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Revenue and Transportation Interim Committee

63rd Montana Legislature

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April 23, 2014

TO: Committee Members
FROM: Jaret Coles, Staff Attorney
RE: Administrative Rule Activity

Department of Revenue

Proposal and Adoption Notices are available on the Internet at:
<http://www.revenue.mt.gov/home/rules.aspx>

Notice of Proposed Rules:

None from February 6, 2014, through April 23, 2014.

Notice of Adopted Rules:

Property Tax -- Property Tax Assistance and Exemptions. MAR 42-2-905. Adopted February 27, 2014. A public hearing was on February 6, 2014, and one person appeared at the hearing to testify. The Department amended four rules regarding property tax assistance and exemptions. The amendments were drafted to provide consistency for the property tax assistance program (15-6-134, MCA), the extended property tax assistance program (15-6-193, MCA), and the property tax exemption for qualified disabled veterans. For example, the definition section was expanded so it can be used for all three programs.

Pending Rule from Last Meeting:

Property Tax -- Official Record for Real and Personal Property -- Local Government Tax Increment Financing Districts -- Senate Bill No. 239 (2013). MAR 42-2-906. A public hearing was held on February 6, 2014. The public comment period ended on February 13, 2014. The Department proposes to adopt one new rule regarding the property tax record. Additionally, the Department proposes to amend six rules and repeal two rules regarding local government tax

increment financing districts. The proposed new rule provides that the official real and personal property record is located in the Computer Assisted Mass Appraisal System (CAMAS). The amendments implement Senate Bill No. 239, which revised tax increment financing district laws by providing for the creation of targeted economic development districts while removing provisions for creating technology districts, aerospace transportation and technology districts, and industrial districts. The amendments generally repeal outdated language based on the amendments and update definitions and concepts, except as noted in the comment.

Comment: The Department added a provision that it "will not certify the base taxable value of a newly created [targeted economic development district or urban renewal district] if the district crosses any school district boundary." This requirement does not expressly exist in Title 7, chapter 15, part 42, MCA.

Note: The Department voluntarily delayed adoption of this rule during the February 18, 2014, Revenue and Transportation Committee meeting.

Department of Transportation

Proposal and Adoption Notices are available on the Internet:

The Department of Transportation does not maintain an administrative rules website, but notices can be found on the Secretary of State's website at <http://www.mtrules.org/>. Under the Montana Administrative Register heading, type the number "18" in the "Search by Notice No." box and click on the "Go" icon.

Notice of Proposed Rules:

Motor Fuels Tax -- MAR 18-146. No public hearing is contemplated, and the public comment period ended April 10, 2014. The Department of Transportation proposes to amend one rule and repeal one rule regarding the motor fuels tax. The proposed amendment would define good or reasonable cause for late filing and late payment of the motor fuel tax as a first-time late offense within a three-year period of timely filings. The proposed repeal would delete a graduated penalty rule, as section 15-70-210, MCA, requires a 10% penalty unless there is good cause.

Note: Pursuant to the reasonable necessity statements, the rule changes are necessary because the Legislative Audit Division conducted an audit on the Motor Fuels Section and made the recommendations.

Notice of Adopted Rules:

Motor Carrier Services Safety Assistance Program -- MAR 18-145. Adopted March 13, 2014. No comments or testimony were received. The Department of Transportation adopted one new rule as proposed, and amend three rules as proposed pertaining to motor carrier services safety assistance program. The rules allow Montana Highway Patrol (MHP) officers, Department peace officers, and civilian safety inspectors to enforce federal safety requirements, perform roadside inspections and investigations, inspect a commercial motor carrier's place of business, and require production of documents. Additionally, MHP officers and Department peace officers are allowed to issue citations and make arrests in connection with violations of safety standards, while civilian safety inspectors are required to refer violations to an MHP officer or a Department peace officer.

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