SENATE BILL 48

Introduced by Towe, et al.

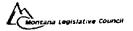
12/09 Introduced 12/09 Referred to Taxation 12/09 First Reading 12/09 Fiscal Note Requested 12/09 Fiscal Note Printed 21/14 Hearing Died in Committee

## LC 0171/01

53rd Legislature Special Session 11/93

NATE BILL NO. 42 1 INTRODUCED BY 2 My Wildon 1 3 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A COUNTY 4 GOVERNMENT TO IMPOSE A LOCAL OPTION REALTY TRANSFER TAX IF 5 APPROVED BY THE ELECTORATE OF THE COUNTY; PROVIDING FOR THE 6 ADMINISTRATION OF THE TAX; REQUIRING THAT THE PROCEEDS OF 7 THE TAX BE USED TO PROVIDE PROPERTY TAX REBATES OR OTHER 8 PROPERTY TAX RELIEF: AND PROVIDING AN EFFECTIVE DATE." 9 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 11 NEW SECTION. Section 1. Purpose. The purpose of 12 [sections 1 through 3] is to allow the electorate of a 13 county to authorize the governing body of the county to 14 impose a local option realty transfer tax for the purpose of 15 providing property tax rebates or other property tax relief. 16 The property tax rebates or other property tax relief may be 17 used to reduce the property tax burden imposed by any taxing 18 unit within the county. 19

20 <u>NEW SECTION.</u> Section 2. Authorization of local option 21 realty transfer tax -- limitations -- requirements. (1) (a) 22 Subject to the provisions of the enabling authority, the 23 governing body of a county may impose a realty transfer tax 24 on the transfer of title of any real property located in the 25 county.



1 (b) The rate of the realty transfer tax may not exceed 2 1% of the value declared in the realty transfer certificate 3 required under 15-7-305 or 1% of the value declared in any 4 other instrument used to record the value of the transfer.

5 (c) The proceeds of a realty transfer tax must be used 6 to provide property tax rebates or other property tax 7 relief.

8 (2) The proposal to impose a realty transfer tax 9 authorized by this section may be initiated by a petition of 10 the electorate, as provided in 7-5-131 through 7-5-135, or 11 by a referendum proposed by the governing body of the 12 county.

13 (3) The petition or resolution referring the realty 14 transfer taxing guestion must state:

15 (a) the rate of the realty transfer tax;

16 (b) the transfers to which the realty transfer tax

17 — applies and the fact that the tax is imposed on the person

18 seeking to record the transfer of title to the property;

19 (c) the duration of the realty transfer tax;

20 (d) the date when the tax becomes effective, which may

21 not be earlier than 90 days after the election;

22 (e) that the proceeds of the realty transfer tax must

23 be used to:

24

(i) provide property tax rebates; or

25 (ii) reduce property taxes;

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1 (f) the eligibility criteria for a rebate;

2 (g) the duration of property tax relief for which the
3 proceeds of the proposed realty transfer tax must be used;
4 and

5 (h) the estimated total annual revenue to be produced6 by the proposed tax.

(4) In addition to the provisions required by 7 subsection (3), the proposal must grant the governing body 8 the county authority to establish administrative 9 of procedures, rules, penalties, and other powers that are 10 consistent with the approved enabling authority. The county 11 commissioners may require the payment of the realty transfer 12 tax before the recording of any instrument of transfer. The 13 administrative procedures must ensure the confidentiality of 14 information associated with the transfer of title. 15

16 (5) The enabling authority may not be amended or
17 repealed by the governing body without a vote of the
18 electorate.

19 (6) The question of the imposition of a realty transfer
20 tax may not be placed before the electors more than once in
21 any 2 fiscal years.

(7) For the purpose of [sections 1 through 3],
"enabling authority" means a proposal that is approved by
the electorate of a county in accordance with 7-5-136 and
that enables a county government to impose a realty transfer

l tax.

2 <u>NEW SECTION.</u> Section 3. Realty transfer tax --3 property tax relief. Revenue from the realty transfer tax 4 must be used to rebate a dollar amount, specified in the 5 enabling authority, of a general property tax increase that 6 results from reappraisal or the imposition of additional 7 nonvoted mill levies on property or to otherwise provide 8 relief from property taxes paid by residents of the county.

<u>NEW SECTION.</u> Section 4. Codification instruction.
[Sections 1 through 3] are intended to be codified as an
integral part of Title 7, chapter 6, and the provisions of
Title 7, chapter 6, apply to [sections 1 through 3].

13 NEW SECTION. Section 5. Effective date. [This act] is

14 effective January 1, 1994.

-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 <u>SB0048, as introduced</u>.

<u>DESCRIPTION OF PROPOSED LEGISLATION</u>: An act authorizing a county government to impose a local option realty transfer tax if approved by the electorate of the county; providing for the administration of the tax; requiring that the proceeds of the tax be used to provide property tax rebates or other property tax relief; and providing an effective date.

## FISCAL IMPACT:

The proposal would have no fiscal impact. It provides tax relief for those counties imposing a local option realty transfer tax.

DATE

DAVE LEWIS, BUDGET DIRECTOR Office of Budget and Program Planning

THOMAS E. "TOM" TOWE, PRIMARY SPONSOR DATE

Fiscal Note for SB0048, as introduced