

HOUSE BILL NO. 429
INTRODUCED BY D. KASTEN

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

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

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

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

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

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

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

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

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

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

(c) the following members appointed by the governor:

(i) one representative of local government;

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

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

(iv) one representative of business; and

(v) one representative of the executive branch.

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

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

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

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

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

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of an equitable property tax system and determine whether existing property tax exemption laws should be modified or repealed in order to achieve the goal of an equitable property tax system.

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

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

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

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

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

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

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