

1 SENATE BILL NO. 20

2 INTRODUCED BY GAGE

3 BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE DEFINITION OF THE AVERAGE LEVY APPLIED
6 TO RAILROAD CARS OPERATING WITHIN THE STATE; AMENDING SECTION 15-23-211, MCA; AND
7 PROVIDING AN IMMEDIATE EFFECTIVE DATE, A RETROACTIVE APPLICABILITY DATE, AND A
8 TERMINATION DATE."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11
12 **Section 1.** Section 15-23-211, MCA, is amended to read:

13 "15-23-211. **Definitions.** As used in 15-23-211 through 15-23-216, unless the context requires
14 otherwise, the following definitions apply:

15 (1) "Average levy" means 95% of the average statewide ~~rate of taxation on~~ mill levy for
16 commercial and industrial property.

17 (2) "Person" includes an individual, firm, association, company, partnership, corporation, joint-stock
18 company, agency, syndicate, or cooperative.

19 (3) "Private railroad cars" means all railroad cars that:

20 (a) are not owned by a railroad company operating in this state;

21 (b) are used for transporting persons or freight; and

22 (c) are not otherwise assessed for property taxation in this state.

23 (4) "Railroad car company" means any person, other than a railroad company, engaged in
24 operating, leasing, or furnishing private railroad cars, whether or not owned by that person, for the
25 transportation of persons or freight over railroad lines located wholly or partially within this state."

26
27 **NEW SECTION. Section 2. Effective date -- retroactive applicability.** [This act] is effective on
28 passage and approval and applies retroactively, within the meaning of 1-2-109, to tax years beginning after
29 December 31, 1995.

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0020, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act clarifying the definition of the average levy applied to railroad cars operating within the state; and providing an immediate effective date, a retroactive applicability date, and a termination date.

ASSUMPTIONS:

1. The proposal will impact only those railroad car companies that currently do not have a specific settlement agreement with the state of Montana.
2. Those companies that currently do not have a specific settlement agreement were billed a total of \$1,680,000 in taxes under current law in FY97 (which is not included in the ROC revenue estimate).
3. It is assumed that under current law the total taxes for these companies would be the same in FY98 and in FY99. Under the proposal, these companies would pay \$1,596,000 (1,680,000 x .95) in FY98 and in FY99 (MDOR).

FISCAL IMPACT:

Expenditures:

This bill has no impact on expenditures of the Department of Revenue.

Revenues:

	<u>FY98</u>	<u>FY99</u>
	<u>Difference</u>	<u>Difference</u>
State General Fund	(\$84,000)	(\$84,000)

Dave Lewis 1-6-97

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

Delwyn Gage 1-7-97

 DELWYN GAGE, PRIMARY SPONSOR DATE
 Fiscal Note for SB0020, as introduced
 SB 20

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1 NEW SECTION. Section 3. Termination. [This act] terminates December 31, 2002.

2 -END-

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