



A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY TO REVIEW THE FAIRNESS AND SUSTAINABILITY OF THE CURRENT CLASSIFICATION AND TAXATION OF UTILITY, CENTRALLY ASSESSED, AND INDUSTRIAL PROPERTY IN MONTANA AND THE APPRAISAL METHODS USED TO ESTABLISH TAXABLE VALUE FOR UTILITY AND INDUSTRIAL PROPERTY.

WHEREAS, centrally assessed property is included in class five, class nine, class twelve, class thirteen, class fourteen, class fifteen, and class sixteen; and

WHEREAS, industrial property is included in class four and class eight; and

WHEREAS, the Montana Department of Revenue reported that in 2016, centrally assessed property constituted approximately 9.2% of market value of all taxable property in Montana but paid approximately 25.8% of all property taxes; and

WHEREAS, the Legislature desires to review the tax rates, valuation methodology, and taxes paid by centrally assessed and industrial property in comparison to other classes of property and property ownership.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Legislative Council be requested to designate an appropriate interim committee, pursuant to section 5-5-217, MCA, to:

- (1) review the fairness, sustainability, and legal basis of the current classification and taxation of centrally assessed and industrial property in Montana;
- (2) compare the total state tax burdens imposed on utility customers in Montana with the total state tax burdens imposed on utility customers in other states;
- (3) review the appraisal methods used by the Montana Department of Revenue to establish the market value, as required by the Montana Constitution and statutory law, of utility and industrial property;
- (4) review dispute review procedures with specific attention to the timeline for resolving disputes

informally; and

(5) consider any other matters relating to central assessment or industrial property, such as equalization with other classes of property, the exemption of intangible personal property, and potential impacts on schools, local governments, and other property taxpayers, that the committee considers appropriate.

BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review requirements, be concluded prior to September 15, 2018.

BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions, comments, or recommendations of the appropriate committee, be reported to the 66th Legislature.

- END -

I hereby certify that the within joint resolution,
SJ 0023, originated in the Senate.

President of the Senate

Signed this _____ day
of _____, 2017.

Secretary of the Senate

Speaker of the House

Signed this _____ day
of _____, 2017.

SENATE JOINT RESOLUTION NO. 23

INTRODUCED BY F. THOMAS, R. EHLI

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