

SENATE BILL NO. 183

INTRODUCED BY DOHERTY  
BY REQUEST OF THE DEPARTMENT OF REVENUE

IN THE SENATE

JANUARY 18, 1993

INTRODUCED AND REFERRED TO COMMITTEE  
ON TAXATION.

FIRST READING.

JANUARY 27, 1993

COMMITTEE RECOMMEND BILL  
DO PASS. REPORT ADOPTED.

PRINTING REPORT.

JANUARY 28, 1993

SECOND READING, DO PASS.

JANUARY 29, 1993

ENGROSSING REPORT.

THIRD READING, PASSED.  
AYES, 47; NOES, 0.

TRANSMITTED TO HOUSE.

IN THE HOUSE

JANUARY 30, 1993

INTRODUCED AND REFERRED TO COMMITTEE  
ON TAXATION.

FIRST READING.

FEBRUARY 10, 1993

COMMITTEE RECOMMEND BILL BE  
CONCURRED IN. REPORT ADOPTED.

MARCH 2, 1993

SECOND READING, CONCURRED IN.

MARCH 5, 1993

THIRD READING, CONCURRED IN.  
AYES, 98; NOES, 2.

RETURNED TO SENATE.

IN THE SENATE

MARCH 8, 1993

RECEIVED FROM HOUSE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

Senate BILL NO. 183

INTRODUCED BY Doherty  
BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT PROPERTY OWNED BY BOTH A TAX-EXEMPT AND TAXABLE ENTITY OR USED FOR BOTH TAX-EXEMPT AND TAXABLE PURPOSES BE ASSESSED AND TAXED BASED UPON THE APPORTIONED OWNERSHIP OR USE OF THE PROPERTY."

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

NEW SECTION. Section 1. Apportionment of tax-exempt property. (1) If property is owned in any manner by both a tax-exempt person or entity and a person or entity subject to taxation, the ownership interest of the person or entity subject to taxation in the property must be assessed, and that interest is taxable. The department of revenue shall assess the value of the taxable interest in the property by prorating the value of the property between the taxable interest and the nontaxable interest based on the ownership interests shown on the title to the property or any other document that evidences the ownership of the property. If there is no title to the property or other document that evidences the ownership interests or if the title or other document does not show the ownership interest, the value of

the property must be prorated among the owners as if each owner owned equal interests in the property.

(2) If property is tax-exempt by virtue of its use, it loses its tax-exempt status when the tax-exempt use ends. If the property is used for both a tax-exempt use and a taxable use, the property is taxed based on the taxable use. The department shall assess the property based on the ratio of the taxable use to the total tax-exempt and taxable use during the preceding calendar year multiplied by the market value of the property.

NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 15, chapter 24, part 12, and the provisions of Title 15 apply to [section 1].

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0183, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act providing that property owned by both a tax-exempt and taxable entity or used for both tax-exempt and taxable purposes be assessed and taxed based upon the apportioned ownership or use of the property.

FISCAL IMPACT:

This bill has no impact on Department of Revenue expenditures or revenue.

EFFECT ON LOCAL REVENUES:

The Department of Revenue has no information with which to estimate the impact of this bill on local revenue.

David Lewis 1-21-93  
DAVID LEWIS, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

Steve Doherty 1/21/93  
STEVE DOHERTY, PRIMARY SPONSOR      DATE  
Fiscal Note for SB0183, as introduced  
**SB 183**

APPROVED BY COMMITTEE  
ON TAXATION

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11 NEW SECTION. Section 2. Codification instruction.  
12 [Section 1] is intended to be codified as an integral part  
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