

SENATE BILL 27

Introduced by Van Valkenburg, et al.

12/02 Introduced  
12/02 Referred to Taxation  
12/02 First Reading  
12/02 Fiscal Note Requested  
12/04 Hearing  
12/06 Fiscal Note Received  
12/06 Fiscal Note Printed  
12/15 Committee Report--Bill Passed  
12/15 2nd Reading Do Pass Motion Failed  
(Constitutional Amendment Proposal  
Requires 3rd Reading Vote)  
12/15 3rd Reading Failed  
(Constitutional Amendment Proposal  
Requires House Vote)  
  
Transmitted to House  
12/16 First Reading  
12/16 Referred to Taxation  
12/16 Hearing  
12/16 Committee Report-Bill Concurred  
12/16 2nd Reading Concurred as Amended  
12/16 3rd Reading Concurred  
  
Returned to Senate with Amendments  
12/17 2nd Reading Amendments Not Concurred  
12/17 Free Conference Committee Appointed  
12/18 Free Conference Committee Report No. 1  
12/18 2nd Reading Free Conference Committee  
Report No. 1 Adopted  
12/18 3rd Reading Free Conference Committee  
Report No. 1 Adopted  
  
House  
12/17 Free Conference Committee Appointed  
12/18 Free Conference Committee Report No. 1  
12/18 2nd Reading Free Conference Committee  
Report No. 1 Adopted  
12/18 3rd Reading Free Conference Committee  
Report No. 1 Adopted  
  
12/18 Signed by Speaker  
12/22 Signed by President  
(Governor's Signature Not Required)  
Chapter Number 25  
Effective Date: Contingent Upon Voter  
Approval

CONSTITUTIONAL AMENDMENT

1 *Senate* BILL NO. *27*  
2 INTRODUCED BY *Van Valkenburg Swanson Kennedy Franken*  
3 *Walters Wilson* *Kenyon* *Waggoner* *Walters* *Walters*  
4 *Walters* *Walters* *Walters* *Walters* *Walters*  
5 A BILL FOR AN ACT ENTITLED: "AN ACT IMPLEMENTING LONG-RANGE  
6 STRUCTURAL CONCERNS OF THE GOVERNOR'S TAX ADVISORY COUNCIL  
7 FOR PROPERTY OWNERSHIP BY SUBMITTING TO THE QUALIFIED  
8 ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE VIII, SECTION 3,  
9 OF THE MONTANA CONSTITUTION TO LIMIT INCREASES IN VALUATION  
10 OF RESIDENTIAL PROPERTY, AND OTHER PROPERTY IF PROVIDED BY  
11 LAW, TO 4 PERCENT A YEAR FOR PROPERTY TAX PURPOSES AND TO  
12 ALLOW INCREASES BECAUSE OF PERIODIC REAPPRAISAL TO BE PHASED  
13 IN OVER THE COURSE OF A REAPPRAISAL CYCLE." *Baranov*

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

15 **Section 1.** Article VIII, section 3, of The Constitution  
16 of the State of Montana is amended to read:

17 "Section 3. Property tax administration -- valuation  
18 limitations. (1) The state shall appraise, assess, and  
19 equalize the valuation of all property which is to be taxed  
20 in the manner provided by law.

21 (2) The value of residential property, and any other  
22 class of property if provided by law, may not increase by  
23 more than four percent a year for property tax purposes. Any  
24 increase in the value of property because of periodic  
25 reappraisals may be phased in during a reappraisal cycle."

1 NEW SECTION. **Section 2.** Submission to electorate. This  
2 amendment shall be submitted to the qualified electors of  
3 Montana at the general election to be held in November 1994  
4 by printing on the ballot the full title of this act and the  
5 following:

- 6 ☐ FOR limiting increases in valuation of residential  
7 and other property to 4% a year for property tax  
8 purposes and allowing increases to be phased in.  
9 ☐ AGAINST limiting increases in valuation of  
10 residential and other property to 4% a year for  
11 property tax purposes and allowing increases to be  
12 phased in.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15


In compliance with a written request, there is hereby submitted a Fiscal Note for SB0027, as introduced.

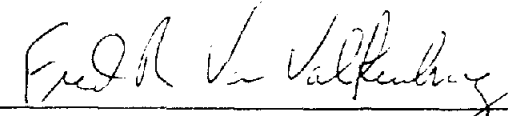
DESCRIPTION OF PROPOSED LEGISLATION:

An act implementing long-range structural concerns of the governor's tax advisory council for property ownership by submitting to the qualified electors of Montana an amendment to Article VIII, section 3 of the Montana Constitution to limit increases in valuation of residential property, and other property if provided by law, to 4 percent a year for property tax purposes and to allow increases because of periodic reappraisal to be phased in over the course of a reappraisal cycle.

FISCAL IMPACT:

The proposed legislation itself has no fiscal impact; it requires approval by the voters.

 12-4  
DAVE LEWIS, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

  
FRED R. VAN VALKENBURG, PRIMARY SPONSOR      DATE  
Fiscal Note for SB0027, as introduced

SB 27

APPROVED BY COMMITTEE  
ON TAXATION

53rd Legislature  
Special Session 11/93

LC 0117/01

LC 0117/01

CONSTITUTIONAL AMENDMENT

1 *Senate* BILL NO. *27*  
2 INTRODUCED BY *Van Valkenburg Swanson Kennedy Furber*  
3 *Weldon* *Kelly* *Harlock* *Paul* *...*  
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5 STRUCTURAL CONCERNS OF THE GOVERNOR'S TAX ADVISORY COUNCIL  
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-End-

CONSTITUTIONAL AMENDMENT

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2 INTRODUCED BY *Van Valkenburg Swenson Kennedy Franklin*  
3 *Wooten* *Kidder* *Wright* *Walters*  
4 *Mendenhall* *Hollinger* *Beane* *Wright* *Emery*  
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9 ☐ AGAINST limiting increases in valuation of  
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11 property tax purposes and allowing increases to be  
12 phased in.

-End-



# HOUSE COMMITTEE OF THE WHOLE AMENDMENT

Senate Bill No. 27  
Representative Foster

December 16, 1993 5:59 pm  
Page 1 of 2

Mr. Chairman: I move to amend Senate Bill No. 27 (third reading copy -- blue).

Signed: Mike Foster  
Representative Foster

And, that such amendments to Senate Bill No. 27 read as follows:

1. Title, lines 4 through 6.  
Following: "ACT" on line 4  
Strike: remainder of line 4 through "BY" on line 6
2. Title, line 8.  
Following: "TO"  
Insert: "ALLOW EQUALIZATION OF PROPERTY VALUES FOR PROPERTY TAX PURPOSES TO BE BASED ON CLASSIFICATION AND ON ACQUISITION VALUES, TO"
3. Title, line 9.  
Strike: "RESIDENTIAL PROPERTY, AND OTHER"  
Following: "PROPERTY"  
Insert: ", "
4. Title, line 10.  
Strike: "4"  
Insert: "1"
5. Page 1, line 18.  
Following: "(1)"  
Insert: "(a)"  
Strike: "The"  
Insert: "Subject to the provisions of subsection (1)(b), the"
6. Page 1, line 21.  
Following: line 20  
Insert: "(b) Equalized valuation may be achieved through the

classification of property and may be based on acquisition value."

7. Page 1, line 21.  
Strike: "The"  
Insert: "For property tax purposes, the"  
Strike: "residential property, and"  
Strike: "other"
8. Page 1, line 22.  
Following: "property"  
Insert: ", "
9. Page 1, line 23.  
Strike: "four"  
Insert: "one"  
Strike: "for property tax purposes"  
Insert: "unless the acquisition method of valuation results in a change in the value of property for the tax year"  
Following: ", "  
Insert: "(3)"
10. Page 2, lines 6 through 8.  
Following: "FOR" on line 6  
Insert: "allowing property taxes to be based on acquisition value and"  
Following: "limiting" on line 6  
Insert: "annual"  
Following: "of" on line 6  
Strike: remainder of line 6 through "other" on line 7  
Following: "to" on line 7  
Strike: remainder of line 7 through "in" on line 8  
Insert: "1"
11. Page 2, line 9.  
Following: "AGAINST"  
Insert: "allowing property taxes to be based on acquisition value and"  
Following: "limiting"  
Insert: "annual"
12. Page 2, lines 10 through 12.  
Following: line 9  
Strike: "residential and other" on line 10  
Following: "to" on line 10  
Strike: remainder of line 10 through "in" on line 12  
Insert: "1"

-END-

ADOPT

60-40

12/16/93

AC \_\_\_\_

161759CW.Hsf

December 16, 1993  
Page 2 of 2

SB 27  
HOUSE

CONSTITUTIONAL AMENDMENT

SENATE BILL NO. 27

INTRODUCED BY VAN VALKENBURG, SWANSON, KENNEDY, FRANKLIN,  
J. JOHNSON, LARSON, BARNHART, HALLIGAN, BIANCHI, YELLOWTAIL,  
BARTLETT, WELDON, REA, KADAS, BLAYLOCK, WATERMAN,  
CHRISTIAENS, MENAHAN, FAGG, BOHLINGER, REAM, RYAN, DOHERTY,  
ELLIOTT, JERGESON, ECK, JACOBSON, WHALEN, SCHYE, KLAMPE,  
ENDY, STANFORD, TOWE, BARDANOUVE

A BILL FOR AN ACT ENTITLED: "AN ACT IMPLEMENTING LONG-RANGE  
STRUCTURAL CONCERNS OF THE GOVERNOR'S TAX ADVISORY COUNCIL  
FOR PROPERTY OWNERSHIP BY SUBMITTING TO THE QUALIFIED  
ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE VIII, SECTION 3,  
OF THE MONTANA CONSTITUTION TO ALLOW EQUALIZATION OF  
PROPERTY VALUES FOR PROPERTY TAX PURPOSES TO BE BASED ON  
CLASSIFICATION AND ON ACQUISITION VALUES, TO LIMIT INCREASES  
IN VALUATION OF RESIDENTIAL PROPERTY, AND OTHER PROPERTY, IF  
PROVIDED BY LAW, TO 4 1 PERCENT A YEAR FOR PROPERTY TAX  
PURPOSES, AND TO ALLOW INCREASES BECAUSE OF PERIODIC  
REAPPRAISAL TO BE PHASED IN OVER THE COURSE OF A REAPPRAISAL  
CYCLE."

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

**Section 1.** Article VIII, section 3, of The Constitution  
of the State of Montana is amended to read:

"Section 3. Property tax administration -- valuation

limitations. (1) (A) The SUBJECT TO THE PROVISIONS OF  
SUBSECTION (1)(B), THE state shall appraise, assess, and  
equalize the valuation of all property which is to be taxed  
in the manner provided by law.

(B) EQUALIZED VALUATION MAY BE ACHIEVED THROUGH THE  
CLASSIFICATION OF PROPERTY AND MAY BE BASED ON ACQUISITION  
VALUE.

(2) The FOR PROPERTY TAX PURPOSES, THE value of  
residential--property,--and any other class of property, if  
provided by law, may not increase by more than four ONE  
percent a year for--property--tax--purposes UNLESS THE  
ACQUISITION METHOD OF VALUATION RESULTS IN A CHANGE IN THE  
VALUE OF PROPERTY FOR THE TAX YEAR.

(3) Any increase in the value of property because of  
periodic reappraisals may be phased in during a reappraisal  
cycle."

**NEW SECTION. Section 2.** Submission to electorate. This  
amendment shall be submitted to the qualified electors of  
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by printing on the ballot the full title of this act and the  
following:

☐ FOR ALLOWING PROPERTY TAXES TO BE BASED ON  
ACQUISITION VALUE AND limiting ANNUAL increases in  
valuation of residential--and--other property to 4%--a  
year--for--property--tax--purposes--and--allowing

1        ~~increases-to-be-phased-in 1%.~~

2        ☐ AGAINST ALLOWING PROPERTY TAXES TO BE BASED ON  
3        ACQUISITION VALUE AND limiting ANNUAL increases in  
4        valuation of ~~residential-and-other~~ property to ~~4%-a~~  
5        ~~year--for--property--tax--purposes---and---allowing~~  
6        ~~increases-to-be-phased-in 1%.~~

-End-



Free Conference Committee  
on Senate Bill No. 27  
Report No. 1, December 18, 1993

December 18, 1993  
Page 2 of 2

Page 1 of 2

Mr. President and Mr. Speaker:

We, your Free Conference Committee on Senate Bill No. 27, met and considered: Senate Bill No. 27 in its entirety.

We recommend that Senate Bill No. 27 (reference copy - salmon) be amended as follows:

1. Title, line 15.

Strike: "1"

Insert: "AND"

2. Title, line 16.

Strike: "1 IF"

Insert: "AS"

3. Title, lines 17 through 20.

Following: "LAW" on line 17

Strike: remainder of line 17 through "CYCLE" on line 20

4. Page 2, line 5.

Following: "VALUATION" on line 5

Insert: "of residential and commercial property"

5. Page 2, line 8.

Following: "1" on line 8

Insert: "increases in"

6. Page 2, lines 9 through 13.

Following: "property" on line 9

Strike: strike remainder of line 9 through "provided" on line 10

Insert: "may be limited"

Following: "law" on line 10

Strike: remainder of line 10 through "YEAR" on line 13

7. Page 2, lines 14 through 16.

Strike: subsection (3) in its entirety

8. Page 2, line 23.

Strike: "limiting"

Insert: "allowing limits on"

9. Page 2, line 24.

Strike: "to"

10. Page 3, line 1.

Strike: "1"

11. Page 3, line 3.

Strike: "limiting"

Insert: "allowing limits on"

12. Page 3, line 4.

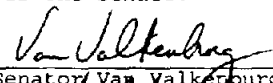
Strike: "to"

13. Page 3, line 6.

Strike: "1"

And that this Free Conference Committee report be adopted.

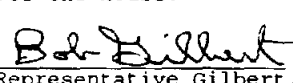
For the Senate:

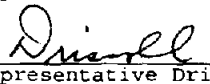
  
Senator Van Valkenburg, Chair

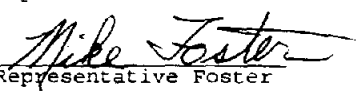
  
Senator Halligan

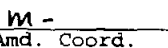
  
Senator Harp

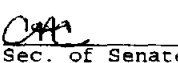
For the House:

  
Representative Gilbert, Chair

  
Representative Driscoll

  
Representative Foster

  
M. Coord.

  
Sec. of Senate

ADOPT

REJECT

181319CC.Sma

FCC #1  
SB 27  
181319CC.Sma

CONSTITUTIONAL AMENDMENT

SENATE BILL NO. 27

INTRODUCED BY VAN VALKENBURG, SWANSON, KENNEDY, FRANKLIN,  
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-End-