



SENATE STANDING COMMITTEE REPORT

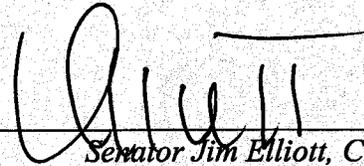
April 13, 2007

Page 1 of 5

Mr. President:

We, your committee on **Taxation** recommend that **House Bill 463** (third reading copy -- blue) be concurred in as amended.

Signed:


Senator Jim Elliott, Chair

To be carried by Senator Kim Gillan

And, that such amendments read:

1. Title, lines 11 and 12.

Following: "15-6-135," on line 11

Insert: "15-10-420,"

Following: "15-24-1401,"

Insert: "AND"

Strike: "AND" on line 11 through "90-6-205," on line 12

Strike: "15-16-201," on line 12

2. Page 1, line 29.

Strike: "by employing at least 10"

Insert: "that results in hiring"

3. Page 3, line 5.

Strike: "and"

Insert: "or"

4. Page 3, line 16.

Strike: "PREAPPLICATION CONSULTATION -- APPLICATION"

Insert: "Application"

5. Page 3, line 17 through line 23.

Strike: "BEFORE" on line 17 through "IN" on line 23

Insert: "In"

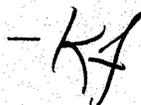
Renumber: subsequent subsections

6. Page 4, line 11.

Committee Vote:

Yes 9, No 2

Fiscal Note Required



781758SC.ssc

Strike: "(4)"
Insert: "(3)"

7. Page 4, line 14 through line 16.
Strike: subsection (a) in its entirety

8. Page 4, line 17.
Strike: "(b)"

9. Page 5, line 11.
Strike: "taxed"
Insert: "assessed"

10. Page 6, lines 6 through 8.
Strike: "department" on line 6
Insert: "local governing body"
Strike: "The" on line 6 through "The" on line 7
Insert: "If the"
Strike: "must" on line 7 through "be" on line 8
Insert: "is"
Strike: "and" on line 8

11. Page 6, lines 10 and 11.
Strike: "and the department" on line 10 through "abatement" on line 11

12. Page 6, line 12 through line 14.
Strike: "THE" on line 12 through "(2)." on line 14

13. Page 11, line 11.
Insert: "Section 10. 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 authorized to be 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 authorized to be 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:

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

and

(vi) increases in taxable value pursuant to [sections 1 through 6].

(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.

(c) For the purpose of subsection (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 nonqualified agricultural land as described in 15-6-133(1)(c).

(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."

Renumber: subsequent sections

14. Page 12, line 24 through page 13, line 11.

Strike: section 12 in its entirety

Renumber: subsequent sections

15. Page 13, line 13.

Strike: "15-16-201,"

16. Page 13, line 20 through line 21.

Strike: section 15 in its entirety

Renumber: subsequent sections

- END -



SENATE STANDING COMMITTEE REPORT

April 13, 2007

Page 1 of 1

Mr. President:

We, your committee on **Taxation** recommend that **House Bill 488** (third reading copy -- blue) be **concurrred in as amended**.

Signed: _____


Senator Jim Elliott, Chair

To be carried by Senator Kim Gillan

And, that such amendments read:

1. Page 2, line 22.
Strike: "\$25,000"
Insert: "\$50,000"

- END -

Committee Vote:

Yes 11, No 0

Fiscal Note Required — 

781803SC.ssc



SENATE STANDING COMMITTEE REPORT

April 13, 2007

Page 1 of 1

Mr. President:

We, your committee on **Taxation** recommend that **House Bill 823** (third reading copy -- blue) be **concurred in as amended**.

Signed: _____

A handwritten signature in black ink, appearing to read "Jim Elliott", written over a horizontal line.

Senator Jim Elliott, Chair

To be carried by Senator Kelly Gebhardt

And, that such amendments read:

1. Page 4, line 3.

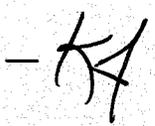
Insert: "NEW SECTION. **Section 3. Contingent voidness.** Unless a reduction in an item of appropriation contained in House Bill No. 820 is specifically identified as implementing [this act], [this act] is void."

Renumber: subsequent sections

- END -

Committee Vote:

Yes 11, No 0

Fiscal Note Required — 

781814SC.ssc

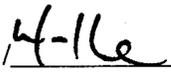
COMMITTEE FILE COPY

TABLED BILL

The **SENATE TAXATION COMMITTEE** TABLED HB 801, by motion, on **Friday, April 13, 2007.**


(For the Committee)


(Secretary of the Senate)


(Time) (Date)

April 13, 2007

Lois A. O'Connor, Secretary

Phone: 444-4772

**MONTANA STATE SENATE
2007 LEGISLATURE**

TAXATION

ROLL CALL VOTE

DATE 4-13-07 BILL NO. HB-240 NUMBER 7

MOTION: Be Concurred In As Amended
failed 5-6 roll call vote

NAME	AYE	NO
SEN. JERRY BLACK (R)		✓
SEN. JEFF ESSMANN (R)		✓
SEN. KELLY GEBHARDT (R)		✓
SEN. KIM GILLAN (D)	✓	
SEN. DAN HARRINGTON (D)	✓	
SEN. CHRISTINE KAUFMANN (D)	✓	
SEN. SAM KITZENBERG (D)	✓	
SEN. JIM PETERSON (R)		✓
SEN. TRUDI SCHMIDT (D)	✓	
SEN. ROBERT STORY (R)		✓
SEN. JIM ELLIOTT (D) CHAIRMAN		✓
	5	6

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**MONTANA STATE SENATE
2007 LEGISLATURE**

TAXATION

ROLL CALL VOTE

DATE 4-13-07 BILL NO. HB-240 NUMBER 2

MOTION: Table

passed 6-5 reverse roll call vote

NAME	AYE	NO
SEN. JERRY BLACK (R)	✓	
SEN. JEFF ESSMANN (R)	✓	
SEN. KELLY GEBHARDT (R)	✓	
SEN. KIM GILLAN (D)		✓
SEN. DAN HARRINGTON (D)		✓
SEN. CHRISTINE KAUFMANN (D)		✓
SEN. SAM KITZENBERG (D)		✓
SEN. JIM PETERSON (R)	✓	
SEN. TRUDI SCHMIDT (D)		✓
SEN. ROBERT STORY (R)	✓	
SEN. JIM ELLIOTT (D) CHAIRMAN	✓	
	6	5

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SENATE PROXY FORM

According to Senate Rule 30-70 (13) (f) , a committee member may vote by proxy using a standard form.

PROXY VOTE

I, the undersigned, hereby authorize Senator Billon

to vote my proxy on any issue before the Senate _____

_____ Committee

held on April 13, 2007 _____, 2007.

HB 240 AYE
HB 463 AYE
amendments
HB 240 reconsider AYE
HB 488 AYE
HB 801 tabled AYE

Judi Schmidt

SENATOR
STATE OF MONTANA

HB 823 AYE

SENATE PROXY FORM

According to Senate Rule 30-70 (13) (f) , a committee member may vote by proxy using a standard form.

PROXY VOTE

I, the undersigned, hereby authorize Senator Hunting

to vote my proxy on any issue before the Senate Tax

_____ Committee

held on 4/13, 2007.

HB-240 Concurr As Amended No
HB-240 Table - yes

Chibi Kemp
SENATOR
STATE OF MONTANA

SENATE PROXY FORM

According to Senate Rule 30-70 (13) (f), a committee member may vote by proxy using a standard form.

PROXY VOTE

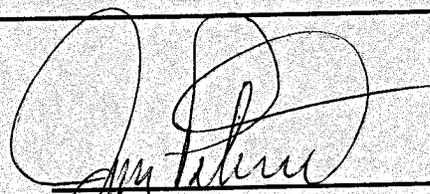
I, the undersigned, hereby authorize Senator Story

to vote my proxy on any issue before the Senate Taxation

_____ Committee

held on _____, 2007.

HB 240 = No
HB 463 - amend Yes
Bill



SENATOR
STATE OF MONTANA

Amendments to House Bill No. 488
3rd Reading Copy

For the Senate Taxation Committee

Prepared by Lee Heiman
April 13, 2007 (5:47pm)

1. Page 2, line 22.

Strike: "\$25,000"

Insert: "\$50,000"

- END -