## HOUSE BILL NO. 196

# INTRODUCED BY DRISCOLL

IN THE HOUSE

JANUARY 15, 1993

· .

INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.

FIRST READING.

- FEBRUARY 6, 1993 COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
- FEBRUARY 8, 1993 PRINTING REPORT.

FEBRUARY 9, 1993 SECOND READING, DO PASS.

ON MOTION, REREFERRED TO COMMITTEE ON APPROPRIATIONS.

FEBRUARY 15, 1993 COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.

FEBRUARY 16, 1993 PRINTING REPORT.

FEBRUARY 22, 1993 SECOND READING, DO PASS.

FEBRUARY 24, 1993 ENGROSSING REPORT.

THIRD READING, PASSED. AYES, 60; NOES, 38.

TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 1, 1993 INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.

FIRST READING.

APRIL 3, 1993 COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.

APRIL 8, 1993 SECOND READING, CONCURRED IN.

APRIL 12, 1993 THIRD READING, CONCURRED IN. AYES, 47; NOES, 1.

RETURNED TO HOUSE.

# IN THE HOUSE

APRIL 12, 1993

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

LC 0507/01

HOUSE BILL NO. 196 1 2 INTRODUCED BY BY REQUEST OF THE DEPARTMENT OF REVENUE 3 4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE PROCEDURE 5 FOR COMPUTING REIMBURSEMENTS TO LOCAL GOVERNMENTS FOR LOSSES ĸ IN PERSONAL PROPERTY TAX AS A RESULT OF TAX RATE REDUCTIONS; 7 REVISING THE DEFINITION OF "TAXING JURISDICTION"; PROVIDING 8 A PROCEDURE FOR THE TREATMENT OF DISSOLVED AND COMBINED 9 TAXING JURISDICTIONS; AMENDING SECTION 15-1-111, MCA; AND 10 PROVIDING AN APPLICABILITY DATE." 11 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 13 Section 1. Section 15-1-111, MCA, is amended to read: 14 15 "15-1-111. Reinbursement to local governments and 16 schools -- duties of department and county treasurer --17 statutory appropriation. (1) {a}-On-or-before-May--17--19907 the---department--of--revenue--shall--remit--to--the--county 18

18 the---department--of--revenue--shail--remiti-to--the--county 19 treasurer-of-each-county-30%--of--the--reimbursement--amount 20 specified---in---subsection---(i)(b),--as--computed--by--the 21 department:-The-department-shail-base-the--reimbursement--on 22 the--reduction--in-personal-property-tax-revenues-due-to-the 23 reduction-in-personal-property-tax--rates--for--class--eight 24 property,--as-provided-for-in-15-6-136,-and-any-reduction-in 25 taxes-based-upon-recalculation-of-the-effective-tax-rate-for

.

1 property-in-15-6-145---The--reimbursement--basis--must--also 2 include--loss--of--personal--property-tax-revenue-due-to-the 3 reclassification-of-new-industrial-property-from-class--five 4 to--class-eight-with-the-reduced-tax-rate--The-determination 5 of-the-reimbursement-basis-must-be-made-in-the-year-in-which 6 the-reclassification-is-made-7 tb)--The-reimbursement-revenue--must--be--based--on--the A county's--taxable--walue--and-mill-levies-for-tax-year-1989; 9 Prior to November 1 of each year, the department of revenue 10 shall determine, for each county, the number of mills levied 11 for the current tax year in each taxing jurisdiction levying 12 mills against personal property. 13 (2) (a) Prior--to--September--17-19907-the-department-s 14 agent-in-the-county-shall-supply-the--following--information 15 to -- the The department shall determine the amount of taxable 16 value lost for within each taxing jurisdiction within the 17 county: 18 (a)--the--number-of-mills-levied-in-the-jurisdiction-for 19 taxable-year-19897 tb)--the-number-of-mills-levied-in-the-jurisdiction--for 20 21 taxable-year-1990; 22 tc}--the--total-taxable-valuation-for-taxable-years-1989 23 and-19987-reported-separately-for-each-year7-of-all-personal

- 24 property-not-secured-by-real-property;-and
- 25 (d)--the-total-taxable-valuation-for-taxable-years--1909

-2- HO 196 INTRODUCED BILL

#### LC 0507/01

and--19987--reported-separately-for-each-year7-of-all due to 1 2 the reduction in personal property secured-by-real-property tax rates for property included in class eight, class nine, 3 and class ten, as those classes existed in 1989. The 4 determination must be based on 1989 taxable values for class 5 eight, class nine, and class ten property as reported to the 6 department by each taxing jurisdiction that existed in 1989, 7 8 less the difference in taxable value for the same property 9 in 1989 as determined by the 1991 tax rate for property 10 included in 15-6-138. 11 (b) The department shall calculate the taxable value lost in a taxing jurisdiction as a result of a reduction in 12 the taxable value rate in 15-6-145 that results from a 13 reduction in taxable value of property under 15-6-138. 14 (c) The amount of the reimbursement is calculated by 15 16 multiplying the current year mill levy for each taxing jurisdiction times the total amount of taxable value lost as 17 determined in subsections (2)(a) and (2)(b). 18 19 (3) After-receipt-of-the-information--from--its--agent7 the-department-shall-calculate-the-amount-of-revenue-lost-to 20 21 each--taxing--jurisdiction--using-current-year-mill-levies7 due-to-the-annual-reduction-in-personal-property--tax--rates 22 23 set-forth-in-15-6-138y-and-any-reduction-in-taxes-based-upon recalculation--of--the--effective--tax--rate-for-property-in 24 25 15-6-145. The department shall total the amounts for all

1 taxing jurisdictions within the county.

(4) Por-taxable-year-1990-and-for-each-year-thereafter;
the <u>The</u> department shall remit to the county treasurer <u>50%</u>
of the base amount of revenue reimbursable, determined
pursuant to subsection (3) (2), as-follows:

6 (a) on or before November 307-19907 and on-or-before
7 each-November-30-thereafter7-the-department-shall-remit--50%
8 of--the--base--amount--of--the--revenue--reimbursable-to-the
9 county7-and

10 (b) the remaining 50% on or before May 317-19917-and-on 11 or-before-each-May-31-thereafter7-the-department-shall-remit 12 50%-of-the-base-amount-of-the-revenue--reimbursable--to--the 13 county.

14 (5) Upon receipt of the reimbursement from the 15 department, the county treasurer shall distribute the 16 reimbursement to each taxing jurisdiction in-the-relative 17 proportions-required-by-the-levies-for-stater-countyr-school 18 districtr-and-municipal--purposes--in-the--same--manner--as 19 current--year--mill--levies--on--personal-property-taxes-are 20 distributed as calculated by the department.

(6) For the purposes of this section and subject to
<u>subsection (8)</u>, "taxing jurisdiction" means local
governments a jurisdiction levying mills against personal
<u>property</u> and includes <u>but is not limited to a county, city,</u>
school districts <u>district</u>, each--municipality--with tax

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LC 0507/01

increment financing district, miscellaneous taxing district, 1 2 and the state of Montana. 3 (7) The amounts necessary for the administration of this section are statutorily appropriated, as provided in 4 5 17-7-502, from the general fund to reimburse school 6 districts---and---local----governments eliqible taxing 7 jurisdictions for reductions in tax rates on personal property. 8 9 (8) The following apply to taxing jurisdictions that 10 were altered after tax year 1989: 11 (a) A taxing jurisdiction that existed in tax year 1989 12 and that no longer exists is not entitled to reimbursement 13 under this section. 14 (b) A taxing jurisdiction that existed in tax year 1989 15 and that is split into two or more taxing jurisdictions is 16 entitled to reimbursement based on the portion of 1989 17 taxable value within each new taxing jurisdiction. The 18 department shall determine the portion of 1989 taxable value 19 located in each taxing jurisdiction. 20 (c) A taxing jurisdiction that did not exist in tax 21 year 1989 is not entitled to reimbursement under this 22 section unless the jurisdiction was created as described in 23 subsection (B)(b)." 24 NEW SECTION. Section 2. Applicability. [This act l

25 applies to all reimbursements beginning with tax year 1993.

[This act] does not affect the reimbursement payment due May
 31, 1993, or any previous reimbursement. The first
 reimbursement payment under [this act] is payable on or
 before November 30, 1993.

-End-

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### STATE OF MONTANA - FISCAL NOTE

#### Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0196, 2nd reading.

### DESCRIPTION OF PROPOSED LEGISLATION:

An act capping the amount of reimbursement paid to eligible taxing jurisdictions for taxable years 1993 and thereafter to the same amount paid in fiscal year 1993, but allowing certain adjustments because of dissolved and combined taxing jurisdictions; revising the definition of "taxing jurisdiction"; providing a procedure for the treatment of dissolved and combined taxing jurisdictions; and providing an applicability date.

### ASSUMPTIONS :

- 1. Under current law, personal property tax reduction reimbursements will be \$20,037,000 in FY94 and \$20,838,00 in FY95 (OBPP).
- 2. State equalization, university system, and state assumption of welfare mill levies will not increase over the biennium (MDOR).
- 3. Approximately \$6,069,000 in reimbursements will go to the university system, school foundation program, and state assumption of welfare program under both current and proposed law (MDOR).
- 4. Any dissolution or combination of taxing jurisdictions will have no significant impact on the total reimbursement in FY94 or FY95 (MDOR).

# FISCAL IMPACT:

### Expenditures:

	FY '94			FY '95		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Pers. Prop. Tax Reimbursements	20,037,000	19,339,000	(698,000)	20,838,000	19,339,000	(1,499,000)
General Fund Impact			(698,000)			(1,499,000)

#### Revenues:

There is no impact to state revenues under the proposed legislation.

#### **EFFECT ON LOCAL REVENUES:**

	FY '94		FY '95			
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Pers. Prop. Tax Reimbursements	13,968,000	13,270,000	(698,000)	14,769,000	13,270,000	(1,499,000)

Assuming that most county and municipality mills are currently at their I-105 limits, the majority of this impact is believed to affect local school districts.

2-10-93

DAVID LEWIS, BUDGET DIRECTOR DATE Office of Budget and Program Planning

HB 196

JERRY L. DRISCOLL, PRIMARY SPONSOR D

Fiscal Note for HB0196, 2nd reading

### STATE OF MONTANA - FISCAL NOTE

### Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0196, 2nd reading, with SCR amendments.

#### DESCRIPTION OF PROPOSED LEGISLATION:

An act capping the amount of reimbursement paid to eligible taxing jurisdictions for taxable years 1993 and thereafter to the same amount paid in fiscal year 1991, but allowing certain adjustments because of dissolved and combined taxing jurisdictions; revising the definition of "taxing jurisdiction"; providing a procedure for the treatment of dissolved and combined taxing jurisdictions; and providing an applicability date.

### ASSUMPTIONS :

- Under current law, personal property tax reduction reimbursements will be \$19,726,000 in FY94 and \$20,120,00 in FY95 (LFA).
- 2. Under current law, state equalization, university system, and state assumption of welfare mill levies will not increase over the biennium (MDOR).
- 3. Under current law, reimbursements to the school foundation program are based on 95 mills. The proposal, using 1991 reimbursements, is based on 45 mills for the foundation program (MDOR).
- 4. Any dissolution or combination of taxing jurisdictions will have no significant impact on the total reimbursement in FY94 or FY95 (MDOR).
- 5. The negative impact to the university levy and assumed welfare levy are attributable to railroad/airline taxable value not being included in the reimbursement calculation in FY91.

### FISCAL IMPACT:

### Expenditures:

	FY '94		FY_'95			
	Current Law	Proposed Law	<b>Difference</b>	Current Law	Proposed Law	Difference
Pers. Prop. Tax Reimbursements	19,726,000	18,336,000	(1,390,000)	20,120,000	18,336,000	(1,784,000)
General Fund Impact			(1,390,000)			(1,784,000)

#### Revenues:

		<u> </u>			FY '95	
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
School Equalization (95/45 mills)	5,504,000	4,897,000	(607,000)	5,504,000	4,897,000	(607,000)
University Levy (6 mills)	348,000	346,000	(2,000)	348,000	346,000	(2,000)
Assumed Welfare (12 mills)	217,000	213,000	(4,000)	217,000	213,000	(4,000)
Total (02)	6,069,000	5,456,000	(613,000)	6,069,000	5,456,000	(613,000)

(over) BUDGET DIRECTOR DAV DATE

DAVID LEWIS, BUDGET DIRECTOR DATE Office of Budget and Program Planning

JERRY L. DRISCOLL, PRIMARY SPONSOR

Fiscal Note for <u>HB0196, 2nd reading, amend.</u> HB/96-42

Fiscal Note Request, <u>HB0196, 2nd reading, with SCR amendments</u> Form BD-15 page 2 (continued)

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# EFFECT ON LOCAL REVENUES:

	<u> </u>			<u> </u>		
	Current Law	Proposed Law	<b>Difference</b>	Current Law	Proposed Law	<u>Difference</u>
Pers. Prop. Tax Reimbursements	13,657,000	12,880,000	(777,000)	14,051,000	12,880,000	(1,171,000)

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na Legislative Council

APPROVED BY COMMITTEE ON TAXATION

1	HOUSE BILL NO. 196
2	INTRODUCED BY DRISCOLL
3	By-Request-op-the-department-op-revenue
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT REVISING-THEPROCEDURE
6	Por-computing-reinbursements-to-local-governments-por-losses
7	inpersonal-property-tax-as-a-result-op-tax-rate-reductions
8	CAPPING THE AMOUNT OF REIMBURSEMENT PAID TO ELIGIBLE TAXING
9	JURISDICTIONS FOR TAXABLE YEARS 1993 AND THEREAFTER TO THE
10	SAME AMOUNT PAID IN FISCAL YEAR 1993, BUT ALLOWING CERTAIN
11	ADJUSTMENTS BECAUSE OF DISSOLVED AND COMBINED TAXING
12	JURISDICTIONS; REVISING THE DEFINITION OF "TAXING
13	JURISDICTION"; PROVIDING A PROCEDURE FOR THE TREATMENT OF
14	DISSOLVED AND COMBINED TAXING JURISDICTIONS; AMENDING
15	SECTION 15-1-111, MCA; AND PROVIDING AN APPLICABILITY DATE."
16	
17	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
18	Section 1. Section 15-1-111, MCA, is amended to read:
19	"15-1-111. Reimbursement to local governments and
20	schools duties of department and county treasurer
21	statutory appropriation. <del>{1}-{a}-On-or-before-May-17-19907</del>
22	thedepartmentofrevenueshallremittothecounty
23	treasurer-ofeachcounty30%-of-the-reimbursement-amount
24	specified-insubsectionti)tb)7ascomputedbythe
25	departmentThedepartment-shall-base-the-reimbursement-on

1	the-reduction-in-personal-property-tax-revenues-duetothe
2	reductioninpersonalpropertytax-rates-for-class-eight
3	property;-as-provided-for-in-15-6-130;-and-any-reductionin
4	taxes-based-upon-receiculation-of-the-effective-tax-rate-for
5	propertyin15-6-145Thereimbursementbasis-must-also
6	include-loss-of-personal-property-taxrevenueduetothe
7	reclassification-of-new-industrial-property-from-class-five
8	to-class-eight-with-the-reduced-tax-rate;-Thedetermination
9	of-the-reimbursement-basis-must-be-made-in-the-year-in-which
10	the-reclassification-is-made.
11	tb;Thereimbursementrevenuemustbebased-on-the
12	county-s-taxable-value-and-mill-levies-fortaxyear1989-
13	Priorto-November-1-of-each-yeary-the-department-of-revenue
14	shall-determiney-for-each-countyy-the-number-of-mills-levied
15	for-the-current-tax-year-in-each-taxing-jurisdiction-levying
16	mills-against-personal-property.
17	†2) <u>(1)</u> <u>fa</u> } Prior-to-September-17-19987-the-department±s
18	agent-in-the-county-shall-supply-thefollowinginformation
19	tothe The PRIOR TO SEPTEMBER 1, 1990, THE DEPARTMENT'S
20	AGENT IN THE COUNTY SHALL SUPPLY THE POLLOWING INFORMATION
21	TO THE department shalldeterminethe-amount-of-taxable
22	value-lost for within FOR each taxing jurisdiction within
23	the county:
24	(a)thenumber-of-mills-levied-in-the-jurisdiction-for
25	taxable-year-1989;

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HB 196 SECOND READING

1	<pre>the-number-of-mills-levied-in-the-jurisdictionfor</pre>
2	taxable-year-1990;
Э	<pre>tc)thetotal-taxable-valuation-for-taxable-years-1989</pre>
4	and-19987-reported-separately-for-each-yeary-of-all-personal
5	property-not-secured-by-real-property;-and
6	{d}the-total-taxable-valuation-for-taxable-years1989
7	and1998;reported-separately-for-each-year;-of-all <u>due-to</u>
8	the-reduction-in
9	(A) THE NUMBER OF MILLS LEVIED IN THE JURISDICTION FOR
10	TAXABLE YEAR 1989;
11	(B) THE NUMBER OF MILLS LEVIED IN THE JURISDICTION FOR
12	TAXABLE YEAR 1990;
13	(C) THE TOTAL TAXABLE VALUATION FOR TAXABLE YEARS 1989
14	AND 1990, REPORTED SEPARATELY FOR EACH YEAR, OF ALL PERSONAL
15	PROPERTY NOT SECURED BY REAL PROPERTY; AND
16	(D) THE TOTAL TAXABLE VALUATION FOR TAXABLE YEARS 1989
17	AND 1990, REPORTED SEPARATELY FOR EACH YEAR, OF ALL personal
18	property secured-by-real-property SECURED BY REAL PROPERTY.
19	taxrates-for-property-included-in-class-eighty-class-niney
20	and-classtenyasthoseclassesexistedin1989- The
21	determination-must-be-based-on-1989-taxable-values-for-class
22	eighty-class-niney-and-class-ten-property-as-reported-to-the
23	department-by-each-taxing-jurisdiction-that-existed-in-19897
24	less-thedifference-in-taxable-value-for-the-same-property
25	in-1989-as-determined-by-the1991taxrateforproperty

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1	<u>included-in-15-6-1307</u>
2	tbjThedepartmentshallcalculate-the-taxable-value
3	<u>tost-in-a-taxing-jurisdiction-as-a-result-of-a-reductionin</u>
4	thetaxablevalueratein15-6-145that-results-from-a
5	reduction-in-taxable-value-of-property-under-15-6-130:
6	<u>tetThe-amount-of-the-reimbursementiscalculatedby</u>
7	multiplyingthecurrentyearmilllevyfor-each-taxing
8	jurisdiction-times-the-total-amount-of-taxable-value-lost-as
9	determined-in-subsections-{2}{a}-and-{2}{b}-
10	(3)(2) After-receipt-of-the-information-from-its-agenty
11	the-department-shall-calculate-the-amount-of-revenue-lost-to
12	each-taxing-jurisdiction7-using-currentyearmilllevies7
13	duetothe-annual-reduction-in-personal-property-tax-rates
14	set-forth-in-15-6-138,-and-any-reduction-in-taxes-based-upon
15	recalculation-of-the-effectivetaxrateforpropertyin
16	15-6-145- AFTER RECEIPT OF THE INFORMATION FROM ITS AGENT,
17	THE DEPARTMENT SHALL CALCULATE THE AMOUNT OF REVENUE LOST TO
18	EACH TAXING JURISDICTION, USING CURRENT YEAR MILL LEVIES,
19	DUE TO THE ANNUAL REDUCTION IN PERSONAL PROPERTY TAX RATES
	SET FORTH IN 15-6-138, AND ANY REDUCTION IN TAXES BASED UPON
20	
21	RECALCULATION OF THE EFFECTIVE TAX RATE FOR PROPERTY IN
22	15-6-145. The department shall total the amounts for all
23	taxing jurisdictions within the county.
24	(4)(3) (A) Por-taxable-year1990andforeachyear

25 thereafter7-the The department shall remit to the county

**HB 196** 

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treasurer <u>50% of</u> the base amount of revenue reimbursable, determined pursuant to subsection (3) <u>(2)</u> <u>(1)</u>, as-follows: (a) on or before November 307-19907 and on-or-before each-November-30-thereafter7-the-department-shall-remit--50% of--the--base--amount--of--the--revenue--reimbursable-to-the county7-and

7 (b) the remaining 50% on or before May 317-19917-and-on
 8 or-before-cach-May-31-thereafter7-the-department-shall-remit
 9 50%-of-the-base-amount-of-the-revenue--reimbursable--to--the
 10 county.

(B) FOR TAXABLE YEAR 1993 AND FOR EACH TAXABLE YEAR 11 THEREAFTER, THE DEPARTMENT SHALL REMIT TO THE COUNTY 12 TREASURER OF EACH COUNTY THE SAME AMOUNT REMITTED TO THE 13 COUNTY TREASURER FOR THE FISCAL YEAR 1993, AS ADJUSTED BY 14 THE RESULT OF DISSOLVED OR COMBINED TAXING JURISDICTIONS, AS 15 PROVIDED FOR IN SUBSECTION (8). FIFTY PERCENT OF THE AMOUNT 16 MUST BE REMITTED ON OR BEFORE NOVEMBER 30 AND THE REMAINING 17 50% ON OR BEFORE MAY 31. 18

19 (5)(4) Upon receipt of the reimbursement from the 20 department, the county treasurer shall distribute the 21 reimbursement to each taxing jurisdiction in-the-relative 22 proportions-required-by-the-levies-for-state;-county;-school 23 district;-and-municipal--purposes-in-the--same--manner--as 24 current--year--mill--levies-on--personal-property-taxes-are 25 distributed as calculated by the department.

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HB 196

(6+(5)) For the purposes of this section and subject to 1 subsection (8) (7), "taxing jurisdiction" means local 2 governments a jurisdiction levying mills against personal 3 property and includes but is not limited to a county, city, 4 school districts district, each--municipality--with tax 5 increment financing district, miscellaneous taxing district, 6 and the state of Montana. 7 +7+(6) The amounts necessary for the administration of 8 9 this section are statutorily appropriated, as provided in 10 17-7-502, from the general fund to reimburse school 11 districts---and---local----governments eligible taxing 12 jurisdictions for reductions in tax rates on personal 13 property. 14 (8)(7) The following apply to taxing jurisdictions that 15 were altered after tax year 1989: 16 (a) A taxing jurisdiction that existed in tax year 1989 17 and that no longer exists is not entitled to reimbursement 18 under this section. 19 (b) A taxing jurisdiction that existed in tax year 1989 20 and that is split into two or more taxing jurisdictions is 21 entitled to reimbursement based on the portion of 1989 22 taxable value within each new taxing jurisdiction. The 23 department shall determine the portion of 1989 taxable value 24 located in each taxing jurisdiction. 25 (c) A taxing jurisdiction that did not exist in tax

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year 1989 is not entitled to reimbursement under this
 section unless the jurisdiction was created as described in
 subsection f8ftbf (7)(B)."
 NEW SECTION. Section 2. Applicability. [This act]
 applies to all reimbursements beginning with tax year 1993.
 [This act] does not affect the reimbursement payment due May

7 31, 1993, or any previous reimbursement. The first
8 reimbursement payment under [this act] is payable on or
9 before November 30, 1993.

-End-

#### 53rd Legislature

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	HB 0196/03
	RE-REFERRED AND
	APPROVED BY COMMITTEE
	ON APPROPRIATIONS AS AMENDED
HOUSE BILL NO.	196
INTRODUCED BY DR	ISCOLL
BY-RBOUEST-OF-THE-BEPARTM	LENT-OP-REVENUE
-	
AN ACT ENTITLED: "AN AC	T REVISING-THEPROCEDURE
eng-reimbursements-to-loc	CAL-GOVERNMENTS-POR-LOSSES
IAL-PROPERTY-TAX-AS-A-RES	159-6P-TAX-RATE-REDUCTIONS
IE AMOUNT OF REIMBURSEMENT	PAID TO ELIGIBLE TAXING
IONS FOR TAXABLE YEARS	1993 AND THEREAFTER TO THE
T PAID IN FISCAL YEAR	1993 1991, BUT ALLOWING
JUSTMENTS BECAUSE OF DISS	SOLVED AND COMBINED TAXING
IONS; REVISING THE	DEFINITION OF "TAXING
ION"; PROVIDING A PROCEDU	RE FOR THE TREATMENT OF
AND COMBINED TAXING	JURISDICTIONS; AMENDING

5	A BILL FOR AN ACT ENTITLED: "AN ACT REVISING-THEPROCEDURE
6	Por-Computing-Reimbursements-to-Local-Covernments-Por-Losses
7	inpersonal-property-tax-as-a-result-op-tax-rate-reductions
8	CAPPING THE AMOUNT OF REIMBURSEMENT PAID TO ELIGIBLE TAXING
9	JURISDICTIONS FOR TAXABLE YEARS 1993 AND THEREAFTER TO THE
10	SAME AMOUNT PAID IN FISCAL YEAR 1993 1991, BUT ALLOWING
11	CERTAIN ADJUSTMENTS BECAUSE OF DISSOLVED AND COMBINED TAXING
12	JURISDICTIONS; REVISING THE DEFINITION OF "TAXING
13	JURISDICTION"; PROVIDING A PROCEDURE FOR THE TREATMENT OF
14	DISSOLVED AND COMBINED TAXING JURISDICTIONS; AMENDING
15	SECTION 15-1-111, MCA; AND PROVIDING AN APPLICABILITY DATE."
16	
17	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

18 Section 1. Section 15-1-111, MCA, is amended to read: 19 "15-1-111. Reimbursement to local governments and 20 schools -- duties of department and county treasurer --21 statutory appropriation. (1)-(a)-On-or-before-May--17--19987 22 the---department--of--revenue--shall--remit--to--the--county 23 treasurer-of-each-county-30%--of--the--reimbursement--amount specified---in---subsection---(1)(b)7--as--computed--by--the 24 25 department -- The -- department -- shall -- base-the -- reisbursement -- on

the--reduction--in-personal-property-tax-revenues-due-to-the reduction-in-personal-property-tax--rates--for--class--eight property,--as-provided-for-in-15-6-138,-and-any-reduction-in taxes-based-upon-recalculation-of-the-effective-tax-rate-for property-in-15-6-145---The--reimbursement--basis--must--also include--loss--of--personal--property-tax-revenue-due-to-the reclassification-of-new-industrial-property-from-class--five to--class-sight-with-the-reduced-tax-rate--The-determination of-the-reimbursement-basis-must-be-made-in-the-year-in-which the-reclassification-is-madetb}--The-reimbursement-revenue--must--be--based--on--the county's--taxable--walue--and-mill-levies-for-tax-year-1989. Prior-to-November-1-of-each-yeary-the-department-of--revenue shall-determine;-for-each-county;-the-number-of-mills-levied for-the-current-tax-year-in-each-taxing-jurisdiction-levying mills-against-personal-property-(2)(1) (a) Prior-to-September-17-19907-the-department's agent--in--the-county-shall-supply-the-following-information to-the The PRIOR TO SEPTEMBER 1, 1990, THE DEPARTMENT'S

- 20 AGENT IN THE COUNTY SHALL SUPPLY THE FOLLOWING INFORMATION
- 21 TO THE department shall--determine--the--amount--of--taxable

22 value-lost for within FOR each taxing jurisdiction within 23 the county::

tay--the-number-of-mills-levied-in-the-jurisdiction--for 24

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25 taxable-year-1989;

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1	(b)thenumber-of-mills-levied-in-the-jurisdiction-for
2	taxable-year-1998;
3	<pre>(c)the-total-taxable-valuation-for-taxable-years1989</pre>
4	and-19987-reported-separately-for-each-yeary-of-all-personal
5	property-not-secured-by-real-property;-and
6	<pre>(d)thetotal-taxable-valuation-for-taxable-years-1989</pre>
7	and-19987-reported-separately-for-each-year7-of-all <u>dueto</u>
8	the-reduction-in
9	(A) THE NUMBER OF MILLS LEVIED IN THE JURISDICTION FOR
10	TAXABLE YEAR 1989;
11	(B) THE NUMBER OF MILLS LEVIED IN THE JURISDICTION FOR
12	TAXABLE YEAR 1990;
13	(C) THE TOTAL TAXABLE VALUATION FOR TAXABLE YEARS 1989
14	AND 1990, REPORTED SEPARATELY FOR EACH YEAR, OF ALL PERSONAL
15	PROPERTY NOT SECURED BY REAL PROPERTY; AND
16	(D) THE TOTAL TAXABLE VALUATION FOR TAXABLE YEARS 1989
17	AND 1990, REPORTED SEPARATELY FOR EACH YEAR, OF ALL personal
18	property secured-by-real-property SECURED BY REAL PROPERTY.
19	tax-rates-for-property-included-in-class-eighty-classnine7
20	andclasstenyasthoseclassesexistedin1989; The
21	determination-must-be-based-on-1989-taxable-values-for-class
22	eighty-class-niney-and-class-ten-property-as-reported-to-the
23	department-by-each-taxing-jurisdiction-that-existed-in-19897
24	less-the-difference-in-taxable_value-for-thesameproperty
25	in1989asdeterminedbythe-1991-tax-rate-for-property

-3-

1	included_in-15-6-138.
2	<u>tb</u> <u>t</u> The-department-shall-calculatethetaxablevalue
3	lostin-a-taxing-jurisdiction-as-a-result-of-a-reduction-in
4	the-taxable-value-ratein15-6-145thatresultsfroma
5	reduction-in-taxable-value-of-property-under-15-6-138-
6	<u>{c}Theamountofthe-reimbursement-is-calculated-by</u>
7	multiplying-the-currentyearmilllevyforeachtaxing
8	juriadiction-times-the-total-amount-of-taxable-value-lost-as
9	determined-in-subsections-{2};{a}-and-{2};{b}-
10	(3)(2) After-receipt-of-the-information-from-its-agent,
11	the-department-shall-calculate-the-amount-of-revenue-lost-to
12	eachtaxingjurisdiction;using-current-year-mill-levies;
13	due-to-the-annual-reduction-in-personal-propertytaxrates
14	set-forth-in-15-6-1387-and-any-reduction-in-taxes-based-upon
15	recalculationoftheeffectivetaxrate-for-property-in
16	15-6-145- AFTER RECEIPT OF THE INFORMATION FROM ITS AGENT,
17	THE DEPARTMENT SHALL CALCULATE THE AMOUNT OF REVENUE LOST TO
18	EACH TAXING JURISDICTION, USING CURRENT YEAR MILL LEVIES,
19	DUE TO THE ANNUAL REDUCTION IN PERSONAL PROPERTY TAX RATES
20	SET FORTH IN 15-6-138, AND ANY REDUCTION IN TAXES BASED UPON
21	RECALCULATION OF THE EFFECTIVE TAX RATE FOR PROPERTY IN
22	15-6-145. The department shall total the amounts for all
23	taxing jurisdictions within the county.
24	(4) (3) (A) Portaxableyear1990andfor-each-year

- 25 thereaftery-the The department shall remit to the county
  - -4-

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1 treasurer <u>50% of</u> the base amount of revenue reimbursable, 2 determined pursuant to subsection (3) <u>(2)</u> (1), as-follows: 3 (a) on or before November 307-19907 and on--or--before 4 each--November-30-thereafter7-the-department-shall-remit-50% 5 of-the-base--amount--of--the--revenue--reimbursable--to--the 6 county7-and

7 (b) the remaining 50% on or before May 317-19917-and-on 8 or-before-each-May-31-thereafter7-the-department-shall-remit 9 50%--of--the--base-amount-of-the-revenue-reimbursable-to-the 10 county.

11 (B) FOR TAXABLE YEAR 1993 AND FOR EACH TAXABLE YEAR THEREAFTER. THE DEPARTMENT SHALL REMIT TO THE COUNTY 12 13 TREASURER OF EACH COUNTY THE SAME AMOUNT REMITTED TO THE 14 COUNTY TREASURER FOR THE FISCAL YEAR 1993 1991, AS ADJUSTED 15 BY THE RESULT OF DISSOLVED OR COMBINED TAXING JURISDICTIONS, 16 AS PROVIDED FOR IN SUBSECTION (7). FIFTY PERCENT OF THE 17 AMOUNT MUST BE REMITTED ON OR BEFORE NOVEMBER 30 AND THE REMAINING 50% ON OR BEFORE MAY 31. 18

19 (5)(4) Upon receipt of the reimbursement from the 20 department, the county treasurer shall distribute the 21 reimbursement to each taxing jurisdiction in-the-relative 22 proportions-required-by-the-levies-for-state;-county;-school 23 district;-and-municipal--purposes-in-the--same--manner--as 24 current--year--mill--levies-on--personal-property-taxes-are 25 distributed as calculated by the department.

1 (6)(5) For the purposes of this section and subject to subsection (8) (7), "taxing jurisdiction" means local 2 3 governments a jurisdiction levying mills against personal ۵ property and includes but is not limited to a county, city, 5 school districts district, each--municipality--with tax 6 increment financing district, miscellaneous taxing district, 7 and the state of Montana. 8 (7)(6) The amounts necessary for the administration of 9 this section are statutorily appropriated, as provided in 10 17-7-502, from the general fund to reimburse school 11 districts---and---local----governments eligible taxing jurisdictions for reductions in tax rates on personal 12 13 property. 14  $(\theta)(7)$  The following apply to taxing jurisdictions that were altered after tax year 1989: 15 16 (a) A taxing jurisdiction that existed in tax year 1989 and that no longer exists is not entitled to reimbursement 17 18 under this section. 19 (b) A taxing jurisdiction that existed in tax year 1989 20 and that is split into two or more taxing jurisdictions is 21 entitled to reimbursement based on the portion of 1989 taxable value within each new taxing jurisdiction. The 22

23 department shall determine the portion of 1989 taxable value

24 located in each taxing jurisdiction.

# 25 (c) A taxing jurisdiction that did not exist in tax

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year 1989 is not entitled to reimbursement under this
 section unless the jurisdiction was created as described in
 subsection (0)(b) (7)(B)."

4 <u>NEW SECTION.</u> Section 2. Applicability. [This act] 5 applies to all reimbursements beginning with tax year 1993. 6 [This act] does not affect the reimbursement payment due May 7 31, 1993, or any previous reimbursement. The first 8 reimbursement payment under [this act] is payable on or 9 before November 30, 1993.

-End-

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1	HOUSE BILL NO. 196
2	INTRODUCED BY DRISCOLL
3	BY-RBQUEST-OF-THE-DEPARTMENT-OF-REVENUE
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT REVISING-THEPROCEDURE
6	Por-computing-reimbursementg-to-local-governments-por-losses
7	INPERSONAL-PROPERTY-TAX-AS-A-RESULT-OP-TAX-RATE-REDUCTIONS
8	CAPPING THE AMOUNT OF REIMBURSEMENT PAID TO ELIGIBLE TAXING
9	JURISDICTIONS FOR TAXABLE YEARS 1993 AND THEREAFTER TO THE
10	SAME AMOUNT PAID IN FISCAL YEAR 1993 1991, BUT ALLOWING
11	CERTAIN ADJUSTMENTS BECAUSE OF DISSOLVED AND COMBINED TAXING
12	JURISDICTIONS; REVISING THE DEFINITION OF "TAXING
13	JURISDICTION"; PROVIDING A PROCEDURE FOR THE TREATMENT OF
14	DISSOLVED AND COMBINED TAXING JURISDICTIONS; AMENDING
15	SECTION 15-1-111, MCA; AND PROVIDING AN APPLICABILITY DATE."
16	

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 17

Section 1. Section 15-1-111, MCA, is amended to read: 18 19 "15-1-111. Reimbursement to local governments and 20 schools -- duties of department and county treasurer --21 statutory appropriation. (1)-(a)-On-or-before-May--1,--1998, 22 the---department--of--revenue--shall--remit--to--the--county 23 treasurer-of-each-county-30%--of--the--reimbursement--amount 24 specified---in---subsection---flftbfy--as--computed--by--the 25 department.-The-department-shall-base-the--reimbursement--on

-	
1	thereductionin-personal-property-tax-revenues-due-to-the
2	reduction-in-personal-property-taxratesforclasseight
3	propertyyas-provided-for-in-15-6-138y-and-any-reduction-in
4	taxes-based-upon-recalculation-of-the-effective-tax-rate-for
5	property-in-15-6-145Thereimbursementbasismustalso
6	includelossofpersonalproperty-tax-revenue-due-to-the
7	reclassification-of-new-industrial-property-from-classfive
8	toclass-eight-with-the-reduced-tax-rateThe-determination
9	of-the-reimbursement-basis-must-be-made-in-the-year-in-which
10	the-reclassification-is-made.
11	{b}The-reimburgement-revenuemustbebasedonthe
12	county'staxablewalueand-mill-levies-for-tax-year-1989.
13	Prior-to-November-1-of-each-yeary-the-department-ofrevenue
14	shall-determiney-for-each-countyy-the-number-of-mills-levied
15	for-the-current-tax-year-in-each-taxing-jurisdiction-levying
16	mills-against-personal-property.
17	(2)(1) (a) Prior-to-September-17-19907-the-department's
18	agentinthe-county-shall-supply-the-following-information
19	to-the The PRIOR TO SEPTEMBER 1, 1990, THE DEPARTMENT'S
20	AGENT IN THE COUNTY SHALL SUPPLY THE FOLLOWING INFORMATION
21	TO THE department shall-determine-theamountoftaxable
22	valuelost for within FOR each taxing jurisdiction within
23	the county:

24 taj--the-number-of-mills-levied-in-the-jurisdiction--for

-2-

25 taxable-year-1989;

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1	<pre>tb;thenumber-of-mills-levied-in-the-jurisdiction-for</pre>
2	taxable-year-1990;
3	{c}thc-total-taxable-valuation-for-taxable-years1989
4	and-19907-reported-separately-for-each-year7-of-all-personal
5	property-not-secured-by-real-propertyand
6	(d)thetotal-taxable-valuation-for-taxable-years-1989
7	and-1998;-reported-separately-for-each-year;-of-all <u>dueto</u>
8	the-reduction-in
9	(A) THE NUMBER OF MILLS LEVIED IN THE JURISDICTION FOR
10	TAXABLE YEAR 1989;
11	(B) THE NUMBER OF MILLS LEVIED IN THE JURISDICTION FOR
12	TAXABLE YEAR 1990;
13	(C) THE TOTAL TAXABLE VALUATION FOR TAXABLE YEARS 1989
14	AND 1990, REPORTED SEPARATELY FOR EACH YEAR, OF ALL PERSONAL
15	PROPERTY NOT SECURED BY REAL PROPERTY; AND
16	(D) THE TOTAL TAXABLE VALUATION FOR TAXABLE YEARS 1989
17	AND 1990, REPORTED SEPARATELY FOR EACH YEAR, OF ALL personal
18	property secured-by-real-property SECURED BY REAL PROPERTY.
19	tax-rates-for-property-included-in-class-eighty-classniney
20	andclasstenyasthoseclassesexistedin1989; The
21	determination-must-be-based-on-1989-taxable-values-for-class
22	eighty-class-niney-and-class-ten-property-as-reported-to-the
23	department-by-each-taxing-jurisdiction-that-existed-in-19897
24	less-the-difference-in-taxable-value-for-thesameproperty
25	in1989asdeterminedbythe-1991-tax-rate-for-property

#### HB 0196/03

1 included-in-15-6-198: 2 (b)--The-department-shall-calculate--the--taxable--value 3 tost--in-a-taxing-jurisdiction-as-a-result-of-a-reduction-in 4 the-taxable-value-rate--in--15-6-145--that--results--from--a 5 reduction-in-taxable-value-of-property-under-15-6-138-6 (c)--The--amount--of--the-reimbursement-is-calculated-by 7 multiplying-the-current--year--mill--levy--for--each--taxing 8 jurisdiction-times-the-total-amount-of-taxable-value-lost-as 9 determined-in-subsections-(2)(a)-and-(2)(b)-10 (3)(2) After-receipt-of-the-information-from-its-agenty 11 the-department-shall-calculate-the-amount-of-revenue-lost-to 12 each--taxing--jurisdiction--using-current-year-mill-levies-13 due-to-the-annual-reduction-in-personal-property--tax--rates 14 set-forth-in-i5-6-i38, and-any-reduction-in-taxes-based-upon 15 recalculation--of--the--effective--tax--rate-for-property-in 16 15-6-145- AFTER RECEIPT OF THE INFORMATION FROM ITS AGENT, 17 THE DEPARTMENT SHALL CALCULATE THE AMOUNT OF REVENUE LOST TO 18 EACH TAXING JURISDICTION, USING CURRENT YEAR MILL LEVIES, 19 DUE TO THE ANNUAL REDUCTION IN PERSONAL PROPERTY TAX RATES 20 SET FORTH IN 15-6-138, AND ANY REDUCTION IN TAXES BASED UPON 21 RECALCULATION OF THE EFFECTIVE TAX RATE FOR PROPERTY IN 22 <u>15-6-145. The department shall total the amounts for all</u> 23 taxing jurisdictions within the county. 24 (4) (A) Por--taxable--year--1990--and--for-each-year 25 thereafterr-the The department shall remit to the county

- 4 -

HB 196

-3-

1 treasurer <u>501 of</u> the base amount of revenue reimbursable, 2 determined pursuant to subsection (3) (2) (1), as-follows: 3 (a) on or before November 307-19907 and on--or--before 4 each--November-30-thereafter7-the-department-shall-remit-50% 5 of-the-base--amount--of--the--revenue--reimbursable--to--the 6 county;-and

7 (b) the remaining 50% on or before May 317-19917-and-on
8 or-before-each-May-31-thereafter7-the-department-shall-remit
9 50%--of--the--base-amount-of-the-revenue-reimbursable-to-the
10 county.

11 (B) FOR TAXABLE YEAR 1993 AND FOR EACH TAXABLE YEAR 12 THEREAFTER, THE DEPARTMENT SHALL REMIT TO THE COUNTY TREASURER OF EACH COUNTY THE SAME AMOUNT REMITTED TO THE 13 COUNTY TREASURER FOR THE FISCAL YEAR 1993 1991, AS ADJUSTED 14 15 BY THE RESULT OF DISSOLVED OR COMBINED TAXING JURISDICTIONS. AS PROVIDED FOR IN SUBSECTION (7). FIFTY PERCENT OF THE 16 AMOUNT MUST BE REMITTED ON OR BEFORE NOVEMBER 30 AND THE 17 18 REMAINING 50% ON OR BEFORE MAY 31.

19 (5)(4) Upon receipt of the reimbursement from the 20 department, the county treasurer shall distribute the 21 reimbursement to each taxing jurisdiction in-the-relative 22 proportions-required-by-the-levies-for-stater-countyr-school 23 districtr-and-municipal--purposes--in--the--same--manner--as 24 current--year--mill--levies--on--personal-property-taxes-are 25 distributed as calculated by the department.

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HB 196

1 (6)(5) For the purposes of this section and subject to 2 subsection (0) (7), "taxing jurisdiction" means local 3 governments a jurisdiction levying mills against personal property and includes but is not limited to a county, city, 4 5 school districts district, each--municipality--with tax increment financing district, miscellaneous taxing district, 6 7 and the state of Montana. 8 f7+(6) The amounts necessary for the administration of 9 this section are statutorily appropriated, as provided in 10 17-7-502, from the general fund to reimburse school 11 districts---and---local----governments eligible taxing 12 jurisdictions for reductions in tax rates on personal 13 property. 14 (8)(7) The following apply to taxing jurisdictions that 15 were altered after tax year 1989; 16 (a) A taxing jurisdiction that existed in tax year 1989 and that no longer exists is not entitled to reimbursement 17 18 under this section.

- (b) A taxing jurisdiction that existed in tax year 1989
  and that is split into two or more taxing jurisdictions is
  entitled to reimbursement based on the portion of 1989
  taxable value within each new taxing jurisdiction. The
- 23 department shall determine the portion of 1989 taxable value
- 24 located in each taxing jurisdiction.
- 25 (c) A taxing jurisdiction that did not exist in tax
  - -6-

year 1989 is not entitled to reimbursement under this
 section unless the jurisdiction was created as described in
 subsection (0)(b) (7)(B)."

4 <u>NEW SECTION.</u> Section 2. Applicability. [This act] 5 applies to all reimbursements beginning with tax year 1993. 6 [This act] does not affect the reimbursement payment due May 7 31, 1993, or any previous reimbursement. The first 8 reimbursement payment under [this act] is payable on or 9 before November 30, 1993.

-End-

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1	HOUSE BILL NO. 196
2	INTRODUCED BY DRISCOLL
3	BY-RBOUBST-OP-THB-BBPARTMENT-OP-REVENUE
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT REVISING-TREPROCEDURE
6	Por-computing-reimbursiments-to-local-governments-por-losses
7	inpersonal-property-tax-as-a-result-op-tax-rate-reductions
8	CAPPING THE AMOUNT OF REIMBURSEMENT PAID TO ELIGIBLE TAXING
9	JURISDICTIONS FOR TAXABLE YEARS 1993 AND THEREAFTER TO THE
10	SAME AMOUNT PAID IN FISCAL YEAR 1993 1991, BUT ALLOWING
11	CERTAIN ADJUSTMENTS BECAUSE OF DISSOLVED AND COMBINED TAXING
12	JURISDICTIONS; REVISING THE DEFINITION OF "TAXING
13	JURISDICTION"; PROVIDING A PROCEDURE FOR THE TREATMENT OF
14	DISSOLVED AND CONBINED TAXING JURISDICTIONS; AMENDING
15	SECTION 15-1-111, NCA; AND PROVIDING AN APPLICABILITY DATE."
16	
17	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
18	Section 1. Section 15-1-111, MCA, is amended to read:
19	*15-1-111. Reimbursement to local governments and
20	schools duties of department and county treasurer
21	statutory appropriation. <del>(1)-(a)-On-or-before-May1y1998y</del>
22	thedepartmentofrevenueshallremittothecounty
23	tressurer-of-each-county-30%ofthereimbursementamount
24	specifiedinsubsection{}}{b}yascomputedbythe
25	departmentThe-department-shall-base-thereimbursementon

1 the--reduction--in-personal-property-tax-revenues-due-to-the reduction-in-personal-property-tax--rates--for--class--eight 2 3 propertyy--as-provided-for-in-15-6-130y-and-any-reduction-in 4 taxes-based-upon-recalculation-of-the-effective-tax-rate-for 5 property-in-15-6-145--The--reimbursement--basis--must--also 6 include--loss--of--personal--property-taz-revenue-due-to-the 7 reclassification-of-new-industrial-property-from-class--five 8 to--class-eight-with-the-reduced-tax-rate--The-determination 9 of-the-reimbursement-basis-must-be-made-in-the-year-in-which 10 the-reclassification-is-made. 11 tb}--The-reimbursement-revenue--must--be--based--on--the 12 county's--taxable--value--and-mill-levies-for-tax-year-1989; 13 Prior-to-November-1-of-each-yeary-the-department-of--revenue 14 shall-determiney-for-each-countyy-the-number-of-mills-levied for-the-current-tax-year-in-each-taxing-jurisdiction-levying 15 16 mills-against-personal-property. 17 (2)(1) (a) Prior-to-September-17-19907-the-department's 18 agent--in--the-county-shall-supply-the-following-information 19 to-the The PRIOR TO SEPTEMBER 1, 1990, THE DEPARTMENT'S 20 AGENT IN THE COUNTY SHALL SUPPLY THE FOLLOWING INFORMATION 21 TO THE department shall--determine--the--amount--of--taxable 22 value--lost for within FOR each taxing jurisdiction within 23 the county;: 24 fa)---the-number-of-mills-levied-in-the-jurisdiction--for

25 taxable-year-19897

-2-

HB 196 REFERENCE BILL

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1	tb;thenumber-of-mills-levied-in-the-jurisdiction-for
2	taxable-year-19987
3	tc;the-total-taxable-valuation-for-taxable-years1989
4	and-19987-reported-separately-for-each-yeary-of-all-personal
5	property-not-secured-by-real-property;-and
6	td}thctotal-taxable-valuation-for-taxable-years-1989
7	and-1990y-reported-separately-for-each-yeary-of-all <u>dueto</u>
8	the-reduction-in
9	(A) THE NUMBER OF NILLS LEVIED IN THE JURISDICTION FOR
10	TAXABLE YEAR 1989;
11	(B) THE NUMBER OF MILLS LEVIED IN THE JURISDICTION FOR
12	TAXABLE YEAR 1990;
13	(C) THE TOTAL TAXABLE VALUATION FOR TAXABLE YEARS 1989
14	AND 1990, REPORTED SEPARATELY FOR EACH YEAR, OF ALL PERSONAL
15	PROPERTY NOT SECURED BY REAL PROPERTY; AND
16	(D) THE TOTAL TAXABLE VALUATION FOR TAXABLE YEARS 1989
17	AND 1990, REPORTED SEPARATELY FOR EACH YEAR, OF ALL personal
18	property secured-by-real-property SECURED BY REAL PROPERTY.
19	tax-rates-for-property-included-in-class-eighty-classminey
20	andclasstenyasthoseclassesexisted-in1989. The
21	determination-must-be-based-on-1989-taxable-values-for-class
22	eighty-class-miney-and-class-ten-property-as-reported-to-the
23	department-by-each-taxing-jurisdiction-that-existed-in-1989y
24	less-the-difference-in-taxable-value-for-thesameproperty
25	in1989asdeterminedbythe-1991-tax-rate-for-property

1	<u>included-in-15-6-1907</u>
2	<u>{b}The-department-shall-calculatethetaxablevalue</u>
3	lostin-a-taxing-jurisdiction-as-a-result-of-a-reduction-in
4	the-taxable-value-ratein15-6-145thatresultsfrome
5	reduction-in-taxable-value-of-property-under-15-6-130-
б.	<u>{c}Theamountofthe-reimbursement-is-calculated-by</u>
7	multiplying-the-currentyearmilllevy-foreachtaxing
8	jurisdiction-times-the-total-amount-of-taxable-value-lost-as
9	determined-in-subsections-(2)(s)-and-(2)(b)-
10	<pre>{3)(2) After-receipt-of-the-information-from-its-agent;</pre>
11	the-department-shall-calculate-the-amount-of-revenue-lost-to
12	eachtaxingjurisdictionyusing-current-year-mill-levies;
13	due-to-the-annual-reduction-in-personal-propertytaxrates
14	set-forth-in-15-6-138y-and-any-reduction-in-taxes-based-upon
15	recalculationoftheeffectivetaxrate-for-property-in
16	15-6-145. AFTER RECEIPT OF THE INFORMATION FROM ITS AGENT,
17	THE DEPARTMENT SHALL CALCULATE THE AMOUNT OF REVENUE LOST TO
18	EACH TAXING JURISDICTION, USING CURRENT YEAR MILL LEVIES,
19	DUE TO THE ANNUAL REDUCTION IN PERSONAL PROPERTY TAX RATES
20	SET FORTH IN 15-6-138, AND ANY REDUCTION IN TAXES BASED UPON
21	RECALCULATION OF THE EFFECTIVE TAX RATE FOR PROPERTY IN
22	15-6-145. The department shall total the amounts for all
23	taxing jurisdictions within the county.
24	(4)(3) (A) Fortaxableyear1990andfor-each-year
25	thereaftery-the The department shall remit to the county

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treasurer 50% of the base amount of revenue reimbursable, 1 determined pursuant to subsection (3) (2) (1), as-follows: 2 tat on or before November 307-19907 and on-or-before 3 each--November-30-thereaftery-the-department-shall-remit-50% 4 of-the-base--amount--of--the--revenue--reimbursable--to--the 5 6 county:-and tby the remaining 50% on or before May 317-19917-and-on 7 or-before-each-May-31-thereaftery-the-department-shall-remit 8 50%--of--the--base-amount-of-the-revenue-reimbursable-to-the 9 10 county. (B) FOR TAXABLE YEAR 1993 AND FOR EACH TAXABLE YEAR 11 THEREAFTER, THE DEPARTMENT SHALL REMIT TO THE COUNTY 12 TREASURER OF EACH COUNTY THE SAME AMOUNT REMITTED TO THE 13 COUNTY TREASURER FOR THE FISCAL YEAR 1993 1991, AS ADJUSTED 14 BY THE RESULT OF DISSOLVED OR COMBINED TAXING JURISDICTIONS. 15 AS PROVIDED FOR IN SUBSECTION (7). FIFTY PERCENT OF THE 16 AMOUNT MUST BE REMITTED ON OR BEFORE NOVEMBER 30 AND THE 17 REMAINING 50% ON OR BEFORE MAY 31. 18 (5)(4) Upon receipt of the reimbursement from the 19 department, the county treasurer shall distribute the 20 reimbursement to each taxing jurisdiction in-the-relative 21 proportions-required-by-the-levies-for-statey-countyy-school 22 districty-and-municipal--purposes--in--the--same--manner--as 23 current--year--mill--levies--on--personal-property-taxes-are 24 distributed as calculated by the department. 25

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1 (5) For the purposes of this section and subject to 2 subsection (0) (7), "taxing jurisdiction" means local 3 governments a jurisdiction levying mills against personal 4 property and includes but is not limited to a county, city, 5 school districts district, each--municipality--with tax 6 increment financing district, miscellaneous taxing district, 7 and the state of Montana. 8 (7)(6) The amounts necessary for the administration of 9 this section are statutorily appropriated, as provided in 10 17-7-502, from the general fund to reimburse school districts---and---local----governments 11 eligible taxing 12 jurisdictions for reductions in tax rates on personal 13 property. 14 (9) (7) The following apply to taxing jurisdictions that 15 were altered after tax year 1989; 16 (a) A taxing jurisdiction that existed in tax year 1989 17 and that no longer exists is not entitled to reimbursement 18 under this section. 19 (b) A taxing jurisdiction that existed in tax year 1989 20 and that is split into two or more taxing jurisdictions is 21 entitled to reimbursement based on the portion of 1989 22 taxable value within each new taxing jurisdiction. The 23 department shall determine the portion of 1989 taxable value 24 located in each taxing jurisdiction. 25 (c) A taxing jurisdiction that did not exist in tax

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year 1989 is not entitled to reimbursement under this
 section unless the jurisdiction was created as described in
 subsection (0)(b) (7)(B)."

4 <u>NEW SECTION.</u> Section 2. Applicability. [This act] 5 applies to all reimbursements beginning with tax year 1993. 6 [This act] does not affect the reimbursement payment due May 7 31, 1993, or any previous reimbursement. The first 8 reimbursement payment under [this act] is payable on or 9 before November 30, 1993.

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