross national product, the Handy-Whitman index, or
 8 other indices that measure price changes for like property."

9 NEW SECTION. Section 2. Effective date --
 10 applicability. [This act] is effective January 1, 1990, and
 11 applies to tax years beginning after December 31, 1989.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB27, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act to change the apportionment of the assessed valuation of certain centrally assessed property among counties by basing the apportionment on trended installed cost; and providing a delayed effective date and an applicability date.

The proposal affects the apportionment valuation of utility situs property among counties. The proposal will not change the market or taxable valuation of individual utilities. The effect of the bill will be a shifting of taxable valuation of the affected property among counties. The change in taxable valuation of counties will depend on the type of affected property located in the county. Generally, counties where the affected property is old will see an increase in valuation. Conversely, counties where the affected property is newer will see a drop in valuation.

FISCAL IMPACT:

Since the proposal does not impact statewide valuation, the university millage and foundation program accounts will not be impacted.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURE:

The Department of Revenue analyzed seven major utilities compromising the bulk of the impact of the proposal. The analysis is based on 1988 taxable values, 1988 mill levies and previous trending practices. Some local governments will see an increase in revenues and others a decrease. The net effect of the proposal will be an increase in county government revenues by \$1,133,000 and an increase in local school district revenues by \$1,811,000 in FY 91 and subsequent fiscal years.

TECHNICAL OR MECHANICAL DEFECTS OR CONFLICT WITH EXISTING LEGISLATION:

The proposal does not contain language providing rule making authority.

W. DAVID DARBY, BUDGET DIRECTOR DATE
Office of Budget and Program Planning


JIM ELLIOT, PRIMARY SPONSOR 6/23/89
DATE

Fiscal Note for HB27, as introduced

HB 27

SPONSOR'S FISCAL NOTE

Form BD-15S

There is hereby submitted a Sponsor's Fiscal Note for: HB28, Version: Committee amended *(2ND READING COPY)*

SEE REVERSE SIDE FOR FISCAL INFORMATION

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PRIMARY SPONSOR DATE *June 27TH*

Fiscal Note for: HB28 Version: Committee amended

HB 28

----- FISCAL 1990 -----

----- FISCAL 1991 -----

State Revenue	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Individual Income	81,603,923	111,884,624	30,280,701	87,364,723	126,706,206	39,341,485
Corp. Income	11,692,195	11,692,195	0	11,783,305	11,783,305	0
Coal Severance	2,010,000	2,010,000	0	1,781,000	6,233,843	4,452,843
Inter & Income	33,699,000	33,699,000	0	34,770,000	34,770,000	0
US Oil & Gas Royal	17,119,000	17,119,000	0	17,404,000	17,404,000	0
Ed. Trust Interest	1,564,000	0	(1,564,000)	1,831,000	0	11,831,000
Education Trust	0	28,660,000	28,660,000	0	0	0
Lottery	0	0	0	0	5,598,684	5,598,684

County Revenue

Mandatory Levy	85,635,000	85,635,000	0	84,669,000	225,863,280	141,194,280
Elementary Transp	(3,717,000)	(3,717,000)	0	(3,717,000)	(3,717,000)	0
Cash Reapprop	2,604,000	2,604,000	0	2,955,000	2,955,000	0
Forest Funds	1,465,000	1,465,000	0	1,465,000	2,779,684	1,314,684
Taylor Grazing	102,000	102,000	0	102,000	102,000	0
Misc. Revenue	4,310,000	4,310,000	0	4,310,000	14,480,000	10,170,000
High School Tuition	(838,000)	(938,000)	0	(838,000)	(838,000)	0

District Revenue

Permissive Levy	17,127,000	17,127,000	0	17,127,000	0	(17,127,000)
Misc. Revenue	1,410,000	1,410,000	0	1,410,000	0	(1,410,000)
TOTAL REVENUE	255,786,118	313,162,819	57,376,701	262,417,028	444,121,004	181,703,976

Expenditures

Foundation Program	277,674,632	277,674,632	0	277,674,632	432,550,000	154,875,368
Retirement (GTB)	0	0	0	0	16,900,000	16,900,000
Spec Ed (in HB100)	0	176,975	176,975	0	176,975	176,975
GPI, GAAP - Imple	0	10,000	10,000	0	10,000	10,000
Legis Studies	0	200,000	200,000	0	300,000	300,000
Telecommunications	0			0		

TOTAL EXPENDITURE	277,674,632	278,061,607	386,975	277,674,632	449,936,975	172,262,343
Ending Fund Balance	(21,888,514)	35,101,212	56,989,726	(15,257,604)	29,265,241	44,542,845

General Fund Need	21,888,514	0		15,257,604	0	
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General Fund Approp.	0	386,975	386,975		20,486,975	20,486,975
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