

1 HOUSE BILL NO. 429

2 INTRODUCED BY KASTEN, DEPRATU, DEVLIN, ERICKSON, FORRESTER, FUCHS, KAUFMANN,
3 PATTISON, STORY, ZOOK

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5 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A PROPERTY TAX EXEMPTION STUDY
6 COMMITTEE; PROVIDING AN APPROPRIATION TO THE COMMITTEE; AND PROVIDING EFFECTIVE
7 DATES."

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9 WHEREAS, property has been and continues to be taken off the property tax rolls under the property
10 tax exemption laws; and

11 WHEREAS, local governments and school districts experience financial constraints because of property
12 tax exemptions; and

13 WHEREAS, other property taxpayers bear a larger tax burden because of property tax exemptions; and

14 WHEREAS, it is the goal of the Legislature to ensure that Montana has an equitable property tax system;
15 and

16 WHEREAS, it is the desire of the Legislature to determine whether existing property tax exemptions
17 contribute to or impede the goal of an equitable property tax system.

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

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21 NEW SECTION. **Section 1. Tax reform study committee.** (1) There is a property tax exemption study
22 committee composed of 10 members. The members must include:

23 (a) two members from the house of representatives, one from each party, appointed by the speaker of
24 the house;

25 (b) two members from the senate, one from each party, appointed by the senate committee on
26 committees; and

27 (c) the following members appointed by the governor:

28 (i) one representative of local government;

29 (ii) one representative of K-12 public schools;

30 (iii) two representatives of property tax-exempt organizations;

1 (iv) one representative of business; and

2 (v) one representative of the executive branch.

3 (2) Committee members must be appointed by July 1, 2003.

4 (3) In case of a vacancy, a replacement must be selected in the manner of the original appointment.

5 (4) The committee is attached to the department of revenue for administrative purposes. The committee
6 may request staff assistance and other resources from legislative agencies, appropriate state agencies, and
7 private entities.

8 (5) (a) The members of the committee shall select a presiding officer and may appoint other officers
9 as considered necessary.

10 (b) The committee may adopt rules of procedure for conducting meetings.

11 (6) The purpose of the committee is to conduct a study of property tax exemptions. The committee shall
12 determine whether property tax exemptions contribute to or impede the goal of an equitable property tax system
13 and determine whether existing property tax exemption laws should be modified or repealed in order to achieve
14 the goal of an equitable property tax system.

15 (7) Based on the analyses conducted under subsection (6), the committee shall submit a written report
16 to the governor and the legislature not later than November 1, 2004, that must include options, if options are
17 considered necessary, and proposed legislation necessary to implement any proposals.

18 (8) (a) Legislators serving on the committee must be reimbursed and compensated, as provided for in
19 5-2-302, for actual and necessary expenses incurred in attending meetings or conducting committee business.

20 (b) Nonlegislative members of the committee may not be reimbursed for expenses incurred in attending
21 meetings or conducting committee business.

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23 **NEW SECTION. Section 2. Appropriation.** There is appropriated from the general fund to the
24 committee created pursuant to [section 1] \$6,000 for the biennium for the operating expenses and personnel
25 expenses of the committee.

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27 **NEW SECTION. Section 3. Effective dates.** (1) [Section 1 and this section] are effective on passage
28 and approval.

29 (2) [Section 2] is effective July 1, 2003.

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