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HOUSE BILL NO. 212

INTRODUCED BY J. KASSMIER, E. BUTTREY, D. SALOMON, S. FITZPATRICK, G. HERTZ, M. LANG, R. LYNCH, R. FITZGERALD, C. KNUDSEN, T. WELCH, B. BEARD, J. SMALL, R. TEMPEL, B. LER, L. BREWSTER, P. FIELDER, M. STROMSWOLD, M. MALONE, M. BINKLEY, T. SMITH, R. MINER, G. NIKOLAKAKOS, P. GREEN, J. ETCHART, B. BARKER

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE CLASS EIGHT BUSINESS EQUIPMENT TAX EXEMPTION; PROVIDING A REIMBURSEMENT TO LOCAL GOVERNMENTS AND TAX INCREMENT FINANCING DISTRICTS UNDER THE ENTITLEMENT SHARE PROGRAM, TO SCHOOL DISTRICTS THROUGH GUARANTEED TAX BASE AID, AND TO THE MONTANA UNIVERSITY SYSTEM FOR THE LOSS OF REVENUE; AMENDING SECTIONS 15-1-123, 15-6-138, 15-10-420, AND 20-9-366, MCA; AMENDING SECTIONS 12 AND 13, CHAPTER 506, LAWS OF 2021; REPEALING SECTIONS 2, 6, 7, 8, AND 14, CHAPTER 506, LAWS OF 2021; AND PROVIDING AN APPLICABILITY DATE."

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

Section 1. Section 15-1-123, MCA, is amended to read:

" 15-1-123. (Temporary) Reimbursement for class eight rate reduction and exemption -- distribution -- appropriations. (1) Except as provided in subsection (2), for the tax rate reductions in 15-6-138(3), the increased exemption amount in 15-6-138(4), the effective tax rate reductions on property under 15-6-145 because of the rate reductions required by the amendments of 15-6-138 in section 2, Chapter 411, Laws of 2011, and section 2, Chapter 396, Laws of 2013, and the effective tax rate reductions on property under 15-6-145 because of the increased exemption amount required by the amendment of 15-6-138 in section 2, Chapter 396, Laws of 2013, the department shall reimburse each local government, as defined in 15-1-121(5), each tax increment financing district, and the 6-mill university levy for the purposes of 15-10-109 the difference between property tax collections under 15-6-138 as amended by section 2, Chapter 411, Laws of 2011, and section 2, Chapter 396, Laws of 2013, and under 15-6-145 and the property tax revenue that would have been collected under 15-6-138 and 15-6-145 if 15-6-138 had not been amended by section 2, Chapter 411, Laws of

1 subsection (2), [this act] is effective July 1, 2021.

2 ~~(2) [Section 3] is effective January 1, 2026.~~

3 ~~(3) [Section 4] is effective October 1, 2021, and applies to the tax year beginning after December 31,~~
4 ~~2021.~~

5 ~~(4)(2) [Section 5] is effective October 1, 2022, and applies to the tax year years beginning after~~
6 ~~December 31, 2022.~~

7 ~~(5) [Section 6] is effective October 1, 2023, and applies to the tax year beginning after December 31,~~
8 ~~2023.~~

9 ~~(6) [Section 7] is effective October 1, 2024, and applies to the tax year beginning after December 31,~~
10 ~~2024.~~

11 ~~(7) [Section 8] is effective July 1, 2025, and applies to the tax years beginning after December 31,~~
12 ~~2025."~~

13

14 **Section 6.** Section 13, Chapter 506, Laws of 2021, is amended to read:

15 **"Section 13. Termination.** ~~(1) [Section 4] terminates December 31, 2022.~~

16 ~~(2) [Section 5] terminates December 31, 2023.~~

17 ~~(3) [Section 6] terminates December 31, 2024.~~

18 ~~(4) [Section 14] terminates January 1, 2025.~~

19 ~~(5) [Sections 2, 7, and 9] terminate December 31, 2025."~~

20

21 **NEW SECTION. Section 7. Repealer.** Sections 2, 6, 7, 8, and 14, Chapter 506, Laws of 2021, are
22 repealed.

23

24 ~~**COORDINATION SECTION. SECTION 8. COORDINATION INSTRUCTION. (1) IF [THIS ACT] IS PASSED AND**~~
25 ~~**APPROVED AND PROVIDES AN EXEMPTION AMOUNT FOR CLASS EIGHT PROPERTY OF A PERSON OR BUSINESS OF MORE**~~
26 ~~**THAN \$1 MILLION IN 15-6-138(4), AND IF ANY OF THE FIVE BILLS IDENTIFIED IN SUBSECTION (2) ARE NOT PASSED AND**~~
27 ~~**APPROVED, THEN THE EXEMPTION AMOUNT FOR CLASS EIGHT PROPERTY OF A PERSON OR BUSINESS IN 15-6-138(4) IS**~~
28 ~~**\$500,000.**~~

- 1 ~~(2) THE FIVE BILLS ARE:~~
- 2 ~~(A) HOUSE BILL NO. 192;~~
- 3 ~~(B) HOUSE BILL NO. 221;~~
- 4 ~~(C) HOUSE BILL NO. 222;~~
- 5 ~~(D) HOUSE BILL NO. 251; AND~~
- 6 ~~(E) HOUSE BILL NO. 267.~~

8 NEW SECTION. Section 8. Applicability. [This act] applies to tax years beginning after December
9 31, 2023.

10 - END -

AMENDED