

HOUSE BILL 48

Introduced by Cohen, et al.

6/21	Introduced
6/22	Referred to Taxation
6/22	Fiscal Note Requested
6/26	Hearing
6/27	Fiscal Note Received
6/28	Committee Report--Bill Passed as Amended
6/29	Sponsor Fiscal Note Requested
6/29	Sponsor Fiscal Note Received
6/30	Sponsor Fiscal Note Printed
7/07	2nd Reading Passed as Amended
7/07	3rd Reading Passed

Transmitted to Senate

7/11	Referred to Taxation
7/11	Sponsor Fiscal Note Printed
	Died in Committee

1 HOUSE BILL NO. 48
2 INTRODUCED BY [Signature]

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE
5 CLASSIFICATION OF PROPERTY FOR PROPERTY TAX PURPOSES;
6 AMENDING SECTIONS 15-1-101, 15-6-133, 15-6-134, 15-6-136,
7 15-6-138, 15-6-145, 15-6-201, 15-8-205, 15-10-402,
8 15-16-611, 15-24-1102, 15-24-1103, AND 67-3-204, MCA;
9 REPEALING SECTIONS 15-6-139, 15-6-140, 15-6-142, 15-6-146
10 THROUGH 15-6-148, 15-6-150, AND 15-6-155, MCA; AND PROVIDING
11 AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

14 **Section 1.** Section 15-1-101, MCA, is amended to read:

15 **"15-1-101. Definitions.** (1) Except as otherwise
16 specifically provided, when terms mentioned in this section
17 are used in connection with taxation, they are defined in
18 the following manner:

19 (a) The term "agricultural" refers--to means the
20 raising of livestock, poultry, bees, and other species of
21 domestic animals and wildlife in domestication or a captive
22 environment, and the raising of field crops, fruit, and
23 other animal and vegetable matter for food or fiber.

24 (b) The term "assessed value" means the value of
25 property as defined in 15-8-111.

1 (c) The term "average wholesale value" means the value
2 to a dealer prior to reconditioning and profit margin shown
3 in national appraisal guides and manuals or the valuation
4 schedules of the department of revenue.

5 (d) (i) The term "commercial", when used to describe
6 property, means any property used or owned by a business, a
7 trade, or a nonprofit corporation as defined in 35-2-102 or
8 used for the production of income, except that property
9 described in subsection (ii).

10 (ii) The following types of property are not
11 commercial:

12 (A) agricultural lands;

13 (B) timberlands;

14 (C) single-family residences and ancillary
15 improvements and improvements necessary to the function of a
16 bona fide farm, ranch, or stock operation;

17 (D) mobile homes used exclusively as a residence
18 except when held by a distributor or dealer of trailers or
19 mobile homes as his stock in trade;

20 (E) all property described in 15-6-135; and

21 (F) all property described in 15-6-136; and

22 ~~(G) all property described in 15-6-146.~~

23 (e) The term "comparable property" means property that
24 has similar use, function, and utility; that is influenced
25 by the same set of economic trends and physical,



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1 governmental, and social factors; and that has the potential
2 of a similar highest and best use.

3 (f) The term "credit" means solvent debts, secured or
4 unsecured, owing to a person.

5 (g) The term "improvements" ~~includes~~ means all
6 buildings, structures, fences, and improvements situated
7 upon, erected upon, or affixed to land. When the department
8 of revenue or its agent determines that the permanency of
9 location of a mobile home or housetrailer has been
10 established, the mobile home or housetrailer is presumed to
11 be an improvement to real property. A mobile home or
12 housetrailer ~~may--be--determined--to--be--permanently--located~~
13 ~~only--when--it--is--attached--to--a--foundation--which--cannot~~
14 ~~feasibly--be--relocated--and--only--when--the--wheels--are--removed~~
15 used as a residence is an improvement, whether or not it is
16 affixed to the land.

17 (h) The term "leasehold improvements" means
18 improvements to mobile homes and mobile homes located on
19 land owned by another person. This property is assessed
20 under the appropriate classification and the taxes are due
21 and payable in two payments as provided in ~~15-24-202~~
22 15-16-102. Delinquent taxes on such leasehold improvements
23 are a lien only on such leasehold improvements.

24 (i) The term "livestock" means cattle, sheep, swine,
25 goats, horses, mules, and asses, llamas, and bison.

1 (j) The term "mobile home" means forms of housing
2 shelter known as "trailers", "housetrailers", or "trailer
3 coaches" exceeding 8 feet in width or 45 feet in length,
4 designed to be moved from one place to another by an
5 independent power connected to them, or any "trailer",
6 "housetrailer", or "trailer coach" up to 8 feet in width or
7 45 feet in length used as a principal residence.

8 (k) The term "personal property" ~~includes~~ means
9 everything that is the subject of ownership but that is not
10 included within the meaning of the terms "real estate" and
11 "improvements".

12 (l) The term "poultry" ~~includes~~ means all chickens,
13 turkeys, geese, ducks, and other birds raised in
14 domestication to produce food or feathers.

15 (m) The term "property" ~~includes-moneys~~ means money,
16 credits, bonds, stocks, franchises, and all other matters
17 and things, real, personal, and mixed, capable of private
18 ownership. This definition ~~must~~ may not be construed to
19 authorize the taxation of the stocks of any company or
20 corporation when the property of ~~such~~ the company or
21 corporation represented by the stocks is within the state
22 and has been taxed.

23 (n) The term "real estate" ~~includes~~ means:

24 (i) the possession of, claim to, ownership of, or
25 right to the possession of land;

1 (ii) all mines, minerals, and quarries in and under the
2 land subject to the provisions of 15-23-501 and Title 15,
3 chapter 23, part 8; all timber belonging to individuals or
4 corporations growing or being on the lands of the United
5 States; and all rights and privileges appertaining thereto.

6 (o) "Research and development firm" means an entity
7 incorporated under the laws of this state or a foreign
8 corporation authorized to do business in this state whose
9 principal purpose is to engage in theoretical analysis,
10 exploration, and experimentation and the extension of
11 investigative findings and theories of a scientific and
12 technical nature into practical application for experimental
13 and demonstration purposes, including the experimental
14 production and testing of models, devices, equipment,
15 materials, and processes.

16 (p) The term "taxable value" means the percentage of
17 market or assessed value as provided for in ~~15-6-131~~ through
18 ~~15-6-149~~ this title.

19 (q) The term "weighted mean assessment ratio" means
20 the total of the assessed values divided by the total of the
21 selling prices of all area sales in the stratum.

22 (2) The phrase "municipal corporation" or
23 "municipality" or "taxing unit" ~~shall be deemed to include~~
24 means a county, city, incorporated town, township, school
25 district, irrigation district, drainage district, or any

1 person, persons, or organized body authorized by law to
2 establish tax levies for the purpose of raising public
3 revenue.

4 (3) The term "state board" or "board" when used
5 without other qualification ~~shall mean~~ means the state tax
6 appeal board."

7 **Section 2.** Section 15-6-133, MCA, is amended to read:

8 "15-6-133. Class three property -- description --
9 taxable percentage. (1) Class three property includes:

10 (a) agricultural land as defined in 15-7-202; and

11 (b) nonproductive patented mining claims outside the
12 limits of an incorporated city or town held by an owner for
13 the ultimate purpose of developing the mineral interests on
14 the property. Class three does not include any property that
15 is used for residential purposes, recreational purposes as
16 described in 70-16-301, or commercial purposes as defined in
17 15-1-101 or if the surface is being used for other than
18 mining purposes or has a separate and independent value for
19 other purposes.

20 (2) Improvements to class three property that would
21 not disqualify the parcel from designation as class three
22 property are taxes as otherwise provided in this title,
23 including that portion of the land upon which the
24 improvements are located and that is reasonably required for
25 the use of the improvements.

1 {2}{3} Class three property is taxed at the taxable
2 percentage rate "P" 30% of its productive capacity.

3 {3}--Until July 17, 1986, the taxable percentage rate
4 "P" for class three property is 30%.

5 {4}--Prior to July 17, 1986, the department of revenue
6 shall determine the taxable percentage rate "P" applicable
7 to class three property for the revaluation cycle beginning
8 January 17, 1986, as follows:

9 {a}--The director of the department of revenue shall
10 certify to the governor before July 17, 1986, the percentage
11 by which the appraised value of all property in the state
12 classified under class three as of January 17, 1986, has
13 increased due to the revaluation conducted under 15-7-111.
14 This figure is the "certified statewide percentage
15 increase".

16 {b}--The taxable value of property in class three is
17 determined as a function of the certified statewide
18 percentage increase in accordance with the table shown
19 below:

20 {c}--This table limits the statewide increase in
21 taxable valuation resulting from reappraisal to 0%. In
22 calculating the percentage increase, the department may not
23 consider agricultural use changes during calendar year 1985.

24 {d}--The taxable percentage must be calculated by
25 interpolation to coincide with the nearest whole number

1 certified statewide percentage increase from the following
2 table:

3 Certified Statewide	Class Three Taxable
4 Percentage Increase	5 Percentage "P"
6 0	30.00
7 10	27.27
8 20	25.00
9 30	23.00
10 40	21.43
11 50	20.00

12 {5}--After July 17, 1986, no adjustment may be made by
13 the department to the taxable percentage rate "P" until a
14 revaluation has been made as provided in 15-7-111.

15 **Section 3.** Section 15-6-134, MCA, is amended to read:

16 "15-6-134. Class four property -- description --
17 taxable percentage. (1) Class four property includes:

18 (a) all land except that specifically included in
19 another class;

20 (b) all improvements except those specifically
21 included in another class;

22 (c) the first \$80,000 or less of the market value of
23 any improvement on real property and appurtenant land not
24 exceeding 5 acres owned or under contract for deed and
25 actually occupied for at least 10 months a year as the
primary residential dwelling of any person whose total

1 income from all sources including otherwise tax-exempt
2 income of all types is not more than \$10,000 for a single
3 person or \$12,000 for a married couple, as adjusted
4 according to subsection (2)(b)(ii);

5 (d) all golf courses, including land and improvements
6 actually and necessarily used for that purpose, that consist
7 of at least 9 holes and not less than 3,000 lineal yards.

8 (2) Class four property is taxed as follows:

9 (a) Except as provided in 15-24-1402 or 15-24-1501,
10 property described in subsections (1)(a) and (1)(b) is taxed
11 at 3.86% of its market value.

12 (b) (i) Property described in subsection (1)(c) is
13 taxed at 3.86% of its market value multiplied by a
14 percentage figure based on income and determined from the
15 following table:

Income		Percentage
Single Person	Married Couple	Multiplier
\$ 0 - \$ 1,000	\$ 0 - \$ 1,200	0%
1,001 - 2,000	1,201 - 2,400	10%
2,001 - 3,000	2,401 - 3,600	20%
3,001 - 4,000	3,601 - 4,800	30%
4,001 - 5,000	4,801 - 6,000	40%
5,001 - 6,000	6,001 - 7,200	50%
6,001 - 7,000	7,201 - 8,400	60%
7,001 - 8,000	8,401 - 9,600	70%

1	8,001 - 9,000	9,601 - 10,800	80%
2	9,001 - 10,000	10,801 - 12,000	90%

3 (ii) The income levels contained in the table in
4 subsection (2)(b)(i) must be adjusted for inflation annually
5 by the department of revenue. The adjustment to the income
6 levels is determined by:

7 (A) multiplying the appropriate dollar amount from the
8 table in subsection (2)(b)(i) by the ratio of the PCE for
9 the second quarter of the year prior to the year of
10 application to the PCE for the second quarter of 1986; and

11 (B) rounding the product thus obtained to the nearest
12 whole dollar amount.

13 (iii) "PCE" means the implicit price deflator for
14 personal consumption expenditures as published quarterly in
15 the Survey of Current Business by the bureau of economic
16 analysis of the U.S. department of commerce.

17 (c) Property described in subsection (1)(d) is taxed
18 at one-half the taxable percentage rate established in
19 subsection (2)(a).

20 ~~{3}--After--July--17--1986,--no--adjustment--may--be--made--by~~
21 ~~the--department--to--the--taxable--percentage--rate--for--class--four~~
22 ~~property--until--a--revaluation--has--been--made--as--provided--in~~
23 ~~15-7-111.~~

24 ~~{4}~~(3) Within the meaning of comparable property as
25 defined in 15-1-101, property assessed as commercial

1 property is comparable only to other property assessed as
 2 commercial property, and property assessed as other than
 3 commercial property is comparable only to other property
 4 assessed as other than commercial property.

5 (4) For the purposes of this section, all mobile homes
 6 are considered to be improvements."

7 **Section 4.** Section 15-6-136, MCA, is amended to read:

8 "15-6-136. Class six property -- description --
 9 taxable percentage. (1) Class six property includes:

10 (a) livestock and other species of domestic animals
 11 and wildlife raised in domestication or a captive
 12 environment, except for cats, dogs, and other household pets
 13 not raised for profit;

14 (b) items of personal property intended for rent or
 15 lease in the ordinary course of business, provided each item
 16 of personal property satisfies all of the following:

17 (i) the full and true value of the personal property
 18 is less than \$5,000;

19 (ii) the personal property is owned by a business whose
 20 primary business income is from rental or lease of personal
 21 property to individuals wherein no one customer of the
 22 business accounts for more than 10% of the total rentals or
 23 leases during a calendar year; and

24 (iii) the lease of the personal property is generally
 25 on an hourly, daily, or weekly basis; and

1 (c) machinery and equipment used in a malting barley
 2 facility.

3 (2) "Malting barley facility" means a facility the
 4 principal purpose of which is to malt malting barley. The
 5 term does not apply to a facility the principal purpose of
 6 which is to store, mix, blend, transport, transfer, or
 7 otherwise do anything with malting barley, except malt
 8 malting barley. However, any machinery or equipment the
 9 principal purpose of which is to store, mix, blend,
 10 transport, transfer, or otherwise handle malting barley or
 11 other machinery or equipment that is used in or is otherwise
 12 an integral part of a facility that malts malting barley is
 13 machinery or equipment of a malting barley facility for the
 14 purposes of this section.

15 (3) Class six property is taxed at 4% of its market
 16 value."

17 **Section 5.** Section 15-6-138, MCA, is amended to read:

18 "15-6-138. Class eight property -- description --
 19 taxable percentage. (1) Class eight property includes:

20 (a) all agricultural implements and equipment;

21 (b) all mining machinery, fixtures, equipment, tools
 22 that are not exempt under 15-6-201(1)(r), and supplies
 23 except:

24 (i) those included in class five; and

25 (ii) coal and ore haulers;

1 (c) all manufacturing machinery, fixtures, equipment,
2 tools that are not exempt under 15-6-201(1)(r), and supplies
3 except those included in class five;

4 (d) all trailers, including those prorated under
5 15-24-102, except those subject to taxation under
6 61-3-504(2);

7 (e) all goods and equipment intended for rent or
8 lease, except goods and equipment specifically included and
9 taxed in another class;

10 (f) buses and trucks having a rated capacity of more
11 than 1 ton, including those prorated under 15-24-102; and

12 (g) all other machinery except that specifically
13 included in another class;

14 (h) truck toppers weighing more than 300 pounds;

15 (i) furniture, fixtures, and equipment, except that
16 specifically included in another class, used in commercial
17 establishments as defined in this section;

18 (j) x-ray and medical and dental equipment;

19 (k) citizens' band radios and mobile telephones;

20 (l) radio and television broadcasting and transmitting
21 equipment;

22 (m) cable television systems;

23 (n) coal and ore haulers;

24 (o) theater projectors and sound equipment; and

25 (p) all other property not included in any other class

1 in this part except that property subject to a fee in lieu
2 of property tax.

3 (3) "Commercial establishment" means any hotel; motel;
4 office; petroleum marketing station; or service, wholesale,
5 retail, or food-handling business.

6 ~~(2)~~(4) Class eight property is taxed at 11% of its
7 market value."

8 **Section 6.** Section 15-6-145, MCA, is amended to read:

9 "15-6-145. Class fifteen property -- description --
10 taxable percentage. (1) Class fifteen property includes all
11 railroad transportation property as described in the
12 Railroad Revitalization and Regulatory Reform Act of 1976 as
13 it read on January 1, 1986, and all airline transportation
14 property as described in the Tax Equity and Fiscal
15 Responsibility Act of 1982 as it read on January 1, 1986.

16 (2) For the taxable year beginning January 1, 1986,
17 and for each taxable year thereafter, class fifteen property
18 is taxed at the percentage rate "R", to be determined by the
19 department as provided in subsection (3), or 12%, whichever
20 is less.

21 (3) $R = A/B$ where:

22 (a) A is the total statewide taxable value of all
23 commercial property, except class fifteen property, as
24 commercial property is described in 15-1-101(1)(d),
25 including class 1 and class 2 property; and

1 (b) B is the total statewide market value of all
2 commercial property, except class fifteen property, as
3 commercial property is described in 15-1-101(1)(d),
4 including class 1 and class 2 property.

5 (4) (a) For the taxable year beginning January 1,
6 1986, and for every taxable year thereafter, the department
7 shall conduct a sales assessment ratio study of all
8 commercial and industrial real property and improvements.
9 The study must be based on:

10 (i) assessments of such property as of January 1 of
11 the year for which the study is being conducted; and

12 (ii) a statistically valid sample of sales using data
13 from realty transfer certificates filed during the same
14 taxable year or from the immediately preceding taxable year,
15 but only if a sufficient number of certificates is
16 unavailable from the current taxable year to provide a
17 statistically valid sample.

18 (b) The department shall determine the value-weighted
19 mean sales assessment ratio "M" for all such property and
20 reduce the taxable value of property described in subsection
21 (4) only, by multiplying the total statewide taxable value
22 of property described in subsection (4) by "M" prior to
23 calculating "A" in subsection (3).

24 (c) The adjustment referred to in subsection (4)(b)
25 will be made beginning January 1, 1986, and in each

1 subsequent tax year to equalize the railroad taxable values.

2 (5) For the purpose of complying with the Railroad
3 Revitalization and Regulatory Reform Act of 1976, as it read
4 on January 1, 1986, the rate "R" referred to in this section
5 is the equalized average tax rate generally applicable to
6 commercial and industrial property, except class fifteen
7 property, as commercial property is defined in
8 15-1-101(1)(d).

9 (6) For the purpose of complying with the Tax Equity
10 and Fiscal Responsibility Act of 1982, as it read on January
11 1, 1986, the rate "R" referred to in this section is the
12 equalized average tax rate generally applicable to
13 commercial and industrial property, except class fifteen
14 property, as commercial property is defined in
15 15-1-101(1)(d)."

16 **Section 7.** Section 15-6-201, MCA, is amended to read:

17 "15-6-201. Exempt categories. (1) The following
18 categories of property are exempt from taxation:

19 (a) the property of:

20 (i) the United States, the state, counties, cities,
21 towns, school districts, except, if congress passes
22 legislation that allows the state to tax property owned by
23 an agency created by congress to transmit or distribute
24 electrical energy, the property constructed, owned, or
25 operated by a public agency created by the congress to

1 transmit or distribute electric energy produced at privately
2 owned generating facilities (not including rural electric
3 cooperatives);

4 (ii) irrigation districts organized under the laws of
5 Montana and not operating for profit;

6 (iii) municipal corporations; and

7 (iv) public libraries;

8 (b) buildings, with land they occupy and furnishings
9 therein, owned by a church and used for actual religious
10 worship or for residences of the clergy, together with
11 adjacent land reasonably necessary for convenient use of the
12 buildings;

13 (c) property used exclusively for agricultural and
14 horticultural societies, for educational purposes, and for
15 nonprofit health care facilities, as defined in 50-5-101,
16 licensed by the department of health and environmental
17 sciences and organized under Title 35, chapter 2 or 3. A
18 health care facility that is not licensed by the department
19 of health and environmental sciences and organized under
20 Title 35, chapter 2 or 3, is not exempt.

21 (d) property that meets the following conditions:

22 (i) is owned and held by any association or
23 corporation organized under Title 35, chapter 2, 3, 20, or
24 21;

25 (ii) is devoted exclusively to use in connection with a

1 cemetery or cemeteries for which a permanent care and
2 improvement fund has been established as provided for in
3 Title 35, chapter 20, part 3; and

4 (iii) is not maintained and operated for private or
5 corporate profit;

6 (e) institutions of purely public charity;

7 (f) evidence of debt secured by mortgages of record
8 upon real or personal property in the state of Montana;

9 (g) public art galleries and public observatories not
10 used or held for private or corporate profit;

11 (h) all household goods and furniture, including but
12 not limited to clocks, musical instruments, sewing machines,
13 and wearing apparel of members of the family, used by the
14 owner for personal and domestic purposes or for furnishing
15 or equipping the family residence;

16 (i) a truck canopy cover or topper weighing less than
17 300 pounds and having no accommodations attached. This
18 property is also exempt from taxation under 61-3-504(2) and
19 61-3-537.

20 (j) a bicycle, as defined in 61-1-123, used by the
21 owner for personal transportation purposes;

22 (k) motor homes, travel trailers, and campers;

23 (l) all watercraft;

24 (m) land, fixtures, buildings, and improvements owned
25 by a cooperative association or nonprofit corporation

1 organized to furnish potable water to its members or
2 customers for uses other than the irrigation of agricultural
3 land;

4 (n) the right of entry that is a property right
5 reserved in land or received by mesne conveyance (exclusive
6 of leasehold interests), devise, or succession to enter land
7 whose surface title is held by another to explore, prospect,
8 or dig for oil, gas, coal, or minerals;

9 (o) property owned and used by a corporation or
10 association organized and operated exclusively for the care
11 of the developmentally disabled, mentally ill, or
12 vocationally handicapped as defined in 18-5-101, which is
13 not operated for gain or profit;

14 (p) all farm buildings with a market value of less
15 than \$500 and all agricultural implements and machinery with
16 a market value of less than \$100;

17 (q) property owned by a nonprofit corporation
18 organized to provide facilities primarily for training and
19 practice for or competition in international sports and
20 athletic events and not held or used for private or
21 corporate gain or profit. For purposes of this subsection

22 (q), "nonprofit corporation" means an organization exempt
23 from taxation under section 501(c) of the Internal Revenue
24 Code and incorporated and admitted under the Montana
25 Nonprofit Corporation Act.

1 (r) provided the tools are owned by the taxpayer, the
2 first \$15,000 or less of market value of tools that are
3 customarily hand-held and that are used to:

4 (i) construct, repair, and maintain improvements to
5 real property; or

6 (ii) repair and maintain machinery, equipment,
7 appliances, or other personal property;

8 (s) harness, saddlery, and other tack equipment; and

9 (t) a title plant owned by a title insurer or a title
10 agent, as those terms are defined in 33-25-105; and

11 (u) all aircraft that are not considered airline
12 transportation property as described in the Tax Equity and
13 Fiscal Responsibility Act of 1982 and thereby included in
14 15-6-147.

15 (2) (a) The term "institutions of purely public
16 charity" includes organizations owning and operating
17 facilities for the care of the retired or aged or
18 chronically ill, which are not operated for gain or profit.

19 (b) The terms "public art galleries" and "public
20 observatories" include only those art galleries and
21 observatories, whether of public or private ownership, that
22 are open to the public without charge at all reasonable
23 hours and are used for the purpose of education only.

24 (3) The following portions of the appraised value of a
25 capital investment made after January 1, 1979, in a

1 recognized nonfossil form of energy generation, as defined
2 in 15-32-102, are exempt from taxation for a period of 10
3 years following installation of the property:

4 (a) \$20,000 in the case of a single-family residential
5 dwelling;

6 (b) \$100,000 in the case of a multifamily residential
7 dwelling or a nonresidential structure."

8 **Section 8.** Section 15-8-205, MCA, is amended to read:

9 "15-8-205. Initial assessment of ~~class-twelve-property~~
10 ~~---when mobile homes.~~ The county assessor shall assess all
11 ~~class--twelve--property~~ mobile homes immediately upon their
12 arrival in the county if the taxes have not been previously
13 paid for that year in another county in Montana."

14 **Section 9.** Section 15-10-402, MCA, is amended to read:

15 "15-10-402. Property tax limited to 1986 levels. (1)
16 Except as provided in subsections (2) and (3), the amount of
17 taxes levied on property described in 15-6-133, 15-6-134,
18 15-6-136, ~~15-6-139, 15-6-142,~~ and 15-6-144 may not, for any
19 taxing jurisdiction, exceed the amount levied for taxable
20 year 1986.

21 (2) The limitation contained in subsection (1) does
22 not apply to levies for rural improvement districts, Title
23 7, chapter 12, part 21; special improvement districts, Title
24 7, chapter 12, part 41; or bonded indebtedness.

25 (3) New construction or improvements to or deletions

1 from property described in subsection (1) are subject to
2 taxation at 1986 levels.

3 (4) As used in this section, the "amount of taxes
4 levied" and the "amount levied" mean the actual dollar
5 amount of taxes imposed on an individual piece of property,
6 notwithstanding an increase or decrease in value due to
7 inflation, reappraisal, adjustments in the percentage
8 multiplier used to convert appraised value to taxable value,
9 changes in the number of mills levied, or increase or
10 decrease in the value of a mill."

11 **Section 10.** Section 15-16-611, MCA, is amended to
12 read:

13 "15-16-611. Reduction of property tax for property
14 destroyed by natural disaster. (1) The department of revenue
15 shall, upon showing by a taxpayer that some or all of the
16 improvements on his real property or a trailer or mobile
17 home ~~as described in 15-6-142~~ have been destroyed to such an
18 extent that such improvements have been rendered unsuitable
19 for their previous use by natural disaster, adjust the
20 taxable value on the property, accounting for the
21 destruction.

22 (2) The county treasurer shall adjust the tax due and
23 payable for the current year on the property under 15-16-102
24 as provided in subsection (3) of this section.

25 (3) To determine the amount of tax due for destroyed

1 property, the county treasurer shall:

2 (a) multiply the amount of tax levied and assessed on
3 the original taxable value of the property for the year by
4 the ratio that the number of days in the year that the
5 property existed before destruction bears to 365; and

6 (b) multiply the amount of tax levied and assessed on
7 the adjusted taxable value of the property for the remainder
8 of the year by the ratio that the number of days remaining
9 in the year after the destruction of the property bears to
10 365.

11 (4) This section does not apply to delinquent taxes
12 owed on the destroyed property for a year prior to the year
13 in which the property was destroyed.

14 (5) For the purposes of this section, "natural
15 disaster" includes but is not limited to fire, flood,
16 earthquake, or wind."

17 **Section 11.** Section 15-24-1102, MCA, is amended to
18 read:

19 "15-24-1102. Federal property held under contract of
20 sale. When the property is held under a contract of sale or
21 other agreement whereby upon payment the legal title is or
22 may be acquired by the person, the real property shall must
23 be assessed and taxed as defined in ~~15-6-131~~--through
24 ~~15-6-149~~ Title 15, chapter 6, part 1, and 15-8-111 without
25 deduction on account of the whole or any part of the

1 purchase price or other sum due on the property remaining
2 unpaid. The lien for the tax may not attach to, impair, or
3 be enforced against any interest of the United States in the
4 real property."

5 **Section 12.** Section 15-24-1103, MCA, is amended to
6 read:

7 "15-24-1103. Federal property held under lease. When
8 the property is held under lease, other interest, or estate
9 therein less than the fee, except under contract of sale,
10 the property shall must be assessed and taxed as for the
11 value, as defined ~~in 15-6-131~~ through ~~15-6-149~~ set forth in
12 Title 15, chapter 6, part 1, of such the leasehold,
13 interest, or estate in the property and the lien for the tax
14 shall attach to and be enforced against only the leasehold,
15 interest, or estate in the property. When the United States
16 authorizes the taxation of the property for the full
17 assessed value of the fee thereof, the property shall must
18 be assessed for full assessed value as defined in 15-8-111."

19 **Section 13.** Section 67-3-204, MCA, is amended to read:

20 "67-3-204. Fee in lieu of tax on registered aircraft
21 -- decal. (1) Except as provided in subsection (3), aircraft
22 required to be registered in Montana are subject to a fee.
23 The registration fee is in lieu of property tax.

24 (2) The department shall issue a decal to the owner of
25 the aircraft required to be registered at the time of

1 payment of the registration fee in lieu of tax, as provided
 2 in 67-3-201. No aircraft subject to a fee in lieu of tax may
 3 be operated in this state unless there is displayed on the
 4 aircraft a decal as visual proof that the fee in lieu of tax
 5 has been paid for the aircraft and that the aircraft is
 6 registered for the current year.

7 (3) Aircraft that meet the description of property
 8 described in ~~15-6-147~~ 15-6-145 are exempt from the fee
 9 imposed by subsection (1). Aircraft subject to the fee in
 10 lieu of tax are exempt from all other taxation."

11 NEW SECTION. Section 14. Repealer. Sections 15-6-139,
 12 15-6-140, 15-6-142, 15-6-146 through 15-6-148, 15-6-150, and
 13 15-6-155, MCA, are repealed.

14 NEW SECTION. Section 15. Code commissioner
 15 instruction. (1) The code commissioner is instructed to
 16 change the property class designation for sections in Title
 17 15, chapter 6, part 1, as follows:

- 18 (a) property in 15-6-141 is redesignated as class
 19 nine;
 20 (b) property in 15-6-143 is redesignated as class ten;
 21 (c) property in 15-6-144 is redesignated as class
 22 eleven;
 23 (d) property in 15-6-145 is redesignated as class
 24 twelve;
 25 (e) property in 15-6-149 is redesignated as class

1 thirteen.

2 (2) The code commissioner is instructed to change all
 3 property class references in the Montana Code Annotated to
 4 reflect the redesignations as set forth in subsection (1).

5 NEW SECTION. Section 16. Effective date. [This act]
 6 is effective on passage and approval.

7 NEW SECTION. Section 17. Applicability. [This act]
 8 applies to taxable years beginning after December 31, 1989.

-End-

APPROVED BY COMMITTEE
ON TAXATION

HOUSE BILL NO. 48

INTRODUCED BY COHEN, ECK

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE CLASSIFICATION OF PROPERTY FOR PROPERTY TAX PURPOSES; AMENDING SECTIONS 15-1-101, 15-6-133, 15-6-134, 15-6-136, 15-6-138, 15-6-145, 15-6-201, 15-8-205, 15-10-402, 15-16-611, 15-24-1102, 15-24-1103, AND 67-3-204, MCA; REPEALING SECTIONS 15-6-139, 15-6-140, 15-6-142, 15-6-146 THROUGH 15-6-148, 15-6-150, AND 15-6-155, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

Section 1. Section 15-1-101, MCA, is amended to read:

"15-1-101. Definitions. (1) Except as otherwise specifically provided, when terms mentioned in this section are used in connection with taxation, they are defined in the following manner:

(a) The term "agricultural" refers--to means the raising of livestock, poultry, bees, and other species of domestic animals and wildlife in domestication or a captive environment, and the raising of field crops, fruit, and other animal and vegetable matter for food or fiber.

(b) The term "assessed value" means the value of property as defined in 15-8-111.

(c) The term "average wholesale value" means the value to a dealer prior to reconditioning and profit margin shown in national appraisal guides and manuals or the valuation schedules of the department of revenue.

(d) (i) The term "commercial", when used to describe property, means any property used or owned by a business, a trade, or a nonprofit corporation as defined in 35-2-102 or used for the production of income, except that property described in subsection (ii).

(ii) The following types of property are not commercial:

(A) agricultural lands;

(B) timberlands;

(C) single-family residences and ancillary improvements and improvements necessary to the function of a bona fide farm, ranch, or stock operation;

(D) mobile homes used exclusively as a residence except when held by a distributor or dealer of trailers or mobile homes as his stock in trade;

(E) all property described in 15-6-135; and

(F) all property described in 15-6-136; and

~~(G) all property described in 15-6-146.~~

(e) The term "comparable property" means property that has similar use, function, and utility; that is influenced by the same set of economic trends and physical,

1 governmental, and social factors; and that has the potential
2 of a similar highest and best use.

3 (f) The term "credit" means solvent debts, secured or
4 unsecured, owing to a person.

5 (g) The term "improvements" ~~includes~~ means all
6 buildings, structures, fences, and improvements situated
7 upon, erected upon, or affixed to land. When the department
8 of revenue or its agent determines that the permanency of
9 location of a mobile home or housetrailer has been
10 established, the mobile home or housetrailer is presumed to
11 be an improvement to real property. A mobile home or
12 housetrailer ~~may--be--determined--to-be-permanently-located~~
13 ~~only-when-it--is--attached--to-a--foundation--which--cannot~~
14 ~~feasibly--be--relocated-and-only-when-the-wheels-are-removed~~
15 used as a residence is an improvement, whether or not it is
16 affixed to the land.

17 (h) The term "leasehold improvements" means
18 improvements to mobile homes and mobile homes located on
19 land owned by another person. This property is assessed
20 under the appropriate classification and the taxes are due
21 and payable in two payments as provided in ~~15-24-202~~
22 15-16-102. Delinquent taxes on such leasehold improvements
23 are a lien only on such leasehold improvements.

24 (i) The term "livestock" means cattle, sheep, swine,
25 goats, horses, mules, and asses, llamas, and bison.

1 (j) The term "mobile home" means forms of housing
2 shelter known as "trailers", "housetrailers", or "trailer
3 coaches" exceeding 8 feet in width or 45 feet in length,
4 designed to be moved from one place to another by an
5 independent power connected to them, or any "trailer",
6 "housetrailer", or "trailer coach" up to 8 feet in width or
7 45 feet in length used as a principal residence.

8 (k) The term "personal property" ~~includes~~ means
9 everything that is the subject of ownership but that is not
10 included within the meaning of the terms "real estate" and
11 "improvements".

12 (l) The term "poultry" ~~includes~~ means all chickens,
13 turkeys, geese, ducks, and other birds raised in
14 domestication to produce food or feathers.

15 (m) The term "property" ~~includes-moneys~~ means money,
16 credits, bonds, stocks, franchises, and all other matters
17 and things, real, personal, and mixed, capable of private
18 ownership. This definition ~~must~~ may not be construed to
19 authorize the taxation of the stocks of any company or
20 corporation when the property of ~~such~~ the company or
21 corporation represented by the stocks is within the state
22 and has been taxed.

23 (n) The term "real estate" ~~includes~~ means:

24 (i) the possession of, claim to, ownership of, or
25 right to the possession of land;

1 (ii) all mines, minerals, and quarries in and under the
2 land subject to the provisions of 15-23-501 and Title 15,
3 chapter 23, part 8; all timber belonging to individuals or
4 corporations growing or being on the lands of the United
5 States; and all rights and privileges appertaining thereto.

6 (o) "Research and development firm" means an entity
7 incorporated under the laws of this state or a foreign
8 corporation authorized to do business in this state whose
9 principal purpose is to engage in theoretical analysis,
10 exploration, and experimentation and the extension of
11 investigative findings and theories of a scientific and
12 technical nature into practical application for experimental
13 and demonstration purposes, including the experimental
14 production and testing of models, devices, equipment,
15 materials, and processes.

16 (p) The term "taxable value" means the percentage of
17 market or assessed value as provided for in ~~15-6-131~~ through
18 ~~15-6-149~~ this title.

19 (q) The term "weighted mean assessment ratio" means
20 the total of the assessed values divided by the total of the
21 selling prices of all area sales in the stratum.

22 (2) The phrase "municipal corporation" or
23 "municipality" or "taxing unit" ~~shall be deemed to include~~
24 means a county, city, incorporated town, township, school
25 district, irrigation district, drainage district, or any

1 person, persons, or organized body authorized by law to
2 establish tax levies for the purpose of raising public
3 revenue.

4 (3) The term "state board" or "board" when used
5 without other qualification ~~shall mean~~ means the state tax
6 appeal board."

7 **Section 2.** Section 15-6-133, MCA, is amended to read:

8 **"15-6-133. Class three property -- description --**
9 **taxable percentage. (1) Class three property includes:**

10 (a) agricultural land as defined in 15-7-202; and

11 (b) nonproductive patented mining claims outside the
12 limits of an incorporated city or town held by an owner for
13 the ultimate purpose of developing the mineral interests on
14 the property. Class three does not include any property that
15 is used for residential purposes, recreational purposes as
16 described in 70-16-301, or commercial purposes as defined in
17 15-1-101 or if the surface is being used for other than
18 mining purposes or has a separate and independent value for
19 other purposes.

20 (2) Improvements to class three property that would
21 not disqualify the parcel from designation as class three
22 property are taxes as otherwise provided in this title,
23 including that portion of the land upon which the
24 improvements are located and that is reasonably required for
25 the use of the improvements.

1 {2}(3) Class three property is taxed at the taxable
2 percentage rate "P" 30% of its productive capacity.

3 {3}--Until July 17, 1986, the taxable percentage rate
4 "P" for class three property is 30%.

5 {4}--Prior to July 17, 1986, the department of revenue
6 shall determine the taxable percentage rate "P" applicable
7 to class three property for the revaluation cycle beginning
8 January 17, 1986, as follows:

9 {a}--The director of the department of revenue shall
10 certify to the governor before July 17, 1986, the percentage
11 by which the appraised value of all property in the state
12 classified under class three as of January 17, 1986, has
13 increased due to the revaluation conducted under 15-7-111.
14 This figure is the "certified statewide percentage
15 increase".

16 {b}--The taxable value of property in class three is
17 determined as a function of the certified statewide
18 percentage increase in accordance with the table shown
19 below:

20 {c}--This table limits the statewide increase in
21 taxable valuation resulting from reappraisal to 8% in
22 calculating the percentage increase, the department may not
23 consider agricultural use changes during calendar year 1985.

24 {d}--The taxable percentage must be calculated by
25 interpolation to coincide with the nearest whole number

1 certified statewide percentage increase from the following
2 table:

3 Certified Statewide	4 Class Three Taxable
5 Percentage Increase	6 Percentage "P"
7 -0	8 30.00
9 10	10 27.27
11 20	12 25.00
13 30	14 23.00
15 40	16 21.43
17 50	18 20.00

19 {5}--After July 17, 1986, no adjustment may be made by
20 the department to the taxable percentage rate "P" until a
21 revaluation has been made as provided in 15-7-111."

22 **Section 3.** Section 15-6-134, MCA, is amended to read:

23 "15-6-134. Class four property -- description --
24 taxable percentage. (1) Class four property includes:

25 (a) all land except that specifically included in
another class;

(b) all improvements except those specifically
included in another class;

(c) the first \$80,000 or less of the market value of
any improvement on real property and appurtenant land not
exceeding 5 acres owned or under contract for deed and
actually occupied for at least 10 months a year as the
primary residential dwelling of any person whose total

1 income from all sources including otherwise tax-exempt
 2 income of all types is not more than \$10,000 for a single
 3 person or \$12,000 for a married couple, as adjusted
 4 according to subsection (2)(b)(ii);

5 (d) all golf courses, including land and improvements
 6 actually and necessarily used for that purpose, that consist
 7 of at least 9 holes and not less than 3,000 lineal yards.

8 (2) Class four property is taxed as follows:

9 (a) Except as provided in 15-24-1402 or 15-24-1501,
 10 property described in subsections (1)(a) and (1)(b) is taxed
 11 at ~~3-86%~~ 4.15% of its market value.

12 (b) (i) Property described in subsection (1)(c) is
 13 taxed at ~~3-86%~~ 4.15% of its market value multiplied by a
 14 percentage figure based on income and determined from the
 15 following table:

Income		Income		Percentage
Single Person	Married Couple	Single Person	Married Couple	Multiplier
\$ 0 - \$ 1,000	\$ 0 - \$ 1,200			0%
1,001 - 2,000	1,201 - 2,400			10%
2,001 - 3,000	2,401 - 3,600			20%
3,001 - 4,000	3,601 - 4,800			30%
4,001 - 5,000	4,801 - 6,000			40%
5,001 - 6,000	6,001 - 7,200			50%
6,001 - 7,000	7,201 - 8,400			60%
7,001 - 8,000	8,401 - 9,600			70%

1	8,001 - 9,000	9,601 - 10,800	80%
2	9,001 - 10,000	10,801 - 12,000	90%

3 (ii) The income levels contained in the table in
 4 subsection (2)(b)(i) must be adjusted for inflation annually
 5 by the department of revenue. The adjustment to the income
 6 levels is determined by:

7 (A) multiplying the appropriate dollar amount from the
 8 table in subsection (2)(b)(i) by the ratio of the PCE for
 9 the second quarter of the year prior to the year of
 10 application to the PCE for the second quarter of 1986; and

11 (B) rounding the product thus obtained to the nearest
 12 whole dollar amount.

13 (iii) "PCE" means the implicit price deflator for
 14 personal consumption expenditures as published quarterly in
 15 the Survey of Current Business by the bureau of economic
 16 analysis of the U.S. department of commerce.

17 (c) Property described in subsection (1)(d) is taxed
 18 at one-half the taxable percentage rate established in
 19 subsection (2)(a).

20 ~~(3) After July 1, 1986, no adjustment may be made by~~
 21 ~~the department to the taxable percentage rate for class four~~
 22 ~~property until a revaluation has been made as provided in~~
 23 ~~15-7-111.~~

24 ~~(4)~~(3) Within the meaning of comparable property as
 25 defined in 15-1-101, property assessed as commercial

1 property is comparable only to other property assessed as
 2 commercial property, and property assessed as other than
 3 commercial property is comparable only to other property
 4 assessed as other than commercial property.

5 (4) For the purposes of this section, all mobile homes
 6 are considered to be improvements."

7 **Section 4.** Section 15-6-136, MCA, is amended to read:

8 "15-6-136. Class six property -- description --
 9 taxable percentage. (1) Class six property includes:

10 (a) livestock and other species of domestic animals
 11 and wildlife raised in domestication or a captive
 12 environment, except for cats, dogs, and other household pets
 13 not raised for profit;

14 (b) items of personal property intended for rent or
 15 lease in the ordinary course of business, provided each item
 16 of personal property satisfies all of the following:

17 (i) the full and true value of the personal property
 18 is less than \$5,000;

19 (ii) the personal property is owned by a business whose
 20 primary business income is from rental or lease of personal
 21 property to individuals wherein no one customer of the
 22 business accounts for more than 10% of the total rentals or
 23 leases during a calendar year; and

24 (iii) the lease of the personal property is generally
 25 on an hourly, daily, or weekly basis; and

1 (c) machinery and equipment used in a malting barley
 2 facility.

3 (2) "Malting barley facility" means a facility the
 4 principal purpose of which is to malt malting barley. The
 5 term does not apply to a facility the principal purpose of
 6 which is to store, mix, blend, transport, transfer, or
 7 otherwise do anything with malting barley, except malt
 8 malting barley. However, any machinery or equipment the
 9 principal purpose of which is to store, mix, blend,
 10 transport, transfer, or otherwise handle malting barley or
 11 other machinery or equipment that is used in or is otherwise
 12 an integral part of a facility that malts malting barley is
 13 machinery or equipment of a malting barley facility for the
 14 purposes of this section.

15 (3) Class six property is taxed at 4% of its market
 16 value."

17 **Section 5.** Section 15-6-138, MCA, is amended to read:

18 "15-6-138. Class eight property -- description --
 19 taxable percentage. (1) Class eight property includes:

20 (a) all agricultural implements and equipment;

21 (b) all mining machinery, fixtures, equipment, tools
 22 that are not exempt under 15-6-201(1)(r), and supplies
 23 except:

24 ~~(i)~~ those included in class five; and

25 ~~(ii) coal and ore haulers;~~

1 (c) all manufacturing machinery, fixtures, equipment,
 2 tools that are not exempt under 15-6-201(1)(r), and supplies
 3 except those included in class five;

4 (d) all trailers, including those prorated under
 5 15-24-102, except those subject to taxation under
 6 61-3-504(2);

7 (e) all goods and equipment intended for rent or
 8 lease, except goods and equipment specifically included and
 9 taxed in another class;

10 (f) buses and trucks having a rated capacity of more
 11 than 1 ton, including those prorated under 15-24-102; and

12 (g) all other machinery except that specifically
 13 included in another class;

14 (h) truck toppers weighing more than 300 pounds;

15 ~~(i) --furniture, --fixtures, --and--equipment, --except--that~~
 16 ~~specifically--included--in--another--class, --used--in--commercial~~
 17 ~~establishments--as--defined--in--this--section;~~

18 ~~(j)(I) x-ray and medical and dental equipment;~~

19 ~~(k)(J) citizens' band radios and mobile telephones;~~

20 ~~(l)(K) radio and television broadcasting and~~
 21 ~~transmitting equipment;~~

22 ~~(m)(L) cable television systems;~~

23 ~~(n)(M) coal and ore haulers;~~

24 ~~(o)(N) theater projectors and sound equipment; and~~

25 ~~(p)(O) all other property not included in any other~~

1 class in this part except that property subject to a fee in
 2 lieu of property tax.

3 (3) "Commercial establishment" means any hotel; motel;
 4 office; petroleum marketing station; or service, wholesale,
 5 retail, or food-handling business.

6 ~~(2)(4)~~ Class eight property is taxed at ~~11%~~ 10.9% of
 7 its market value."

8 **Section 6.** Section 15-6-145, MCA, is amended to read:

9 "15-6-145. Class fifteen property -- description --
 10 taxable percentage. (1) Class fifteen property includes all
 11 railroad transportation property as described in the
 12 Railroad Revitalization and Regulatory Reform Act of 1976 as
 13 it read on January 1, 1986, and all airline transportation
 14 property as described in the Tax Equity and Fiscal
 15 Responsibility Act of 1982 as it read on January 1, 1986.

16 (2) For the taxable year beginning January 1, 1986,
 17 and for each taxable year thereafter, class fifteen property
 18 is taxed at the percentage rate "R", to be determined by the
 19 department as provided in subsection (3), or 12%, whichever
 20 is less.

21 (3) R = A/B where:

22 (a) A is the total statewide taxable value of all
 23 commercial property, except class fifteen property, as
 24 commercial property is described in 15-1-101(1)(d),
 25 including class 1 and class 2 property; and

1 (b) B is the total statewide market value of all
 2 commercial property, except class fifteen property, as
 3 commercial property is described in 15-1-101(1)(d),
 4 including class 1 and class 2 property.

5 (4) (a) For the taxable year beginning January 1,
 6 1986, and for every taxable year thereafter, the department
 7 shall conduct a sales assessment ratio study of all
 8 commercial and industrial real property and improvements.
 9 The study must be based on:

10 (i) assessments of such property as of January 1 of
 11 the year for which the study is being conducted; and

12 (ii) a statistically valid sample of sales using data
 13 from realty transfer certificates filed during the same
 14 taxable year or from the immediately preceding taxable year,
 15 but only if a sufficient number of certificates is
 16 unavailable from the current taxable year to provide a
 17 statistically valid sample.

18 (b) The department shall determine the value-weighted
 19 mean sales assessment ratio "M" for all such property and
 20 reduce the taxable value of property described in subsection

21 (4) only, by multiplying the total statewide taxable value
 22 of property described in subsection (4) by "M" prior to
 23 calculating "A" in subsection (3).

24 (c) The adjustment referred to in subsection (4)(b)
 25 will be made beginning January 1, 1986, and in each

1 subsequent tax year to equalize the railroad taxable values.

2 (5) For the purpose of complying with the Railroad
 3 Revitalization and Regulatory Reform Act of 1976, as it read
 4 on January 1, 1986, the rate "R" referred to in this section
 5 is the equalized average tax rate generally applicable to
 6 commercial and industrial property, except class fifteen
 7 property, as commercial property is defined in
 8 15-1-101(1)(d).

9 (6) For the purpose of complying with the Tax Equity
 10 and Fiscal Responsibility Act of 1982, as it read on January
 11 1, 1986, the rate "R" referred to in this section is the
 12 equalized average tax rate generally applicable to
 13 commercial and industrial property, except class fifteen
 14 property, as commercial property is defined in
 15 15-1-101(1)(d)."

16 **Section 7.** Section 15-6-201, MCA, is amended to read:

17 **"15-6-201. Exempt categories.** (1) The following
 18 categories of property are exempt from taxation:

19 (a) the property of:

20 (i) the United States, the state, counties, cities,
 21 towns, school districts, except, if congress passes
 22 legislation that allows the state to tax property owned by
 23 an agency created by congress to transmit or distribute
 24 electrical energy, the property constructed, owned, or
 25 operated by a public agency created by the congress to

1 transmit or distribute electric energy produced at privately
2 owned generating facilities (not including rural electric
3 cooperatives);

4 (ii) irrigation districts organized under the laws of
5 Montana and not operating for profit;

6 (iii) municipal corporations; and

7 (iv) public libraries;

8 (b) buildings, with land they occupy and furnishings
9 therein, owned by a church and used for actual religious
10 worship or for residences of the clergy, together with
11 adjacent land reasonably necessary for convenient use of the
12 buildings;

13 (c) property used exclusively for agricultural and
14 horticultural societies, for educational purposes, and for
15 nonprofit health care facilities, as defined in 50-5-101,
16 licensed by the department of health and environmental
17 sciences and organized under Title 35, chapter 2 or 3. A
18 health care facility that is not licensed by the department
19 of health and environmental sciences and organized under
20 Title 35, chapter 2 or 3, is not exempt.

21 (d) property that meets the following conditions:

22 (i) is owned and held by any association or
23 corporation organized under Title 35, chapter 2, 3, 20, or
24 21;

25 (ii) is devoted exclusively to use in connection with a

1 cemetery or cemeteries for which a permanent care and
2 improvement fund has been established as provided for in
3 Title 35, chapter 20, part 3; and

4 (iii) is not maintained and operated for private or
5 corporate profit;

6 (e) institutions of purely public charity;

7 (f) evidence of debt secured by mortgages of record
8 upon real or personal property in the state of Montana;

9 (g) public art galleries and public observatories not
10 used or held for private or corporate profit;

11 (h) all household goods and furniture, including but
12 not limited to clocks, musical instruments, sewing machines,
13 and wearing apparel of members of the family, used by the
14 owner for personal and domestic purposes or for furnishing
15 or equipping the family residence;

16 (i) a truck canopy cover or topper weighing less than
17 300 pounds and having no accommodations attached. This
18 property is also exempt from taxation under 61-3-504(2) and
19 61-3-537.

20 (j) a bicycle, as defined in 61-1-123, used by the
21 owner for personal transportation purposes;

22 (k) motor homes, travel trailers, and campers;

23 (l) all watercraft;

24 (m) land, fixtures, buildings, and improvements owned
25 by a cooperative association or nonprofit corporation

1 organized to furnish potable water to its members or
 2 customers for uses other than the irrigation of agricultural
 3 land;

4 (n) the right of entry that is a property right
 5 reserved in land or received by mesne conveyance (exclusive
 6 of leasehold interests), devise, or succession to enter land
 7 whose surface title is held by another to explore, prospect,
 8 or dig for oil, gas, coal, or minerals;

9 (o) property owned and used by a corporation or
 10 association organized and operated exclusively for the care
 11 of the developmentally disabled, mentally ill, or
 12 vocationally handicapped as defined in 18-5-101, which is
 13 not operated for gain or profit;

14 (p) all farm buildings with a market value of less
 15 than \$500 and all agricultural implements and machinery with
 16 a market value of less than \$100;

17 (q) property owned by a nonprofit corporation
 18 organized to provide facilities primarily for training and
 19 practice for or competition in international sports and
 20 athletic events and not held or used for private or
 21 corporate gain or profit. For purposes of this subsection
 22 (q), "nonprofit corporation" means an organization exempt
 23 from taxation under section 501(c) of the Internal Revenue
 24 Code and incorporated and admitted under the Montana
 25 Nonprofit Corporation Act.

1 (r) provided the tools are owned by the taxpayer, the
 2 first \$15,000 or less of market value of tools that are
 3 customarily hand-held and that are used to:

4 (i) construct, repair, and maintain improvements to
 5 real property; or

6 (ii) repair and maintain machinery, equipment,
 7 appliances, or other personal property;

8 (s) harness, saddlery, and other tack equipment; and

9 (t) a title plant owned by a title insurer or a title
 10 agent, as those terms are defined in 33-25-105; and

11 (u) all aircraft that are not considered airline
 12 transportation property as described in the Tax Equity and
 13 Fiscal Responsibility Act of 1982 and thereby included in
 14 15-6-147 15-6-145.

15 (2) (a) The term "institutions of purely public
 16 charity" includes organizations owning and operating
 17 facilities for the care of the retired or aged or
 18 chronically ill, which are not operated for gain or profit.

19 (b) The terms "public art galleries" and "public
 20 observatories" include only those art galleries and
 21 observatories, whether of public or private ownership, that
 22 are open to the public without charge at all reasonable
 23 hours and are used for the purpose of education only.

24 (3) The following portions of the appraised value of a
 25 capital investment made after January 1, 1979, in a

1 recognized nonfossil form of energy generation, as defined
2 in 15-32-102, are exempt from taxation for a period of 10
3 years following installation of the property:

4 (a) \$20,000 in the case of a single-family residential
5 dwelling;

6 (b) \$100,000 in the case of a multifamily residential
7 dwelling or a nonresidential structure."

8 **Section 8.** Section 15-8-205, MCA, is amended to read:

9 "15-8-205. Initial assessment of ~~class-twelve-property~~
10 ~~---when mobile homes~~. The county assessor shall assess all
11 ~~class--twelve--property~~ mobile homes immediately upon their
12 arrival in the county if the taxes have not been previously
13 paid for that year in another county in Montana."

14 **Section 9.** Section 15-10-402, MCA, is amended to read:

15 "15-10-402. Property tax limited to 1986 levels. (1)
16 Except as provided in subsections (2) and (3), the amount of
17 taxes levied on property described in 15-6-133, 15-6-134,
18 15-6-136, ~~15-6-139~~, ~~15-6-142~~, and 15-6-144 may not, for any
19 taxing jurisdiction, exceed the amount levied for taxable
20 year 1986.

21 (2) The limitation contained in subsection (1) does
22 not apply to levies for rural improvement districts, Title
23 7, chapter 12, part 21; special improvement districts, Title
24 7, chapter 12, part 41; or bonded indebtedness.

25 (3) New construction or improvements to or deletions

1 from property described in subsection (1) are subject to
2 taxation at 1986 levels.

3 (4) As used in this section, the "amount of taxes
4 levied" and the "amount levied" mean the actual dollar
5 amount of taxes imposed on an individual piece of property,
6 notwithstanding an increase or decrease in value due to
7 inflation, reappraisal, adjustments in the percentage
8 multiplier used to convert appraised value to taxable value,
9 changes in the number of mills levied, or increase or
10 decrease in the value of a mill."

11 **Section 10.** Section 15-16-611, MCA, is amended to
12 read:

13 "15-16-611. Reduction of property tax for property
14 destroyed by natural disaster. (1) The department of revenue
15 shall, upon showing by a taxpayer that some or all of the
16 improvements on his real property or a trailer or mobile
17 home ~~as described in 15-6-142~~ have been destroyed to such an
18 extent that such improvements have been rendered unsuitable
19 for their previous use by natural disaster, adjust the
20 taxable value on the property, accounting for the
21 destruction.

22 (2) The county treasurer shall adjust the tax due and
23 payable for the current year on the property under 15-16-102
24 as provided in subsection (3) of this section.

25 (3) To determine the amount of tax due for destroyed

1 property, the county treasurer shall:

2 (a) multiply the amount of tax levied and assessed on
3 the original taxable value of the property for the year by
4 the ratio that the number of days in the year that the
5 property existed before destruction bears to 365; and

6 (b) multiply the amount of tax levied and assessed on
7 the adjusted taxable value of the property for the remainder
8 of the year by the ratio that the number of days remaining
9 in the year after the destruction of the property bears to
10 365.

11 (4) This section does not apply to delinquent taxes
12 owed on the destroyed property for a year prior to the year
13 in which the property was destroyed.

14 (5) For the purposes of this section, "natural
15 disaster" includes but is not limited to fire, flood,
16 earthquake, or wind."

17 **Section 11.** Section 15-24-1102, MCA, is amended to
18 read:

19 "15-24-1102. Federal property held under contract of
20 sale. When the property is held under a contract of sale or
21 other agreement whereby upon payment the legal title is or
22 may be acquired by the person, the real property ~~shall~~ must
23 be assessed and taxed as defined in ~~15-6-131--through~~
24 15-6-149 Title 15, chapter 6, part 1, and 15-8-111 without
25 deduction on account of the whole or any part of the

1 purchase price or other sum due on the property remaining
2 unpaid. The lien for the tax may not attach to, impair, or
3 be enforced against any interest of the United States in the
4 real property."

5 **Section 12.** Section 15-24-1103, MCA, is amended to
6 read:

7 "15-24-1103. Federal property held under lease. When
8 the property is held under lease, other interest, or estate
9 therein less than the fee, except under contract of sale,
10 the property ~~shall~~ must be assessed and taxed as for the
11 value, as defined ~~in 15-6-131 through 15-6-149~~ set forth in
12 Title 15, chapter 6, part 1, of such the leasehold,
13 interest, or estate in the property and the lien for the tax
14 shall attach to and be enforced against only the leasehold,
15 interest, or estate in the property. When the United States
16 authorizes the taxation of the property for the full
17 assessed value of the fee thereof, the property ~~shall~~ must
18 be assessed for full assessed value as defined in 15-8-111."

19 **Section 13.** Section 67-3-204, MCA, is amended to read:

20 "67-3-204. Fee in lieu of tax on registered aircraft
21 -- decal. (1) Except as provided in subsection (3), aircraft
22 required to be registered in Montana are subject to a fee.
23 The registration fee is in lieu of property tax.

24 (2) The department shall issue a decal to the owner of
25 the aircraft required to be registered at the time of

1 payment of the registration fee in lieu of tax, as provided
 2 in 67-3-201. No aircraft subject to a fee in lieu of tax may
 3 be operated in this state unless there is displayed on the
 4 aircraft a decal as visual proof that the fee in lieu of tax
 5 has been paid for the aircraft and that the aircraft is
 6 registered for the current year.

7 (3) Aircraft that meet the description of property
 8 described in ~~15-6-147~~ 15-6-145 are exempt from the fee
 9 imposed by subsection (1). Aircraft subject to the fee in
 10 lieu of tax are exempt from all other taxation."

11 NEW SECTION. Section 14. Repealer. Sections 15-6-139,
 12 15-6-140, 15-6-142, 15-6-146 through 15-6-148, 15-6-150, and
 13 15-6-155, MCA, are repealed.

14 NEW SECTION. Section 15. Code commissioner
 15 instruction. (1) The code commissioner is instructed to
 16 change the property class designation for sections in Title
 17 15, chapter 6, part 1, as follows:

18 (a) property in 15-6-141 is redesignated as class
 19 nine;

20 (b) property in 15-6-143 is redesignated as class ten;

21 (c) property in 15-6-144 is redesignated as class
 22 eleven;

23 (d) property in 15-6-145 is redesignated as class
 24 twelve;

25 (e) property in 15-6-149 is redesignated as class

1 thirteen.

2 (2) The code commissioner is instructed to change all
 3 property class references in the Montana Code Annotated to
 4 reflect the redesignations as set forth in subsection (1).

5 NEW SECTION. Section 16. Effective date. [This act]
 6 is effective on passage and approval.

7 NEW SECTION. Section 17. Applicability. [This act]
 8 applies to taxable years beginning after December 31, 1989.

-End-

1 HOUSE BILL NO. 48

2 INTRODUCED BY COHEN, ECK

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE
5 CLASSIFICATION OF PROPERTY FOR PROPERTY TAX PURPOSES; TO
6 CLASSIFY AS CLASS FIVE PROPERTY THE EQUIPMENT AND MACHINERY
7 USED TO PROCESS CANOLA SEED OIL; AMENDING SECTIONS 15-1-101,
8 15-6-133, ~~15-6-134~~, THROUGH 15-6-136, 15-6-138, 15-6-145,
9 15-6-201, 15-8-205, 15-10-402, 15-16-611, 15-24-1102,
10 15-24-1103, AND 67-3-204, MCA; REPEALING SECTIONS 15-6-139,
11 15-6-140, 15-6-142, 15-6-146 THROUGH 15-6-148, 15-6-150, AND
12 15-6-155, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND
13 AN APPLICABILITY DATE."

14
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16 Section 1. Section 15-1-101, MCA, is amended to read:

17 "15-1-101. Definitions. (1) Except as otherwise
18 specifically provided, when terms mentioned in this section
19 are used in connection with taxation, they are defined in
20 the following manner:

21 (a) The term "agricultural" ~~refers--to~~ means the
22 raising of livestock, poultry, bees, and other species of
23 domestic animals and wildlife in domestication or a captive
24 environment, and the raising of field crops, fruit, and
25 other animal and vegetable matter for food or fiber.

1 (b) The term "assessed value" means the value of
2 property as defined in 15-8-111.

3 (c) The term "average wholesale value" means the value
4 to a dealer prior to reconditioning and profit margin shown
5 in national appraisal guides and manuals or the valuation
6 schedules of the department of revenue.

7 (d) (i) The term "commercial", when used to describe
8 property, means any property used or owned by a business, a
9 trade, or a nonprofit corporation as defined in 35-2-102 or
10 used for the production of income, except that property
11 described in subsection (ii).

12 (ii) The following types of property are not
13 commercial:

14 (A) agricultural lands;

15 (B) timberlands;

16 (C) single-family residences and ancillary
17 improvements and improvements necessary to the function of a
18 bona fide farm, ranch, or stock operation;

19 (D) mobile homes used exclusively as a residence
20 except when held by a distributor or dealer of trailers or
21 mobile homes as his stock in trade;

22 (E) all property described in 15-6-135; and

23 (F) all property described in 15-6-136; ~~and~~

24 ~~(G) all property described in 15-6-146.~~

25 (e) The term "comparable property" means property that

1 has similar use, function, and utility; that is influenced
 2 by the same set of economic trends and physical,
 3 governmental, and social factors; and that has the potential
 4 of a similar highest and best use.

5 (f) The term "credit" means solvent debts, secured or
 6 unsecured, owing to a person.

7 (g) The term "improvements" ~~includes~~ means all
 8 buildings, structures, fences, and improvements situated
 9 upon, erected upon, or affixed to land. When the department
 10 of revenue or its agent determines that the permanency of
 11 location of a mobile home or housetrailer has been
 12 established, the mobile home or housetrailer is presumed to
 13 be an improvement to real property. A mobile home or
 14 housetrailer ~~may--be--determined--to--be--permanently--located~~
 15 ~~only--when--it--is--attached--to--a--foundation--which--cannot~~
 16 ~~feasibly--be--relocated--and--only--when--the--wheels--are--removed~~
 17 used as a residence is an improvement, whether or not it is
 18 affixed to the land.

19 (h) The term "leasehold improvements" means
 20 improvements to mobile homes and mobile homes located on
 21 land owned by another person. This property is assessed
 22 under the appropriate classification and the taxes are due
 23 and payable in two payments as provided in ~~15-24-202~~
 24 15-16-102. Delinquent taxes on such leasehold improvements
 25 are a lien only on such leasehold improvements.

1 (i) The term "livestock" means cattle, sheep, swine,
 2 goats, horses, mules, and asses, llamas, and bison.

3 (j) The term "mobile home" means forms of housing
 4 shelter known as "trailers", "housetrailer", or "trailer
 5 coaches" exceeding 8 feet in width or 45 feet in length,
 6 designed to be moved from one place to another by an
 7 independent power connected to them, or any "trailer",
 8 "housetrailer", or "trailer coach" up to 8 feet in width or
 9 45 feet in length used as a principal residence.

10 (k) The term "personal property" ~~includes~~ means
 11 everything that is the subject of ownership but that is not
 12 included within the meaning of the terms "real estate" and
 13 "improvements".

14 (l) The term "poultry" ~~includes~~ means all chickens,
 15 turkeys, geese, ducks, and other birds raised in
 16 domestication to produce food or feathers.

17 (m) The term "property" ~~includes--moneys~~ means money,
 18 credits, bonds, stocks, franchises, and all other matters
 19 and things, real, personal, and mixed, capable of private
 20 ownership. This definition ~~must~~ may not be construed to
 21 authorize the taxation of the stocks of any company or
 22 corporation when the property of ~~such~~ the company or
 23 corporation represented by the stocks is within the state
 24 and has been taxed.

25 (n) The term "real estate" ~~includes~~ means:

1 (i) the possession of, claim to, ownership of, or
2 right to the possession of land;

3 (ii) all mines, minerals, and quarries in and under the
4 land subject to the provisions of 15-23-501 and Title 15,
5 chapter 23, part 8; all timber belonging to individuals or
6 corporations growing or being on the lands of the United
7 States; and all rights and privileges appertaining thereto.

8 (o) "Research and development firm" means an entity
9 incorporated under the laws of this state or a foreign
10 corporation authorized to do business in this state whose
11 principal purpose is to engage in theoretical analysis,
12 exploration, and experimentation and the extension of
13 investigative findings and theories of a scientific and
14 technical nature into practical application for experimental
15 and demonstration purposes, including the experimental
16 production and testing of models, devices, equipment,
17 materials, and processes.

18 (p) The term "taxable value" means the percentage of
19 market or assessed value as provided for in ~~15-6-131~~ through
20 ~~15-6-149~~ this title.

21 (q) The term "weighted mean assessment ratio" means
22 the total of the assessed values divided by the total of the
23 selling prices of all area sales in the stratum.

24 (2) The phrase "municipal corporation" or
25 "municipality" or "taxing unit" ~~shall be deemed to include~~

1 ~~means~~ a county, city, incorporated town, township, school
2 district, irrigation district, drainage district, or any
3 person, persons, or organized body authorized by law to
4 establish tax levies for the purpose of raising public
5 revenue.

6 (3) The term "state board" or "board" when used
7 without other qualification ~~shall mean~~ means the state tax
8 appeal board."

9 **Section 2.** Section 15-6-133, MCA, is amended to read:

10 "~~15-6-133. Class three property -- description --~~
11 ~~taxable percentage. (1) Class three property includes:~~

12 (a) agricultural land as defined in 15-7-202; and

13 (b) nonproductive patented mining claims outside the
14 limits of an incorporated city or town held by an owner for
15 the ultimate purpose of developing the mineral interests on
16 the property. Class three does not include any property that
17 is used for residential purposes, recreational purposes as
18 described in 70-16-301, or commercial purposes as defined in
19 15-1-101 or if the surface is being used for other than
20 mining purposes or has a separate and independent value for
21 other purposes.

22 (2) Improvements to class three property that would
23 not disqualify the parcel from designation as class three
24 property are taxes as otherwise provided in this title,
25 including that portion of the land upon which the

1 improvements are located and that is reasonably required for
2 the use of the improvements.

3 (2)(3) Class three property is taxed at the taxable
4 percentage rate "P" 30% of its productive capacity.

5 (3) -- Until July 1, 1986, the taxable percentage rate
6 "P" for class three property is 30%.

7 (4) -- Prior to July 1, 1986, the department of revenue
8 shall determine the taxable percentage rate "P" applicable
9 to class three property for the revaluation cycle beginning
10 January 1, 1986, as follows:

11 (a) -- The director of the department of revenue shall
12 certify to the governor before July 1, 1986, the percentage
13 by which the appraised value of all property in the state
14 classified under class three as of January 1, 1986, has
15 increased due to the revaluation conducted under 15-7-111.
16 This figure is the "certified statewide percentage
17 increase".

18 (b) -- The taxable value of property in class three is
19 determined as a function of the certified statewide
20 percentage increase in accordance with the table shown
21 below:

22 (c) -- This table limits the statewide increase in
23 taxable valuation resulting from reappraisal to 8%. In
24 calculating the percentage increase, the department may not
25 consider agricultural use changes during calendar year 1985.

1 (d) -- The taxable percentage must be calculated by
2 interpolation to coincide with the nearest whole number
3 certified statewide percentage increase from the following
4 table:

5 Certified Statewide	6 Class Three Taxable
7 Percentage Increase	8 Percentage "P"
9 0	10 30.00
11 10	12 27.27
13 20	14 25.00
15 30	16 23.08
17 40	18 21.43
19 50	20 20.00

21 (5) -- After July 1, 1986, no adjustment may be made by
22 the department to the taxable percentage rate "P" until a
23 revaluation has been made as provided in 15-7-111."

24 **Section 3.** Section 15-6-134, MCA, is amended to read:

25 "15-6-134. Class four property -- description --
taxable percentage. (1) Class four property includes:

(a) all land except that specifically included in
another class;

(b) all improvements except those specifically
included in another class;

(c) the first \$80,000 or less of the market value of
any improvement on real property and appurtenant land not
exceeding 5 acres owned or under contract for deed and

1 actually occupied for at least 10 months a year as the
 2 primary residential dwelling of any person whose total
 3 income from all sources including otherwise tax-exempt
 4 income of all types is not more than \$10,000 for a single
 5 person or \$12,000 for a married couple, as adjusted
 6 according to subsection (2)(b)(ii);

7 (d) all golf courses, including land and improvements
 8 actually and necessarily used for that purpose, that consist
 9 of at least 9 holes and not less than 3,000 lineal yards.

10 (2) Class four property is taxed as follows:

11 (a) Except as provided in 15-24-1402 or 15-24-1501,
 12 property described in subsections (1)(a) and (1)(b) is taxed
 13 at ~~3.86%~~ ~~4.15%~~ 3.86% of its market value.

14 (b) (i) Property described in subsection (1)(c) is
 15 taxed at ~~3.86%~~ ~~4.15%~~ 3.86% of its market value multiplied by
 16 a percentage figure based on income and determined from the
 17 following table:

Income		Income		Percentage
Single Person	Married Couple	Single Person	Married Couple	Multiplier
\$ 0 - \$ 1,000	\$ 0 - \$ 1,200			0%
1,001 - 2,000	1,201 - 2,400			10%
2,001 - 3,000	2,401 - 3,600			20%
3,001 - 4,000	3,601 - 4,800			30%
4,001 - 5,000	4,801 - 6,000			40%
5,001 - 6,000	6,001 - 7,200			50%

1	6,001 - 7,000	7,201 - 8,400	60%
2	7,001 - 8,000	8,401 - 9,600	70%
3	8,001 - 9,000	9,601 - 10,800	80%
4	9,001 - 10,000	10,801 - 12,000	90%

5 (ii) The income levels contained in the table in
 6 subsection (2)(b)(i) must be adjusted for inflation annually
 7 by the department of revenue. The adjustment to the income
 8 levels is determined by:

9 (A) multiplying the appropriate dollar amount from the
 10 table in subsection (2)(b)(i) by the ratio of the PCE for
 11 the second quarter of the year prior to the year of
 12 application to the PCE for the second quarter of 1986; and

13 (B) rounding the product thus obtained to the nearest
 14 whole dollar amount.

15 (iii) "PCE" means the implicit price deflator for
 16 personal consumption expenditures as published quarterly in
 17 the Survey of Current Business by the bureau of economic
 18 analysis of the U.S. department of commerce.

19 (c) Property described in subsection (1)(d) is taxed
 20 at one-half the taxable percentage rate established in
 21 subsection (2)(a).

22 ~~(3) After July 17, 1986, no adjustment may be made by~~
 23 ~~the department to the taxable percentage rate for class four~~
 24 ~~property until a revaluation has been made as provided in~~
 25 ~~15-7-111.~~

1 ~~(4)~~(3) Within the meaning of comparable property as
 2 defined in 15-1-101, property assessed as commercial
 3 property is comparable only to other property assessed as
 4 commercial property, and property assessed as other than
 5 commercial property is comparable only to other property
 6 assessed as other than commercial property.

7 (4) For the purposes of this section, all mobile homes
 8 are considered to be improvements."

9 **SECTION 4. SECTION 15-6-135, MCA, IS AMENDED TO READ:**

10 "15-6-135. Class five property -- description --
 11 taxable percentage. (1) Class five property includes:

12 (a) all property used and owned by cooperative rural
 13 electrical and cooperative rural telephone associations
 14 organized under the laws of Montana, except property owned
 15 by cooperative organizations described in subsection (1)(b)
 16 of 15-6-137;

17 (b) air and water pollution control equipment as
 18 defined in this section;

19 (c) new industrial property as defined in this
 20 section;

21 (d) any personal or real property used primarily in
 22 the production of gasohol during construction and for the
 23 first 3 years of its operation;

24 (e) all land and improvements and all personal
 25 property owned by a research and development firm, provided

1 that the property is actively devoted to research and
 2 development;

3 (f) machinery and equipment used in electrolytic
 4 reduction facilities;

5 (g) machinery and equipment used in canola seed oil
 6 processing facilities provided that the operators of such
 7 facilities employ a minimum of 15 full-time employees and
 8 locate in the state of Montana after [the effective date of
 9 this act].

10 (2) (a) "Air and water pollution equipment" means
 11 facilities, machinery, or equipment used to reduce or
 12 control water or atmospheric pollution or contamination by
 13 removing, reducing, altering, disposing, or storing
 14 pollutants, contaminants, wastes, or heat. The department of
 15 health and environmental sciences shall determine if such
 16 utilization is being made.

17 (b) The department of health and environmental
 18 sciences' determination as to air and water pollution
 19 equipment may be appealed to the board of health and
 20 environmental sciences and may not be appealed to either a
 21 county tax appeal board or the state tax appeal board.
 22 However, the appraised value of the equipment as determined
 23 by the department of revenue may be appealed to the county
 24 tax appeal board and the state tax appeal board.

25 (3) "New industrial property" means any new industrial

1 plant, including land, buildings, machinery, and fixtures,
2 used by new industries during the first 3 years of their
3 operation. The property may not have been assessed within
4 the state of Montana prior to July 1, 1961.

5 (4) (a) "New industry" means any person, corporation,
6 firm, partnership, association, or other group that
7 establishes a new plant in Montana for the operation of a
8 new industrial endeavor, as distinguished from a mere
9 expansion, reorganization, or merger of an existing
10 industry.

11 (b) New industry includes only those industries that:

12 (i) manufacture, mill, mine, produce, process, or
13 fabricate materials;

14 (ii) do similar work, employing capital and labor, in
15 which materials unserviceable in their natural state are
16 extracted, processed, or made fit for use or are
17 substantially altered or treated so as to create commercial
18 products or materials; or

19 (iii) engage in the mechanical or chemical
20 transformation of materials or substances into new products
21 in the manner defined as manufacturing in the 1972 Standard
22 Industrial Classification Manual prepared by the United
23 States office of management and budget.

24 (5) New industrial property does not include:

25 (a) property used by retail or wholesale merchants,

1 commercial services of any type, agriculture, trades, or
2 professions;

3 (b) a plant that will create adverse impact on
4 existing state, county, or municipal services; or

5 (c) property used or employed in any industrial plant
6 that has been in operation in this state for 3 years or
7 longer; or

8 (d) property otherwise classified as class five
9 property.

10 (6) "Canola seed oil processing facility" means a
11 facility that:

12 (a) extracts oil from canola seeds, refines the crude
13 oil to produce edible oil, formulates and packages the
14 edible oil into food products, or engages in any one or more
15 of those processes; and

16 (b) employs at least 15 employees in a full-time
17 capacity.

18 ~~(6)(7)~~ Class five property is taxed at 3% of its
19 market value."

20 **Section 5.** Section 15-6-136, MCA, is amended to read:

21 **"15-6-136. Class six property -- description --**
22 **taxable percentage. (1) Class six property includes:**

23 (a) livestock and other species of domestic animals
24 and wildlife raised in domestication or a captive
25 environment, except for cats, dogs, and other household pets

1 not raised for profit;

2 (b) items of personal property intended for rent or
3 lease in the ordinary course of business, provided each item
4 of personal property satisfies all of the following:

5 (i) the full and true value of the personal property
6 is less than \$5,000;

7 (ii) the personal property is owned by a business whose
8 primary business income is from rental or lease of personal
9 property to individuals wherein no one customer of the
10 business accounts for more than 10% of the total rentals or
11 leases during a calendar year; and

12 (iii) the lease of the personal property is generally
13 on an hourly, daily, or weekly basis; and

14 (c) machinery and equipment used in a malting barley
15 facility.

16 (2) "Malting barley facility" means a facility the
17 principal purpose of which is to malt malting barley. The
18 term does not apply to a facility the principal purpose of
19 which is to store, mix, blend, transport, transfer, or
20 otherwise do anything with malting barley, except malt
21 malting barley. However, any machinery or equipment the
22 principal purpose of which is to store, mix, blend,
23 transport, transfer, or otherwise handle malting barley or
24 other machinery or equipment that is used in or is otherwise
25 an integral part of a facility that malts malting barley is

1 machinery or equipment of a malting barley facility for the
2 purposes of this section.

3 (3) Class six property is taxed at 4% of its market
4 value."

5 **Section 6.** Section 15-6-138, MCA, is amended to read:

6 "15-6-138. Class eight property -- description --
7 taxable percentage. (1) Class eight property includes:

8 (a) all agricultural implements and equipment;
9 (b) all mining machinery, fixtures, equipment, tools
10 that are not exempt under 15-6-201(1)(r), and supplies
11 except:

12 ~~(i)~~ those included in class five; and

13 ~~(ii) coal and ore haulers;~~

14 (c) all manufacturing machinery, fixtures, equipment,
15 tools that are not exempt under 15-6-201(1)(r), and supplies
16 except those included in class five;

17 (d) all trailers, including those prorated under
18 15-24-102, except those subject to taxation under
19 61-3-504(2);

20 (e) all goods and equipment intended for rent or
21 lease, except goods and equipment specifically included and
22 taxed in another class;

23 (f) buses and trucks having a rated capacity of more
24 than 1 ton, including those prorated under 15-24-102; and

25 (g) all other machinery except that specifically

1 included in another class;

2 (h) truck toppers weighing more than 300 pounds;

3 ~~(i) furniture, fixtures, and equipment, except that~~

4 ~~specifically included in another class used in commercial~~

5 ~~establishments as defined in this section;~~

6 (I) FURNITURE, FIXTURES, AND EQUIPMENT, EXCEPT THAT

7 SPECIFICALLY INCLUDED IN ANOTHER CLASS, USED IN COMMERCIAL

8 ESTABLISHMENTS AS DEFINED IN THIS SECTION;

9 ~~(j)(I)(J) x-ray and medical and dental equipment;~~

10 ~~(k)(J)(K) citizens' band radios and mobile telephones;~~

11 ~~(l)(K)(L) radio and television broadcasting and~~

12 ~~transmitting equipment;~~

13 ~~(m)(L)(M) cable television systems;~~

14 ~~(n)(M)(N) coal and ore haulers;~~

15 ~~(o)(N)(O) theater projectors and sound equipment; and~~

16 ~~(p)(O)(P) all other property not included in any other~~

17 ~~class in this part except that property subject to a fee in~~

18 ~~lieu of property tax.~~

19 (3) "Commercial establishment" means any hotel; motel;

20 office; petroleum marketing station; or service, wholesale,

21 retail, or food-handling business.

22 (2)(4) Class eight property is taxed at ~~11%~~ ~~10.9%~~ ~~11%~~

23 9.6% of its market value."

24 Section 7. Section 15-6-145, MCA, is amended to read:

25 "15-6-145. Class fifteen property -- description --

1 taxable percentage. (1) Class fifteen property includes all

2 railroad transportation property as described in the

3 Railroad Revitalization and Regulatory Reform Act of 1976 as

4 it read on January 1, 1986, and all airline transportation

5 property as described in the Tax Equity and Fiscal

6 Responsibility Act of 1982 as it read on January 1, 1986.

7 (2) For the taxable year beginning January 1, 1986,

8 and for each taxable year thereafter, class fifteen property

9 is taxed at the percentage rate "R", to be determined by the

10 department as provided in subsection (3), or 12%, whichever

11 is less.

12 (3) R = A/B where:

13 (a) A is the total statewide taxable value of all

14 commercial property, except class fifteen property, as

15 commercial property is described in 15-1-101(1)(d),

16 including class 1 and class 2 property; and

17 (b) B is the total statewide market value of all

18 commercial property, except class fifteen property, as

19 commercial property is described in 15-1-101(1)(d),

20 including class 1 and class 2 property.

21 (4) (a) For the taxable year beginning January 1,

22 1986, and for every taxable year thereafter, the department

23 shall conduct a sales assessment ratio study of all

24 commercial and industrial real property and improvements.

25 The study must be based on:

1 (i) assessments of such property as of January 1 of
2 the year for which the study is being conducted; and

3 (ii) a statistically valid sample of sales using data
4 from realty transfer certificates filed during the same
5 taxable year or from the immediately preceding taxable year,
6 but only if a sufficient number of certificates is
7 unavailable from the current taxable year to provide a
8 statistically valid sample.

9 (b) The department shall determine the value-weighted
10 mean sales assessment ratio "M" for all such property and
11 reduce the taxable value of property described in subsection
12 (4) only, by multiplying the total statewide taxable value
13 of property described in subsection (4) by "M" prior to
14 calculating "A" in subsection (3).

15 (c) The adjustment referred to in subsection (4)(b)
16 will be made beginning January 1, 1986, and in each
17 subsequent tax year to equalize the railroad taxable values.

18 (5) For the purpose of complying with the Railroad
19 Revitalization and Regulatory Reform Act of 1976, as it read
20 on January 1, 1986, the rate "R" referred to in this section
21 is the equalized average tax rate generally applicable to
22 commercial and industrial property, except class fifteen
23 property, as commercial property is defined in
24 15-1-101(1)(d).

25 (6) For the purpose of complying with the Tax Equity

1 and Fiscal Responsibility Act of 1982, as it read on January
2 1, 1986, the rate "R" referred to in this section is the
3 equalized average tax rate generally applicable to
4 commercial and industrial property, except class fifteen
5 property, as commercial property is defined in
6 15-1-101(1)(d)."

7 **Section 8.** Section 15-6-201, MCA, is amended to read:

8 **"15-6-201. Exempt categories.** (1) The following
9 categories of property are exempt from taxation:

10 (a) the property of:

11 (i) the United States, the state, counties, cities,
12 towns, school districts, except, if congress passes
13 legislation that allows the state to tax property owned by
14 an agency created by congress to transmit or distribute
15 electrical energy, the property constructed, owned, or
16 operated by a public agency created by the congress to
17 transmit or distribute electric energy produced at privately
18 owned generating facilities (not including rural electric
19 cooperatives);

20 (ii) irrigation districts organized under the laws of
21 Montana and not operating for profit;

22 (iii) municipal corporations; and

23 (iv) public libraries;

24 (b) buildings, with land they occupy and furnishings
25 therein, owned by a church and used for actual religious

1 worship or for residences of the clergy, together with
2 adjacent land reasonably necessary for convenient use of the
3 buildings;

4 (c) property used exclusively for agricultural and
5 horticultural societies, for educational purposes, and for
6 nonprofit health care facilities, as defined in 50-5-101,
7 licensed by the department of health and environmental
8 sciences and organized under Title 35, chapter 2 or 3. A
9 health care facility that is not licensed by the department
10 of health and environmental sciences and organized under
11 Title 35, chapter 2 or 3, is not exempt.

12 (d) property that meets the following conditions:

13 (i) is owned and held by any association or
14 corporation organized under Title 35, chapter 2, 3, 20, or
15 21;

16 (ii) is devoted exclusively to use in connection with a
17 cemetery or cemeteries for which a permanent care and
18 improvement fund has been established as provided for in
19 Title 35, chapter 20, part 3; and

20 (iii) is not maintained and operated for private or
21 corporate profit;

22 (e) institutions of purely public charity;

23 (f) evidence of debt secured by mortgages of record
24 upon real or personal property in the state of Montana;

25 (g) public art galleries and public observatories not

1 used or held for private or corporate profit;

2 (h) all household goods and furniture, including but
3 not limited to clocks, musical instruments, sewing machines,
4 and wearing apparel of members of the family, used by the
5 owner for personal and domestic purposes or for furnishing
6 or equipping the family residence;

7 (i) a truck canopy cover or topper weighing less than
8 300 pounds and having no accommodations attached. This
9 property is also exempt from taxation under 61-3-504(2) and
10 61-3-537.

11 (j) a bicycle, as defined in 61-1-123, used by the
12 owner for personal transportation purposes;

13 (k) motor homes, travel trailers, and campers;

14 (l) all watercraft;

15 (m) land, fixtures, buildings, and improvements owned
16 by a cooperative association or nonprofit corporation
17 organized to furnish potable water to its members or
18 customers for uses other than the irrigation of agricultural
19 land;

20 (n) the right of entry that is a property right
21 reserved in land or received by mesne conveyance (exclusive
22 of leasehold interests), devise, or succession to enter land
23 whose surface title is held by another to explore, prospect,
24 or dig for oil, gas, coal, or minerals;

25 (o) property owned and used by a corporation or

1 association organized and operated exclusively for the care
 2 of the developmentally disabled, mentally ill, or
 3 vocationally handicapped as defined in 18-5-101, which is
 4 not operated for gain or profit;

5 (p) all farm buildings with a market value of less
 6 than \$500 and all agricultural implements and machinery with
 7 a market value of less than \$100;

8 (q) property owned by a nonprofit corporation
 9 organized to provide facilities primarily for training and
 10 practice for or competition in international sports and
 11 athletic events and not held or used for private or
 12 corporate gain or profit. For purposes of this subsection
 13 (q), "nonprofit corporation" means an organization exempt
 14 from taxation under section 501(c) of the Internal Revenue
 15 Code and incorporated and admitted under the Montana
 16 Nonprofit Corporation Act.

17 (r) provided the tools are owned by the taxpayer, the
 18 first \$15,000 or less of market value of tools that are
 19 customarily hand-held and that are used to:

20 (i) construct, repair, and maintain improvements to
 21 real property; or

22 (ii) repair and maintain machinery, equipment,
 23 appliances, or other personal property;

24 (s) harness, saddlery, and other tack equipment; and

25 (t) a title plant owned by a title insurer or a title

1 agent, as those terms are defined in 33-25-105; and
 2 (u) all aircraft that are not considered airline
 3 transportation property as described in the Tax Equity and
 4 Fiscal Responsibility Act of 1982 and thereby included in
 5 ~~15-6-147~~ 15-6-145.

6 (2) (a) The term "institutions of purely public
 7 charity" includes organizations owning and operating
 8 facilities for the care of the retired or aged or
 9 chronically ill, which are not operated for gain or profit.

10 (b) The terms "public art galleries" and "public
 11 observatories" include only those art galleries and
 12 observatories, whether of public or private ownership, that
 13 are open to the public without charge at all reasonable
 14 hours and are used for the purpose of education only.

15 (3) The following portions of the appraised value of a
 16 capital investment made after January 1, 1979, in a
 17 recognized nonfossil form of energy generation, as defined
 18 in 15-32-102, are exempt from taxation for a period of 10
 19 years following installation of the property:

20 (a) \$20,000 in the case of a single-family residential
 21 dwelling;

22 (b) \$100,000 in the case of a multifamily residential
 23 dwelling or a nonresidential structure."

24 **Section 9.** Section 15-8-205, MCA, is amended to read:
 25 "15-8-205. Initial assessment of ~~class-twelve~~ property

1 ----when mobile homes. The county assessor shall assess all
 2 ~~class-twelve-property~~ mobile homes immediately upon their
 3 arrival in the county if the taxes have not been previously
 4 paid for that year in another county in Montana."

5 **Section 10.** Section 15-10-402, MCA, is amended to
 6 read:

7 "15-10-402. Property tax limited to 1986 levels. (1)
 8 Except as provided in subsections (2) and (3), the amount of
 9 taxes levied on property described in 15-6-133, 15-6-134,
 10 15-6-136, ~~15-6-139~~, ~~15-6-142~~, and 15-6-144 may not, for any
 11 taxing jurisdiction, exceed the amount levied for taxable
 12 year 1986.

13 (2) The limitation contained in subsection (1) does
 14 not apply to levies for rural improvement districts, Title
 15 7, chapter 12, part 21; special improvement districts, Title
 16 7, chapter 12, part 41; or bonded indebtedness.

17 (3) New construction or improvements to or deletions
 18 from property described in subsection (1) are subject to
 19 taxation at 1986 levels.

20 (4) As used in this section, the "amount of taxes
 21 levied" and the "amount levied" mean the actual dollar
 22 amount of taxes imposed on an individual piece of property,
 23 notwithstanding an increase or decrease in value due to
 24 inflation, reappraisal, adjustments in the percentage
 25 multiplier used to convert appraised value to taxable value,

1 changes in the number of mills levied, or increase or
 2 decrease in the value of a mill."

3 **Section 11.** Section 15-16-611, MCA, is amended to
 4 read:

5 "15-16-611. Reduction of property tax for property
 6 destroyed by natural disaster. (1) The department of revenue
 7 shall, upon showing by a taxpayer that some or all of the
 8 improvements on his real property or a trailer or mobile
 9 home ~~as described in 15-6-142~~ have been destroyed to such an
 10 extent that such improvements have been rendered unsuitable
 11 for their previous use by natural disaster, adjust the
 12 taxable value on the property, accounting for the
 13 destruction.

14 (2) The county treasurer shall adjust the tax due and
 15 payable for the current year on the property under 15-16-102
 16 as provided in subsection (3) of this section.

17 (3) To determine the amount of tax due for destroyed
 18 property, the county treasurer shall:

19 (a) multiply the amount of tax levied and assessed on
 20 the original taxable value of the property for the year by
 21 the ratio that the number of days in the year that the
 22 property existed before destruction bears to 365; and

23 (b) multiply the amount of tax levied and assessed on
 24 the adjusted taxable value of the property for the remainder
 25 of the year by the ratio that the number of days remaining

1 in the year after the destruction of the property bears to
2 365.

3 (4) This section does not apply to delinquent taxes
4 owed on the destroyed property for a year prior to the year
5 in which the property was destroyed.

6 (5) For the purposes of this section, "natural
7 disaster" includes but is not limited to fire, flood,
8 earthquake, or wind."

9 **Section 12.** Section 15-24-1102, MCA, is amended to
10 read:

11 "15-24-1102. Federal property held under contract of
12 sale. When the property is held under a contract of sale or
13 other agreement whereby upon payment the legal title is or
14 may be acquired by the person, the real property ~~shall~~ must
15 be assessed and taxed as defined in ~~15-6-131--through~~
16 ~~15-6-149~~ Title 15, chapter 6, part 1, and 15-8-111 without
17 deduction on account of the whole or any part of the
18 purchase price or other sum due on the property remaining
19 unpaid. The lien for the tax may not attach to, impair, or
20 be enforced against any interest of the United States in the
21 real property."

22 **Section 13.** Section 15-24-1103, MCA, is amended to
23 read:

24 "15-24-1103. Federal property held under lease. When
25 the property is held under lease, other interest, or estate

1 therein less than the fee, except under contract of sale,
2 the property ~~shall~~ must be assessed and taxed as for the
3 value, as ~~defined in 15-6-131 through 15-6-149~~ set forth in
4 Title 15, chapter 6, part 1, of such the leasehold,
5 interest, or estate in the property and the lien for the tax
6 shall attach to and be enforced against only the leasehold,
7 interest, or estate in the property. When the United States
8 authorizes the taxation of the property for the full
9 assessed value of the fee thereof, the property ~~shall~~ must
10 be assessed for full assessed value as defined in 15-8-111."

11 **Section 14.** Section 67-3-204, MCA, is amended to read:

12 "67-3-204. Fee in lieu of tax on registered aircraft
13 -- decal. (1) Except as provided in subsection (3), aircraft
14 required to be registered in Montana are subject to a fee.
15 The registration fee is in lieu of property tax.

16 (2) The department shall issue a decal to the owner of
17 the aircraft required to be registered at the time of
18 payment of the registration fee in lieu of tax, as provided
19 in 67-3-201. No aircraft subject to a fee in lieu of tax may
20 be operated in this state unless there is displayed on the
21 aircraft a decal as visual proof that the fee in lieu of tax
22 has been paid for the aircraft and that the aircraft is
23 registered for the current year.

24 (3) Aircraft that meet the description of property
25 described in 15-6-147 15-6-145 are exempt from the fee

1 imposed by subsection (1). Aircraft subject to the fee in
 2 lieu of tax are exempt from all other taxation."

3 NEW SECTION. Section 15. Repealer. Sections 15-6-139,
 4 15-6-140, 15-6-142, 15-6-146 through 15-6-148, 15-6-150, and
 5 15-6-155, MCA, are repealed.

6 NEW SECTION. Section 16. Code commissioner
 7 instruction. (1) The code commissioner is instructed to
 8 change the property class designation for sections in Title
 9 15, chapter 6, part 1, as follows:

10 (a) property in 15-6-141 is redesignated as class
 11 nine;

12 (b) property in 15-6-143 is redesignated as class ten;

13 (c) property in 15-6-144 is redesignated as class
 14 eleven;

15 (d) property in 15-6-145 is redesignated as class
 16 twelve;

17 (e) property in 15-6-149 is redesignated as class
 18 thirteen.

19 (2) The code commissioner is instructed to change all
 20 property class references in the Montana Code Annotated to
 21 reflect the redesignations as set forth in subsection (1).

22 NEW SECTION. SECTION 17. SEVERABILITY. IT IS THE
 23 INTENT OF THE LEGISLATURE THAT [SECTION 4] IS VOID UNLESS A
 24 NEW FACILITY EMPLOYING AT LEAST 15 EMPLOYEES IN THE
 25 PROCESSING OF CANOLA SEED OIL LOCATES IN THE STATE OF

1 MONTANA AFTER [THE EFFECTIVE DATE OF THIS ACT].

2 NEW SECTION. Section 18. Effective date. [This act]
 3 is effective on passage and approval.

4 NEW SECTION. Section 19. Applicability. [This act]
 5 applies to taxable years beginning after December 31, 1989.

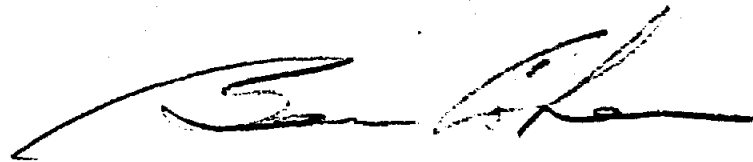
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SPONSOR'S FISCAL NOTE

Form BD-15S

There is hereby submitted a Sponsor's Fiscal Note for: HB 48, Version: Second Reading

See attached for fiscal note information.



6/29/89

PRIMARY SPONSOR DATE

Fiscal Note for: HB 48 Version: Second Reading

HB 48

AS Amendment HB 48

Estimated Change in Taxable Value and Taxes Due to Changes in Tax Rates By Property Type

Property Type	1988 Tax rate	Proposed Tax rate	1988 Taxable Value	Proposed Taxable Value	Change in Taxable Value	1988 Taxes Levied by State, County and Schools
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Property Description	Proposed Rates
Class 1 Net Proceeds	1.000000
Class 2 Strip Coal GP	0.450000
Class 2 Metal Mines GP	0.030000
Class 2 Undgrd Coal GP	0.333000
Class 3 Ag & mine clai	0.300000
Class 4 Real Property	0.041500
Class 5 New Ind, Poll	0.030000
Class 6 Livestock & re	0.040000
Class 7 Ind, Rural Tele	0.080000
Class 8 PERS PROPERTY	0.109000
Class 9 Utilities	0.120000
Class 10 Timber Land	0.038400
Class 11 Airlines	0.120000
Class 11 Railroads	0.109700
Class 12 Farmstead, im	0.033200
Class 13 Under 20 A no	0.020000

Taxable Value	1,937,328,736
Proposed Tax Value	1,939,735,693
Change in Tax Value	2,406,957
Taxes ST, CO, SCH	436,479,370
Taxes Cities & Towns	43,807,225
Total Taxes	480,286,595
Proposed Total Taxes	480,136,319
Change in Taxes	(150,275)

Furniture + Fixtures - Removed
 Personal Property 10.9%
 Real Property 4.15% (7.5% inc.)

Estimated Change in Taxable Value and Taxes
Due to Changes in Tax Rates
By Property Type

Property Type	1988 Tax rate	Proposed Tax rate	1988 Taxable Value	Proposed Taxable Value	Change in Taxable Value	1988 Taxes Levied by State, County and Schools	1988 Taxes Levied by Cities and Towns	Total 1988 Taxes Levied	Total Proposed Taxes Levied	Change in Taxes Levied	Avg Mill Levy
1 Net Proceeds	100.000%	100.000%	279,816,735	279,816,735	0	44,469,516	3,854	44,473,369	44,473,369	0	158.94
2 Gross Proceeds of Coal Strip Mines	45.000%	45.000%	122,610,046	122,610,046	0	13,498,902	0	13,498,902	13,498,902	0	110.10
3 Gross Proceeds of Metal Mines	3.000%	3.000%	7,887,795	7,887,795	0	2,142,285	8,818	2,151,104	2,151,104	0	272.71
4 Gross Proceeds of Underground Coal	33.300%	33.300%	0	0	0	0	0	0	0	0	0.00
Class 2 Totals			130,497,841	130,497,841	0	15,641,187	8,818	15,650,005	15,650,005	0	119.93
5 Eligible Mining Claims	30.000%	30.000%	8,805	8,805	0	2,089	2,561	4,650	4,650	0	528.13
5 Grazing Land	30.000%	30.000%	38,374,487	38,374,487	0	8,683,151	1,196	8,684,347	8,684,347	0	226.31
5 Tillable Irrigated	30.000%	30.000%	13,774,339	13,774,339	0	3,266,918	2,599	3,269,517	3,269,517	0	237.36
5 Tillable Non-Irrigated	30.000%	30.000%	83,394,245	83,394,245	0	19,236,449	705	19,237,154	19,237,154	0	230.68
5 Wild Hay	30.000%	30.000%	5,536,827	5,536,827	0	1,341,685	233	1,341,917	1,341,917	0	242.36
Class 3 Totals			141,088,703	141,088,703	0	32,530,292	7,294	32,537,585	32,537,585	0	230.62
6 City/Town Lots Commercial	3.860%	4.150%	35,613,176	38,288,777	2,675,601	10,128,113	3,346,750	13,474,863	14,487,224	1,012,360	378.37
6 City/Town Lots Residential	3.860%	4.150%	54,481,389	58,574,550	4,093,161	15,536,887	4,757,757	20,294,644	21,819,371	1,524,727	372.51
6 Exempt Improvements	0.000%	0.000%	0	0	0	0	0	0	0	0	0.00
6 Exempt Land	0.000%	0.000%	0	0	0	0	0	0	0	0	0.00
6 Farmstead 1 Acre - Low Income	1.90%	2.04%	32,401	34,837	2,436	8,253	12	8,265	8,886	621	255.09
6 Improved Existing Improvements	2.140%	2.301%	70,004	75,271	5,267	21,231	8,374	27,605	29,681	2,077	394.33
6 Impr. on Ag Land - Low Income	1.36%	1.47%	126,085	135,985	9,900	31,769	83	31,852	34,252	2,400	252.62
6 Impr. on City/Town Lots Commercial	3.860%	4.150%	100,178,185	107,704,525	7,526,340	28,809,103	9,189,769	37,998,872	40,853,709	2,854,838	379.31
6 Impr. on City/Town Lots Residential	3.860%	4.150%	170,680,043	183,503,155	12,823,112	48,979,204	14,475,081	63,454,286	68,221,576	4,767,291	371.77
6 Impr. on Class 20 Out of Production	3.860%	4.150%	0	0	0	0	0	0	0	0	0.00
6 Impr. on Disparately Owned Ag Land	3.860%	4.150%	765,041	822,518	57,477	166,234	7,396	173,631	186,675	13,045	226.96
6 Impr. on Hydraulic Power Works	3.860%	4.150%	0	0	0	0	0	0	0	0	0.00
6 Impr. on Industrial Sites	3.860%	4.150%	22,778,451	24,489,785	1,711,334	5,987,132	467,658	6,454,790	6,939,735	484,945	283.37
6 Impr. on Qualified Golf Courses	1.930%	2.075%	441,140	474,283	33,143	129,589	5,807	135,395	145,567	10,172	306.92
6 Impr. on Right of Way	3.860%	4.150%	811,446	872,410	60,964	199,679	62,011	261,690	281,351	19,661	322.50
6 Impr. on Suburban Tracts Commercial	3.860%	4.150%	23,302,089	25,052,764	1,750,675	6,667,702	300,587	6,968,289	7,491,813	523,524	299.04
6 Impr. on Suburban Tracts Residential	3.860%	4.150%	103,533,799	111,312,245	7,778,446	29,303,876	103,401	29,407,279	31,616,634	2,209,355	284.04
6 Impr. on Tracts and Lots - Low Income	2.258%	2.428%	3,740,799	4,022,436	281,637	1,079,391	216,307	1,295,698	1,393,249	97,550	346.37
6 Industrial Sites	3.860%	4.150%	2,828,515	3,041,020	212,505	824,352	67,911	892,263	959,299	67,035	315.45
6 Mobile Homes	3.860%	4.150%	15,217,826	16,361,136	1,143,308	4,119,111	392,775	4,511,886	4,850,866	338,976	296.43
6 Mobile Homes - Retired and Disabled	2.22%	2.393%	274,025	294,583	20,558	77,518	9,932	87,449	94,010	6,561	319.13
6 Qualified Golf Courses	1.930%	2.075%	199,805	214,816	15,011	57,744	3,088	60,832	65,402	4,570	304.46
6 Suburban Tracts Commercial	3.860%	4.150%	8,628,060	9,276,282	648,222	2,461,883	97,328	2,559,211	2,751,483	192,272	296.61
6 Suburban Tracts Residential	3.860%	4.150%	56,384,527	60,620,670	4,236,143	15,834,842	61,018	15,895,860	17,090,108	1,194,249	281.92
6 Suburban Tracts - Low Income	2.28%	2.453%	1,347,506	1,448,490	100,974	379,549	82,404	461,952	496,568	34,616	342.82
Adjustment for 20% Exempt of 1st \$40,000	3.73%	4.018%	0	0	0	0	0	0	0	0	339.95
Class 4 Totals			601,434,314	646,620,130	45,185,816	170,803,163	33,653,452	204,456,614	219,817,460	15,360,846	339.95
7 Air and H2O Pollution Control	3.000%	3.000%	14,099,825	14,099,825	0	2,113,820	53,929	2,167,748	2,167,748	0	153.74
7 Air General Related Property	3.000%	3.000%	550	550	0	137	0	137	137	0	249.09
7 Impr. on New Industrial Sites	3.000%	3.000%	1,066,977	1,066,977	0	409,893	444	410,337	410,337	0	383.86
7 Locally Assessed Co-op Improvements	3.000%	3.000%	10,140	10,140	0	2,532	176	2,708	2,708	0	267.10
7 Locally Assessed Co-op Land	3.000%	3.000%	65,602	65,602	0	15,638	7,346	22,984	22,984	0	350.36
7 Locally Assessed Co-op Pers. Prop.	3.000%	3.000%	558,390	558,390	0	120,349	1,646	121,994	121,994	0	218.48
7 Locally Assessed Co-op Vehicles	3.000%	3.000%	47,579	47,579	0	10,662	2,523	13,186	13,186	0	277.13
7 New Industrial Sites	3.000%	3.000%	4,470	4,470	0	1,289	318	1,607	1,607	0	359.43

Estimated Change in Taxable Value and Taxes
Due to Changes in Tax Rates
By Property Type

Property Type	1988 Tax rate	Proposed Tax rate	1988 Taxable Value	Proposed Taxable Value	Change in Taxable Value	1988 Taxes Levied by State, County and Schools	1988 Taxes Levied by Cities and Towns	Total 1988 Taxes Levied	Total Proposed Taxes Levied	Change in Taxes Levied	Avg Mill Levy
7 New Industry - Other Property	3.000%	3.000%	2,247,362	2,247,362	0	760,770	703	761,474	761,474	(0)	338.83
7 R & D Improved Improvements	0.000%	3.000%	0	0	0	0	0	0	0	0	0.00
7 R & D Improvements	3.000%	3.000%	20,310	20,310	0	4,671	0	4,671	4,671	0	229.98
7 R & D Land	3.000%	3.000%	876	876	0	201	0	201	201	0	229.98
7 R & D Personal Property	3.000%	3.000%	15,053	15,053	0	3,462	0	3,462	3,462	0	229.98
7 Rural Co-op companies	3.000%	3.000%	8,957,521	8,957,521	0	2,097,978	71,347	2,169,326	2,169,326	0	242.18
Class 5 Totals			27,096,655	27,096,655	0	5,541,403	138,432	5,679,835	5,679,835	(0)	209.61
8 Rental Equipment	4.000%	4.000%	200,346	200,346	0	55,644	14,247	69,891	69,891	0	348.85
8 Cattle	4.000%	4.000%	20,255,833	20,255,833	0	4,662,144	563	4,662,707	4,662,707	0	230.19
8 Horses	4.000%	4.000%	953,034	953,034	0	232,457	854	233,311	233,311	0	244.81
8 Other Livestock	4.000%	4.000%	57,024	57,024	0	13,675	70	13,745	13,745	0	241.04
8 Sheep	4.000%	4.000%	626,679	626,679	0	137,603	6	137,609	137,609	0	219.58
8 Swine	4.000%	4.000%	109,008	109,008	0	24,883	13	24,696	24,696	0	226.55
Class 6 Totals			22,201,924	22,201,924	0	5,126,206	15,753	5,141,959	5,141,959	0	231.60
9 Indep. Telephone Companies	8.000%	8.000%	626,129	626,129	0	162,372	1,869	164,240	164,240	0	262.31
9 Rural Telephone Property	8.000%	8.000%	67,291	67,291	0	22,584	0	22,584	22,584	0	335.62
Class 7 Totals			693,420	693,420	0	184,956	1,869	186,825	186,825	0	269.42
10 Ag Implements	11.000%	10.900%	55,254,775	54,752,459	(502,316)	12,646,643	10,684	12,657,327	12,542,260	(115,067)	229.07
10 All Other Property	16.000%	10.900%	168,127	114,537	(53,590)	38,507	7,067	45,574	31,047	(14,527)	271.07
10 Buses	13.000%	10.900%	171,932	144,158	(27,774)	41,063	2,543	43,606	36,562	(7,044)	253.62
10 Cable TV Systems	16.000%	10.900%	1,709,878	1,164,854	(545,024)	480,855	110,774	591,629	403,047	(188,582)	346.01
10 CB's and Mobile Phones	13.000%	10.900%	184,541	154,731	(29,810)	45,245	3,589	48,834	40,946	(7,889)	264.63
10 Coal and Ore Haulers	16.000%	10.900%	3,224,825	2,196,912	(1,027,913)	553,235	119	553,354	376,972	(176,382)	171.59
10 Furniture and Fixtures	13.000%	0.000%	41,280,363	0	(41,280,363)	11,847,420	3,230,732	15,078,153	0	(15,078,153)	365.26
10 Machin. other than Farm, Min., Manuf.	11.000%	10.900%	24,999,646	24,772,376	(227,270)	5,307,513	188,015	5,495,527	5,445,568	(49,959)	219.82
10 Manufacturing Machinery	11.000%	10.900%	72,949,075	72,285,842	(663,173)	18,901,398	670,664	19,572,062	19,394,134	(177,928)	268.30
10 Mining Machinery	11.000%	10.900%	1,327,230	1,315,164	(12,066)	348,428	2,256	348,683	345,513	(3,170)	262.71
10 Oil Field Equipment	11.000%	10.900%	19,797,678	19,617,699	(179,979)	3,128,636	10,544	3,139,380	3,110,840	(28,540)	158.57
10 Radio and TV Broadcasting Equip.	16.000%	10.900%	1,159,617	789,989	(369,628)	339,470	52,926	392,396	267,320	(125,076)	338.36
10 Rental Equipment	11.000%	10.900%	1,587,747	1,573,313	(14,434)	433,415	119,628	553,043	548,015	(5,028)	348.30
10 Ski Lifts	11.000%	10.900%	390,981	387,427	(3,554)	109,343	0	109,343	108,349	(994)	279.66
10 Supplies and Materials	11.000%	10.900%	6,757,722	6,696,285	(61,434)	1,586,903	91,645	1,678,547	1,663,288	(15,260)	248.39
10 Theatre and Sound Equipment	16.000%	10.900%	111,965	76,276	(35,689)	34,338	7,560	41,898	28,543	(13,355)	374.20
10 Trailers	11.000%	10.900%	4,529,825	4,488,645	(41,180)	1,147,122	72,619	1,219,741	1,208,653	(11,089)	269.27
10 Trucks 1 to 1 1/2 Tons	13.000%	10.900%	3,776,989	3,166,860	(610,129)	958,532	90,355	1,048,887	879,451	(169,436)	277.70
10 Trucks over 1 1/2 Tons	11.000%	10.900%	7,614,418	7,545,195	(69,223)	1,897,999	127,262	2,025,261	2,006,850	(18,411)	265.98
Class 8 Totals			246,997,274	201,242,726	(45,754,548)	59,844,263	4,798,983	64,643,246	48,437,359	(16,205,887)	261.72
11 Electric Companies	12.000%	12.000%	143,971,122	143,971,122	0	20,481,725	99,623	20,581,347	20,581,347	(0)	142.95
11 Gas and Electric Companies	12.000%	12.000%	128,159,981	128,159,981	0	27,885,674	1,064,235	28,949,909	28,949,909	0	225.89
11 Natural Gas companies	12.000%	12.000%	978,738	978,738	0	204,781	902	205,683	205,683	0	210.15
11 Pipelines	12.000%	12.000%	43,153,714	43,153,714	0	8,861,126	46,889	8,908,015	8,908,015	0	206.43
11 Telecomm. Companies	12.000%	12.000%	62,137,056	62,137,056	0	17,562,463	3,535,950	21,098,413	21,098,413	0	339.55
Class 9 Totals			378,400,611	378,400,611	0	74,995,769	4,747,598	79,743,367	79,743,367	(0)	210.74

Estimated Change in Taxable Value and Taxes
Due to Changes in Tax Rates
By Property Type

Property Type	1988 Tax rate	Proposed Tax rate	1988 Taxable Value	Proposed Taxable Value	Change in Taxable Value	1988 Taxes Levied by State, County and Schools	1988 Taxes Levied by Cities and Towns	Total 1988 Taxes Levied	Total Proposed Taxes Levied	Change in Taxes Levied	Avg Mill Levy
12 Timber Land	3.840%	3.840%	6,488,624	6,488,624	0	1,823,258	149	1,823,407	1,823,407	0	281.02
13 Airlines	12.000%	11.705%	6,083,033	5,933,492	(149,541)	1,854,517	62,778	1,917,295	1,870,161	(47,134)	315.19
14 Railroads	10.970%	10.700%	41,311,729	40,294,941	(1,016,788)	10,286,609	360,329	10,646,938	10,384,889	(262,049)	257.72
Class 11 Totals			47,394,762	46,228,433	(1,166,329)	12,141,125	423,107	12,564,233	12,255,051	(309,182)	265.10
15 Farmstead 1 Acre	3.088%	3.320%	3,857,875	4,147,715	289,840	1,004,984	740	1,005,724	1,081,283	75,560	260.69
15 Impr. on Ag and Timber Land	3.088%	3.320%	51,273,818	55,125,996	3,852,178	12,350,522	6,646	12,357,168	13,285,557	928,388	241.00
Class 12 Totals			55,131,693	59,273,711	4,142,018	13,355,505	7,387	13,362,892	14,366,840	1,003,948	242.38
16 Nonproductive Land Under 20 Acres	2.000%	2.000%	86,180	86,180	0	22,727	530	23,256	23,256	(0)	269.86
Class 1 thru 13 Totals			1,937,328,736	1,939,735,693	2,406,957	436,479,370	43,807,225	480,286,595	480,136,319	(150,275)	247.91

SPONSOR'S FISCAL NOTE

Form BD-15S

There is hereby submitted a Sponsor's Fiscal Note for: HB 48, Version: Second Reading (As Amended)

See attached Fiscal Note Information on House Bill 48 (as amended in Committee of the Whole)



PRIMARY SPONSOR

7/8/09

DATE

Fiscal Note for: HB 48 Version: Second Reading (As Amended)

HB 48

SECOND PRINTING

Alt p to print ; Alt w for window

Property Description	Proposed Rates		
Class 1 Net Proceeds	1.000000		
Class 2 Strip Coal GP	0.450000	Taxable Value	1,937,328.736
Class 2 Metal Mines GP	0.030000	Proposed Tax Value	1,896,466.590
Class 2 Undgrd Coal GP	0.333000	Change in Tax Value	(40,862,146)
Class 3 Ag & mine clai	0.300000	Taxes ST,CO,SCM	436,479,370
Class 4 Real Property	0.038600	Taxes Cities & Towns	43,807,225
Class 5 New Ind. Poll	0.030000	Total Taxes	480,286,595
Class 6 Livestock & re	0.040000	Proposed Total Taxes	469,016,859
Class 7 Ind,Rural Tele	0.060000	Change in Taxes	(11,269,735)
Class 8 PERS PROPERTY	0.096000		
Class 9 Utilities	0.120000		
Class 10 Timber Land	0.038400		
Class 11 Airlines	0.120000		
Class 11 Railroads	0.109700		
Class 12 Farmstead, 1m	0.030880		
Class 13 Under 20 A no	0.020000		
Class 14 Exempted	0.000000		

HB 48 as Amended on Floor,
+ Passed 2nd + 3rd reading

Estimated Change in Taxable Value and Taxes
Due to Changes in Tax Rates
By Property Type

Property Type	1988 Tax rate	Proposed Tax rate	1988 Taxable Value	Proposed Taxable Value	Change in Taxable Value	1988 Taxes Levied by State, County and Schools	1988 Taxes Levied by Cities and Towns	Total 1988 Taxes Levied	Total Proposed Taxes Levied	Change in Taxes Levied	Avg Mill Levy
1 Net Proceeds	100.000%	100.000%	279,816,735	279,816,735	0	44,469,516	3,854	44,473,369	44,473,369	0	158.94
2 Gross Proceeds of Coal Strip Mines	45.000%	45.000%	122,610,046	122,610,046	0	13,498,902	0	13,498,902	13,498,902	0	110.10
3 Gross Proceeds of Metal Mines	3.000%	3.000%	7,887,795	7,887,795	0	2,142,285	8,818	2,151,104	2,151,104	0	272.71
4 Gross Proceeds of Underground Coal	33.300%	33.300%	0	0	0	0	0	0	0	0	0.00
Class 2 Totals			130,497,841	130,497,841	0	15,641,187	8,818	15,650,005	15,650,005	0	119.93
5 Eligible Mining Claims	30.000%	30.000%	8,805	8,805	0	2,089	2,561	4,650	4,650	0	528.13
5 Grazing Land	30.000%	30.000%	38,374,487	38,374,487	0	8,683,151	1,196	8,684,347	8,684,347	0	226.31
5 Tillable Irrigated	30.000%	30.000%	13,774,339	13,774,339	0	3,266,818	2,599	3,269,517	3,269,517	0	237.36
5 Tillable Non-Irrigated	30.000%	30.000%	83,394,245	83,394,245	0	19,236,449	705	19,237,154	19,237,154	0	230.68
5 Wild Hay	30.000%	30.000%	5,536,827	5,536,827	0	1,341,685	233	1,341,917	1,341,917	0	242.36
Class 3 Totals			141,088,703	141,088,703	0	32,530,292	7,294	32,537,585	32,537,585	0	230.62
6 City/Town Lots Commercial	3.860%	3.860%	35,613,176	35,613,176	0	10,128,113	3,346,750	13,474,863	13,474,863	0	378.37
6 City/Town Lots Residential	3.860%	3.860%	54,481,389	54,481,389	0	15,536,887	4,757,757	20,294,644	20,294,644	0	372.51
6 Exempt Improvements	0.000%	0.000%	0	0	0	0	0	0	0	0	0.00
6 Exempt Land	0.000%	0.000%	0	0	0	0	0	0	0	0	0.00
6 Farmstead 1 Acre - Low Income	1.902%	1.902%	32,401	32,401	0	8,253	12	8,265	8,265	0	255.09
6 Improved Existing Improvements	2.140%	2.140%	70,004	70,004	0	21,231	6,374	27,605	27,605	0	394.33
6 Impr. on Ag Land - Low Income	1.367%	1.367%	126,085	126,085	0	31,769	83	31,852	31,852	0	252.62
6 Impr. on City/Town Lots Commercial	3.860%	3.860%	100,178,185	100,178,185	0	28,809,103	9,189,769	37,998,872	37,998,872	0	379.31
6 Impr. on City/Town Lots Residential	3.860%	3.860%	170,680,043	170,680,043	0	48,979,204	14,475,081	63,454,286	63,454,286	0	371.77
6 Impr. on Class 20 Out of Production	3.860%	3.860%	0	0	0	0	0	0	0	0	0.00
6 Impr. on Disparately Owned Ag Land	3.860%	3.860%	765,041	765,041	0	166,234	7,396	173,631	173,631	0	226.96
6 Impr. on Hydraulic Power Works	3.860%	3.860%	0	0	0	0	0	0	0	0	0.00
6 Impr. on Industrial Sites	3.860%	3.860%	22,778,451	22,778,451	0	5,987,132	467,658	6,454,790	6,454,790	0	283.37
6 Impr. on Qualified Golf Courses	1.930%	1.930%	441,140	441,140	0	129,588	5,807	135,395	135,395	0	306.82
6 Impr. on Right of Way	3.860%	3.860%	811,446	811,446	0	199,679	62,011	261,690	261,690	0	322.50
6 Impr. on Surban Tracts Commercial	3.860%	3.860%	23,302,089	23,302,089	0	6,667,702	300,587	6,968,289	6,968,289	(0)	299.04
6 Impr. on Surban Tracts Residential	3.860%	3.860%	103,533,799	103,533,799	0	29,303,878	103,401	29,407,279	29,407,279	0	284.04
6 Impr. on Tracts and Lots - Low Income	2.258%	2.258%	3,740,799	3,740,799	0	1,079,391	216,307	1,295,698	1,295,698	0	346.37
6 Industrial Sites	3.860%	3.860%	2,828,515	2,828,515	0	824,352	67,911	892,263	892,263	0	315.45
6 Mobile Homes	3.860%	3.860%	15,217,828	15,217,828	0	4,119,112	392,778	4,511,890	4,511,890	0	296.49
6 Mobile Homes - Retired and Disabled	2.226%	2.226%	274,025	274,025	0	77,518	9,932	87,449	87,449	0	319.13
6 Qualified Golf Courses	1.930%	1.930%	199,805	199,805	0	57,744	3,088	60,832	60,832	0	304.46
6 Suburban Tracts Commercial	3.860%	3.860%	8,628,060	8,628,060	0	2,461,883	97,328	2,559,211	2,559,211	0	296.61
6 Suburban Tracts Residential	3.860%	3.860%	56,384,527	56,384,527	0	15,834,842	61,018	15,895,860	15,895,860	0	281.92
6 Suburban Tracts - Low Income	2.282%	2.282%	1,347,506	1,347,506	0	379,548	82,404	461,952	461,952	0	342.82
6 Adjustment for 20% Exemp. of 1st \$40,000	3.737%	3.737%	0	0	0	0	0	0	0	0	339.95
Class 4 Totals			601,434,314	601,434,314	0	170,803,163	33,653,452	204,456,614	204,456,614	(0)	339.95
7 Air and H2O Pollution Control	3.000%	3.000%	14,099,825	14,099,825	0	2,113,820	53,929	2,167,748	2,167,748	0	153.74
7 All Gasohol Related Property	3.000%	3.000%	550	550	0	137	0	137	137	0	249.09
7 Impr. on New Industrial Sites	3.000%	3.000%	1,068,977	1,068,977	0	409,893	444	410,337	410,337	0	383.86
7 Locally Assessed Co-op Improvements	3.000%	3.000%	10,140	10,140	0	2,532	176	2,708	2,708	0	267.10
7 Locally Assessed Co-op Land	3.000%	3.000%	65,602	65,602	0	15,638	7,346	22,984	22,984	0	350.36
7 Locally Assessed Co-op Pers. Prop.	3.000%	3.000%	558,390	558,390	0	120,349	1,646	121,994	121,994	0	218.48
7 Locally Assessed Co-op Vehicles	3.000%	3.000%	47,579	47,579	0	10,662	2,523	13,186	13,186	0	277.13
7 New Industrial Sites	3.000%	3.000%	4,470	4,470	0	1,289	318	1,607	1,607	0	359.43

Estimated Change in Taxable Value and Taxes
Due to Changes in Tax Rates
By Property Type

Property Type	1988 Tax rate	Proposed Tax rate	1988 Taxable Value	Proposed Taxable Value	Change in Taxable Value	1988 Taxes Levied by State, County and Schools	1988 Taxes Levied by Cities and Towns	Total 1988 Taxes Levied	Total Proposed Taxes Levied	Change in Taxes Levied	Avg Mill Levy
7 New Industry - Other Property	3.000%	3.000%	2,247,362	2,247,362	0	760,770	703	761,474	761,474	(0)	338.83
7 R & D Improved Improvements	0.000%	3.000%	0	0	0	0	0	0	0	0	0.00
7 R & D Improvements	3.000%	3.000%	20,310	20,310	0	4,671	0	4,671	4,671	0	229.98
7 R & D Land	3.000%	3.000%	876	876	0	201	0	201	201	0	229.98
7 R & D Personal Property	3.000%	3.000%	15,053	15,053	0	3,462	0	3,462	3,462	0	229.98
7 Rural Co-op companies	3.000%	3.000%	8,957,521	8,957,521	0	2,087,978	71,347	2,169,326	2,169,326	0	242.18
Class 5 Totals			27,096,655	27,096,655	0	5,541,403	138,432	5,679,835	5,679,835	(0)	209.61
8 Rental Equipment	4.000%	4.000%	200,346	200,346	0	55,644	14,247	69,891	69,891	0	348.85
8 Cattle	4.000%	4.000%	20,255,833	20,255,833	0	4,662,144	563	4,662,707	4,662,707	0	230.19
8 Horses	4.000%	4.000%	953,034	953,034	0	232,457	854	233,311	233,311	0	244.81
8 Other Livestock	4.000%	4.000%	57,024	57,024	0	13,675	70	13,745	13,745	0	241.04
8 Sheep	4.000%	4.000%	626,679	626,679	0	137,603	6	137,609	137,609	0	219.58
8 Swine	4.000%	4.000%	109,008	109,008	0	24,683	13	24,696	24,696	0	226.55
Class 6 Totals			22,201,924	22,201,924	0	5,126,206	15,753	5,141,959	5,141,959	0	231.60
9 Indep. Telephone Companies	8.000%	8.000%	626,129	626,129	0	162,372	1,869	164,240	164,240	0	262.31
9 Rural Telephone Property	8.000%	8.000%	67,291	67,291	0	22,584	0	22,584	22,584	0	335.62
Class 7 Totals			693,420	693,420	0	184,956	1,869	186,825	186,825	0	269.42
10 Ag Implements	11.000%	9.600%	55,254,775	48,222,349	(7,032,426)	12,646,643	10,684	12,657,327	11,046,394	(1,610,932)	229.07
10 All Other Property	16.000%	9.600%	168,127	100,876	(67,251)	38,507	7,067	45,574	27,345	(18,230)	271.07
10 Buses	13.000%	9.600%	171,932	126,965	(44,967)	41,063	2,543	43,606	32,201	(11,405)	253.62
10 Cable TV Systems	16.000%	9.600%	1,709,878	1,025,927	(683,951)	480,855	110,774	591,629	354,977	(236,651)	346.01
10 CB's and Mobile Phones	13.000%	9.600%	184,541	136,276	(48,265)	45,245	3,599	48,834	36,062	(12,772)	264.63
10 Coal and Ore Haulers	16.000%	9.600%	3,224,825	1,934,895	(1,289,930)	553,235	119	553,354	332,012	(221,342)	171.59
10 Furniture and Fixtures	13.000%	9.600%	41,280,363	30,483,960	(10,796,403)	11,647,420	3,230,732	15,078,153	11,134,636	(3,943,517)	365.26
10 Machin. other than Farm. Min. Manuf.	11.000%	9.600%	24,999,646	21,817,873	(3,181,773)	5,307,513	188,015	5,495,527	4,796,097	(699,431)	219.62
10 Manufacturing Machinery	11.000%	9.600%	72,949,015	63,664,595	(9,284,420)	18,901,398	870,664	19,572,062	17,081,073	(2,490,990)	268.30
10 Mining Machinery	11.000%	9.600%	1,327,230	1,158,310	(168,920)	346,428	2,256	348,683	304,305	(44,378)	262.71
10 Oil Field Equipment	11.000%	9.600%	19,797,678	17,277,974	(2,519,704)	3,128,836	10,544	3,139,380	2,739,822	(399,557)	158.57
10 Radio and TV Broadcasting Equip.	16.000%	9.600%	1,159,617	695,770	(463,847)	339,470	52,926	392,396	235,438	(156,958)	338.38
10 Rental Equipment	11.000%	9.600%	1,587,747	1,385,670	(202,077)	433,415	119,628	553,043	482,856	(70,387)	348.32
10 Ski Lifts	11.000%	9.600%	390,981	341,220	(49,761)	109,343	0	109,343	95,426	(13,916)	279.66
10 Supplies and Materials	11.000%	9.600%	6,757,722	5,697,648	(1,060,074)	1,586,903	91,645	1,678,547	1,464,914	(213,633)	248.39
10 Theatre and Sound Equipment	16.000%	9.600%	111,965	67,179	(44,786)	34,338	7,560	41,898	25,139	(16,759)	374.20
10 Trailers	11.000%	9.600%	4,529,825	3,953,302	(576,523)	1,147,122	72,619	1,219,741	1,064,501	(155,240)	269.27
10 Trucks 1 to 1 1/2 Tons	13.000%	9.600%	3,776,989	2,789,181	(987,808)	956,532	90,355	1,046,887	774,563	(274,324)	277.70
10 Trucks over 1 1/2 Tons	11.000%	9.600%	7,614,418	6,645,310	(969,108)	1,897,999	127,262	2,025,261	1,767,501	(257,761)	265.98
Class 8 Totals			246,997,274	207,725,261	(39,272,013)	59,844,263	4,798,983	64,643,246	53,795,062	(10,848,184)	261.72
11 Electric Companies	12.000%	12.000%	143,971,122	143,971,122	0	20,481,725	99,623	20,581,347	20,581,347	(0)	142.95
11 Gas and Electric Companies	12.000%	12.000%	128,159,981	128,159,981	0	27,885,674	1,064,235	28,949,909	28,949,909	0	225.89
11 Natural Gas companies	12.000%	12.000%	978,738	978,738	0	204,781	902	205,683	205,683	0	210.15
11 Pipelines	12.000%	12.000%	43,153,714	43,153,714	0	8,861,126	46,889	8,908,015	8,908,015	0	206.43
11 Telecomm. Companies	12.000%	12.000%	62,137,056	62,137,056	0	17,562,463	3,535,950	21,098,413	21,098,413	0	339.55
Class 9 Totals			378,400,611	378,400,611	0	74,995,769	4,747,598	79,743,367	79,743,367	(0)	210.74

Estimated Change in Taxable Value and Taxes
Due to Changes in Tax Rates
By Property Type

Property Type	1988 Tax rate	Proposed Tax rate	1988 Taxable Value	Proposed Taxable Value	Change in Taxable Value	1988 Taxes Levied by State, County and Schools	1988 Taxes Levied by Cities and Towns	Total 1988 Taxes Levied	Total Proposed Taxes Levied	Change in Taxes Levied	Avg Mill Levy
12 Timber Land	3.840%	3.840%	6,488,624	6,488,624	0	1,823,258	149	1,823,407	1,823,407	0	281.02
13 Airlines	12.000%	11.587%	6,083,033	5,878,744	(204,289)	1,854,517	62,778	1,917,295	1,852,906	(64,389)	315.19
14 Railroads	10.970%	10.602%	41,311,729	39,925,884	(1,385,845)	10,286,609	360,329	10,646,938	10,289,775	(357,163)	257.72
Class 11 Totals			47,394,762	45,804,629	(1,590,133)	12,141,125	423,107	12,564,233	12,142,681	(421,552)	265.10
15 Farmstead 1 Acre	3.088%	3.088%	3,857,875	3,857,875	0	1,004,984	740	1,005,724	1,005,724	0	260.69
15 Impr. on Ag and Timber Land	3.088%	3.088%	51,273,818	51,273,818	0	12,350,522	6,646	12,357,168	12,357,168	0	241.00
Class 12 Totals			55,131,693	55,131,693	0	13,355,505	7,387	13,362,892	13,362,892	0	242.38
16 Nonproductive Land Under 20 Acres	2.000%	2.000%	86,180	86,180	0	22,727	530	23,256	23,256	(0)	269.86
Class 1 thru 13 Totals			1,937,328,736	1,895,466,590	(40,862,146)	436,479,370	43,807,225	480,286,595	469,016,859	(11,269,735)	247.91