

CONSTITUTIONAL AMENDMENT

SENATE BILL NO. 274

INTRODUCED BY

A BILL FOR AN ACT ENTITLED: "AN ACT SUBMITTING TO THE QUALIFIED ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE VIII, SECTION 3, OF THE MONTANA CONSTITUTION LIMITING PROPERTY TAXES AND ALLOWING THE LIMITATION OR REDUCTION OF THE VALUATION OR TAXATION OF PROPERTY AS PROVIDED BY LAW; AND PROVIDING AN EFFECTIVE DATE."

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. (1) The Subject to the provisions of subsection (2), the state shall appraise, assess, and equalize the valuation of all property which is to be taxed in the manner provided by law.

(2) The tax on individual property shall not increase by more than 2% in a year unless due to construction or improvements. For taxes based on or calculated on the value of property, the value of property in any class or the tax on property in any class may be limited or reduced as provided by law."

NEW SECTION. Section 2. Submission to electorate. This amendment shall be submitted to the qualified electors of Montana at the general election to be held in November 1996 by printing on the ballot the full title of this act and the following:

- FOR limits on and allowing reductions of property taxes.
AGAINST limits on and allowing reductions of property taxes.

NEW SECTION. Section 3. Effective date. If approved by the electorate, [this act] is effective January 1, 1997.

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0274, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act granting the Department of State Lands (DSL) broader discretion to expedite sales of state timber in emergency situations and limited access opportunity situations; exempting certain limited access opportunity timber sales from the bid process requirements; and exempting emergency and limited access opportunity timber from certain environmental impact statement provisions of the Montana Environmental Policy Act.

ASSUMPTIONS:

1. The State Land Board is required to administer the school trust lands to secure the largest measure of legitimate and reasonable advantage to the trust (77-1-202, MCA).
2. Under the direction of the State Land Board, DSL is authorized to sell timber and other forest products from trust lands (77-5-201, MCA).
3. DSL will sell an additional 1.3 million board feet (MMBF) of timber annually as a result of this act.
4. DSL will sell the additional volume at an average rate of \$290 per thousand board feet (MBF).
5. Fifty percent of the timber volume sold in FY96 will be logged in FY96, and the other 50% will be logged in FY97. Similarly, 50% of the timber volume sold in FY97 will be logged in FY97, and the other 50% will be harvested in FY98.
6. Stumpage prices will not increase.
7. Revenue estimates are based on additional timber volume contracted for sale as a result of the act.
8. "Emergency" as used in this bill means "Conditions under which a substantial loss of value would occur if following procedures outlined in 75-1-201(1), MCA, and 77-5-201(2), MCA, are followed."
9. The provisions of 2-3-101-114, MCA, and 26.2.701-707, ARM, concerning public participation in agency decisions apply to actions taken by DSL.
10. Timber sale activities would continue to be affected by constraints associated with the Threatened and Endangered Species Act, Streamside Management Zone requirements, water quality requirements, and other constraints as required by law or stipulated in DSL operating standards.
11. The additional volume will be harvested from common school tracts.

FISCAL IMPACT:

	<u>FY96</u> <u>Difference</u>	<u>FY97</u> <u>Difference</u>
<u>Revenue:</u>		
School Equalization	179,075	358,150
Permanent Trust	<u>9,425</u>	<u>18,850</u>
Total	188,500	377,000

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The proposal would result in a small increase in spending in local communities but would not contribute substantially toward sustaining the timber-dependent tax base.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

This act would result in a continued increase in annual revenue of approximately \$377,000.

David Lewis 1-23-95
 DAVID LEWIS, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

DOUGLAS WAGNER, PRIMARY SPONSOR DATE
 Fiscal Note for HB0274, as introduced

HB 274

1 SENATE BILL NO. 274

2 INTRODUCED BY DEVLIN, VAN VALKENBURG, HARP, GAGE, BROWN, BECK, FOSTER, ESTRADA,
3 HARGROVE, STANG, HARDING, ECK, WELDON, BAER, MOHL, AKLESTAD, BISHOP, HERTEL,
4 JENKINS, CRISMORE, COLE, TVEIT, MESAROS, SWYSGOOD, KEATING, JACOBSON, LYNCH,
5 SPRAGUE, MERCER, GRINDE, ROSE, MARSHALL, BOHLINGER, MASOLO, HAYNE, MILLS,
6 SOMERVILLE, AHNER, L. SMITH, MARTINEZ, HERRON, FUCHS, FISHER, WISEMAN, GREEN, MOLNAR,
7 BARNETT, TAYLOR, BERGMAN, DENNY, MCKEE, HIBBARD, KEENAN, DEVANEY, KASTEN,
8 DEBRUYCKER, SIMON, TASH, WAGNER, CURTISS, GRADY, STOVALL, ZOOK, CLARK, BRAINARD,
9 REHBEIN, ELLIS, MCGEE, WELLS, SIMPKINS, SOFT, GRIMES, HOLLAND, FELAND, HALLIGAN, RANEY,
10 HARPER, LARSON, MCCULLOCH, PAVLOVICH, ELLIOTT, PECK, H. HANSON, JABS, FORRESTER

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13 AMENDMENT TO ARTICLE VIII, SECTION 3, OF THE MONTANA CONSTITUTION LIMITING PROPERTY
14 TAXES AND ALLOWING THE LIMITATION OR REDUCTION OF THE VALUATION OR TAXATION OF
15 PROPERTY AS PROVIDED BY LAW; AND PROVIDING AN EFFECTIVE DATE."

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

18
19 Section 1. Article VIII, section 3, of The Constitution of the State of Montana is amended to read:

20 "Section 3. Property tax administration. (1) The Subject to the provisions of subsection (2), the
21 state shall appraise, assess, and equalize the valuation of all property which is to be taxed in the manner
22 provided by law.

23 (2) The tax on individual property shall not increase by more than 2% in a year unless, AS
24 PROVIDED BY LAW, THE INCREASE IS due to construction or, improvements, A CHANGE IN OWNERSHIP
25 OF THE PROPERTY, A CHANGE IN THE TAXING JURISDICTION OF THE PROPERTY, OR INDEBTEDNESS
26 APPROVED BY THE ELECTORATE. For taxes based on or calculated on the value of property, THE
27 INCREASE IN the value of property in any class or the tax on property in any class may be limited or
28 reduced as provided by law."

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30 NEW SECTION. Section 2. **Submission to electorate.** This amendment shall be submitted to the

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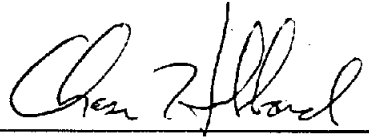


HOUSE STANDING COMMITTEE REPORT

April 6, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that Senate Bill 274 (third reading copy -- blue) be concurred in as amended.

Signed: 
Chase Hibbard, Chair

And, that such amendments read:

Carried by: Rep. Mercer

1. Page 1, line 23.

Strike: "The tax"

Insert: "Taxes

Following: "individual"

Insert: "pieces of"

Strike: "shall" through "unless,"

Insert: "may be limited or reduced"

2. Page 1, line 24 through page 1, line 27.

Strike: ", THE" on line 24 through "IN" on 27

Insert: ". A change in"

Strike: "in any class or the tax on property in"

Insert: "within"

3. Page 2, lines 3 and 4.

Strike: "LIMITING" on line 3 through "taxes" on line 4

Insert: "allowing the legislature to limit or reduce property taxes or changes in valuation of property"

4. Page 2, lines 5 and 6.

Strike: "LIMITING" on line 5 through "taxes" on line 6

Insert: "allowing the legislature to limit or reduce property taxes or changes in valuation of property"

-END-

SB 274

Committee Vote:
Yes 19, No 1.

HOUSE
791514SC.Hdh



HOUSE COMMITTEE OF THE WHOLE AMENDMENT

Senate Bill 274
Representative Mercer

April 7, 1995 9:56 am
Page 1 of 1

Mr. Chairman: I move to amend Senate Bill 274 (third reading copy -- blue).

Signed: Mercer
Representative Mercer

And, that such amendments to Senate Bill 274 read as follows:

AMEND HOUSE COMMITTEE ON TAXATION COMMITTEE REPORT DATED APRIL 6, 1995, AS FOLLOWS:

Amendment No. 3

Strike: Amendment No. 3 in its entirety

Amendment No. 4

Strike: Amendment No. 4 in its entirety

AND THAT SENATE BILL NO. 274, THIRD READING COPY, BE FURTHER AMENDED AS FOLLOWS:

1. Page 2, lines 3 and 4.

Strike: "LIMITING" on line 3 through "taxes" on line 4

Insert: "allowing the legislature to limit or reduce property valuation or taxes"

2. Page 2, lines 5 and 6.

Strike: "LIMITING" on line 5 through "taxes" on line 6

Insert: "allowing the legislature to limit or reduce property valuation or taxes"

-END-

ADOPT

REJECT

SB 274

HOUSE

800956CW.Hbk

CONSTITUTIONAL AMENDMENT

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1 qualified electors of Montana at the general election to be held in November 1996 by printing on the ballot
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4 ~~taxes ALLOWING THE LEGISLATURE TO LIMIT OR REDUCE PROPERTY TAXES OR~~
5 ~~CHANGES IN VALUATION OF PROPERTY LIMITING PROPERTY TAX INCREASES AND~~
6 ~~ALLOWING REDUCTIONS OF PROPERTY TAXES ALLOWING THE LEGISLATURE TO LIMIT~~
7 ~~OR REDUCE PROPERTY VALUATION OR TAXES.~~

8 AGAINST ~~limits on LIMITING PROPERTY TAX INCREASES and allowing reductions of~~
9 ~~property taxes ALLOWING THE LEGISLATURE TO LIMIT OR REDUCE PROPERTY TAXES~~
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13
14 **NEW SECTION. Section 3. Effective date.** If approved by the electorate, [this act] is effective
15 January 1, 1997.

16 -END-