

Amendments to Senate Bill No. 345
1st Reading Copy

Requested by Department of Revenue

For the Senate Taxation Committee

Prepared by Lee Heiman
March 4, 2005 (1:44pm)

1. Title, line 11.

Strike: the first "AND"

Following: "7-15-4293,"

Insert: "AND 15-10-420,"

2. Page 4, line 11.

Insert: "Section 4. Section 15-10-420, MCA, is amended to read:

"15-10-420. Procedure for calculating levy. (1) (a) Subject to the provisions of this section, a governmental entity that is authorized to impose mills may impose a mill levy sufficient to generate the amount of property taxes actually assessed in the prior year plus one-half of the average rate of inflation for the prior 3 years. The maximum number of mills that a governmental entity may impose is established by calculating the number of mills required to generate the amount of property tax actually assessed in the governmental unit in the prior year based on the current year taxable value, less the current year's value of newly taxable property, plus one-half of the average rate of inflation for the prior 3 years.

(b) A governmental entity that does not impose the maximum number of mills authorized under subsection (1)(a) may carry forward the authority to impose the number of mills equal to the difference between the actual number of mills imposed and the maximum number of mills authorized to be imposed. The mill authority carried forward may be imposed in a subsequent tax year.

(c) For the purposes of subsection (1)(a), the department shall calculate one-half of the average rate of inflation for the prior 3 years by using the consumer price index, U.S. city average, all urban consumers, using the 1982-84 base of 100, as published by the bureau of labor statistics of the United States department of labor.

(2) A governmental entity may apply the levy calculated pursuant to subsection (1)(a) plus any additional levies authorized by the voters, as provided in 15-10-425, to all property in the governmental unit, including newly taxable property.

(3) (a) For purposes of this section, newly taxable property includes:

~~(a)(i)~~ annexation of real property and improvements into a taxing unit;
~~(b)(ii)~~ construction, expansion, or remodeling of improvements;
~~(c)(iii)~~ transfer of property into a taxing unit;
~~(d)(iv)~~ subdivision of real property; and
~~(e)(v)~~ transfer of property from tax-exempt to taxable status.

(b) Newly taxable property does not include an increase in value that arises because of an increase in the incremental value within a tax increment financing district.

(4) (a) For the purposes of subsection (1), the taxable value of newly taxable property includes the release of taxable value from the incremental taxable value of a tax increment financing district because of:

(i) a change in the boundary of a tax increment financing district;

(ii) an increase in the base value of the tax increment financing district pursuant to 7-15-4287; or

(iii) the termination of a tax increment financing district.

(b) If a tax increment financing district terminates prior to the certification of taxable values as required in 15-10-202, the increment value is reported as newly taxable property in the year in which the tax increment financing district terminates. If a tax increment financing district terminates after the certification of taxable values as required in 15-10-202, the increment value is reported as newly taxable property in the following tax year.

~~(b)(c)~~ For the purpose of subsection ~~(3)(d)~~ (3)(a)(iv), the subdivision of real property includes the first sale of real property that results in the property being taxable as class four property or as nonagricultural land as described in 15-6-133(1)(c).

~~(c) For the purposes of this section, newly taxable property does not include an increase in appraised value of land that was previously valued at 75% of the value of improvements on the land, as provided in 15-7-111(4) and (5), as those subsections applied on December 31, 2001.~~

(5) Subject to subsection (8), subsection (1)(a) does not apply to:

(a) school district levies established in Title 20; or

(b) the portion of a governmental entity's property tax levy for premium contributions for group benefits excluded under 2-9-212 or 2-18-703.

(6) For purposes of subsection (1)(a), taxes imposed do not include net or gross proceeds taxes received under 15-6-131 and 15-6-132.

(7) In determining the maximum number of mills in subsection (1)(a), the governmental entity may increase the number of mills to account for a decrease in reimbursements.

(8) The department shall calculate, on a statewide basis, the number of mills to be imposed for purposes of 15-10-107, 20-9-331, 20-9-333, 20-9-360, 20-25-423, and 20-25-439. However, the number of mills calculated by the department may not exceed the mill levy limits established in those sections. The mill calculation must be established in whole mills. If the mill levy calculation does not result in a whole number of mills, then the calculation must be rounded up to the nearest whole mill.

(9) (a) The provisions of subsection (1) do not prevent or restrict:

- (i) a judgment levy under 2-9-316, 7-6-4015, or 7-7-2202;
- (ii) a levy to repay taxes paid under protest as provided in 15-1-402; or
- (iii) an emergency levy authorized under 10-3-405, 20-9-168, or 20-15-326.

(b) A levy authorized under subsection (9)(a) may not be included in the amount of property taxes actually assessed in a subsequent year.

(10) A governmental entity may levy mills for the support of airports as authorized in 67-10-402, 67-11-301, or 67-11-302 even though the governmental entity has not imposed a levy for the airport or the airport authority in either of the previous 2 years and the airport or airport authority has not been appropriated operating funds by a county or municipality during that time.

(11) The department may adopt rules to implement this section. The rules may include a method for calculating the percentage of change in valuation for purposes of determining the elimination of property, new improvements, or newly taxable property in a governmental unit."

{ Internal References to 15-10-420: x to all, checked

2-9-212	2-9-212	2-9-212	2-9-212
2-9-212	2-9-212	2-18-703	7-1-112
7-1-114	7-1-2103	7-1-4123	7-2-2730
7-2-2730	7-2-2746	7-2-4111	7-2-4918
7-2-4918	7-3-184	7-3-1104	7-3-1310
7-3-1310	7-3-1311	7-3-1311	7-3-1313
7-3-1313	7-3-4312	7-6-502	7-6-2501
7-6-2511	7-6-2512	7-6-2513	7-6-2522
7-6-4035	7-6-4036	7-6-4401	7-6-4406
7-6-4421	7-6-4431	7-6-4431	7-6-4438
7-6-4438	7-6-4453	7-11-1106	7-11-1112
7-11-1112	7-14-111	7-14-232	7-14-1111
7-14-1131	7-14-2101	7-14-2101	7-14-2101
7-14-2205	7-14-2501	7-14-2502	7-14-2503
7-14-2801	7-14-2801	7-14-2807	7-14-4404
7-14-4644	7-14-4703	7-14-4713	7-14-4734
7-15-4281	7-16-101	7-16-2102	7-16-2108
7-16-2109	7-16-2205	7-16-2411	7-16-2423
7-16-2431	7-16-2443	7-16-2443	7-16-4105
7-16-4113	7-16-4114	7-21-3203	7-21-3410
7-21-3432	7-21-3433	7-22-2142	7-22-2222
7-22-2306	7-22-2432	7-22-2512	7-32-235
7-32-4117	7-33-2109	7-33-2209	7-33-4111
7-33-4130	7-34-102	7-34-2122	7-34-2133

7-34-2417	7-35-2122	13-13-230	15-7-403
15-10-107	15-10-202	15-10-401	15-10-402
15-10-425	15-10-425	15-16-117	15-16-203
15-23-214	15-24-1402	15-24-1402	15-24-1501
15-24-1603	19-7-404	19-9-209	19-13-214
19-18-503	19-18-504	19-19-301	20-3-324
20-7-714	20-9-131	20-9-142	20-9-151
20-9-152	20-9-331	20-9-333	20-9-360
20-9-404	20-9-533	20-15-305	20-15-311
20-15-311	20-15-313	20-15-314	20-15-314
20-25-423	20-25-439	22-1-304	22-1-316
22-1-702	22-1-707	22-1-708	22-1-711
22-1-711	23-4-303	39-71-403	41-5-1804
50-2-111	50-2-111	50-2-114	53-20-208
53-21-204	53-21-1010	67-10-402	67-11-201
67-11-301	67-11-301	67-11-302	67-11-303
67-11-303	75-10-112	76-1-111	76-1-403
76-1-404	76-1-406	76-2-102	76-5-1116
76-5-1116	76-6-109	76-15-501	76-15-505
76-15-516	76-15-516	76-15-516	76-15-518
76-15-623	81-8-504	85-3-412	85-3-422
85-7-206	85-7-307	85-7-1953	85-7-1973
85-7-2104	85-7-2117	85-7-2134	85-7-2136
85-8-601	85-8-615	85-8-618	85-20-1001
85-20-1001	90-5-112	90-6-403	90-6-403
90-6-403}			

Renumber: subsequent sections

3. Page 5, line 30.

Strike: "4"

Insert: "5"

4. Page 6, line 1.

Strike: "4"

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- END -