



PO BOX 201706
Helena, MT 59620-1706
(406) 444-3064
FAX (406) 444-3036

Revenue and Transportation Interim Committee

62nd Montana Legislature

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TO: Committee Members

FROM: Jaret Coles, Staff Attorney

RE: Administrative Rule Activity

DATE: April 16, 2012

Department of Revenue

All notices are available on the Internet at:

http://revenue.mt.gov/formsandresources/administrative_rules/default.mcpx

Notice of Proposed Rules:

Disposition of Abandoned Property. MAR 42-2-877. A public hearing will be held on April 17, 2012, at 2:00 p.m. in the Third Floor Reception Area Conference Room, Mitchell Building, Helena. The public comment period ends on April 20, 2012. The Department proposes to amend seven rules. The proposed amendments correct outdated language, allow claims of less than \$50 in value, and move language from other rules into one consolidated rule to provide guidance to finders of abandoned property.

Property Tax -- Senate Bill 265 -- Property Tax Abatement for Certain Residential and Multiple Dwelling Gray Water Systems. MAR 42-2-878. A public hearing will be held on April 16, 2012, at 11:00 a.m. in the Third Floor Reception Area Conference Room, Mitchell Building, Helena. The public comment period ends on April 20, 2012. The Department proposes to adopt one rule. The proposed rule implements Senate Bill 265 (2011) by providing application filing requirements and associated deadlines in order to receive property tax abatements. SB 265 generally provides for abatements of 9% of taxable market value for a period of up to 10 years following the date of completion of certain gray water systems.

Property Tax -- House Bill 132 and House Bill 460 -- Valuation of Condominiums/Townhomes and Valuation Methods for Commercial Property. MAR 42-2-879. A public hearing will be held on May 14, 2012, at 1:00 p.m. in the Third Floor Reception Area Conference Room, Mitchell Building, Helena. The public comment period ends on May 18, 2012. The Department proposes to amend two rules. The first proposed amendment implements House Bill 460 by providing the

methodology that is to be used to value townhomes. The second proposed amendment partially implements House Bill 132 by providing that when an appraisal method is used that values land and improvements as a single unit, the Department shall establish a combined appraisal value of land and improvements.

Notice of Adopted Rules:

Property Tax -- Trend Tables for Valuing Property. MAR 42-2-864. Amended 11 rules on February 24, 2012. A public hearing was held on February 6, 2012; no one appeared and no written comments were received. The amendments pertained to various tables that are updated on an annual basis through Department rules. The tables generally show how the Department arrives at market value when valuing personal property, including rental equipment, farm machinery and equipment, heavy equipment, seismograph units and allied equipment, oil and gas field machinery and equipment, work-over and service rigs, oil drilling rigs, television cable systems, ski lift equipment, and industrial machinery and equipment.

Property Tax -- Senate Bill 412 and House Bill 618 -- Tribal Government's Application for Property Tax Exemptions. MAR 42-2-873. Adopted one rule and amended one rule on March 23, 2012. A public hearing was held on February 6, 2012. Public comment was received from representatives of the Confederated Salish and Kootenai Tribes and Senator Shannon J. Augare, the sponsor of Senate Bill 412. Based on the comments received changes were made to the new rule and the amended rule. The new rule implements Senate Bill 412 by defining tribal eligibility requirements, deadlines, required documentation, maximum time for the exemption, annual certification requirements, and current practices of the Department. The amendment implements House Bill 618 and further clarifies the process for claiming exemptions for federally recognized Indian tribes, religious purposes, educational purposes, nonprofit healthcare facilities, cemeteries, and parks and recreational facilities.

Housekeeping Rule -- Personal Property Reporting Requirements. MAR 42-2-874. Amended one rule on February 24, 2012. No public comments were received, and the rule was amended as proposed. The amendment updates a reference that was not revised during the last amendment.

Property Tax -- Property Tax Assistance Program and Exemption for Qualified Disabled Veterans. MAR 42-2-875. Amended two rules on March 9, 2012. A public hearing was held on February 21, 2012; no one appeared and no written comments were received. The Department corrected a typographical error and the rules were amended as proposed. The amendments reduce paperwork for taxpayers who apply for the property tax assistance program or the disabled veterans exemption.

Department of Transportation

Notice of Proposed Rules:

Fuel Tax -- Agricultural Use Fuel Tax Refund. MAR 18-133. No public hearing is contemplated and the public comment period ended on March 22, 2012. The Department of Transportation proposes to adopt two rules. The first proposed rule provides definitions for determining "gross earned agricultural or farm income" and "gross earned income". The second proposed rule provides how an applicant may claim a fuel tax refund by submitting state and federal tax returns in order to determine the ratio of the applicant's gross earned agricultural or farm income to the total gross earned income, excluding unearned income.

Notice of Adopted Rules:

None as of April 12, 2012.

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