

Opinion No. 36

**Soil Conservation Districts—Agencies
or Subdivisions of State—Taxes,
Soil Conservation Districts
Exempt From**

Held: That soil conservation districts are exempt from paying taxes on earth moving equipment, real estate and city lots owned by them.

May 23, 1947

Mr. J. E. Norton, Chairman
State Soil Conservation Committee
Box 855
Bozeman, Montana

Dear Mr. Norton:

You have requested an opinion relating to the following question:

"Are soil conservation districts exempt from paying taxes on earth moving equipment owned by the district; also are they exempt from paying taxes on real estate, such as city lots with buildings for machinery, storage and repair?"

Your question hinges upon whether or not soil conservation districts come within the exemption provided by Section 2 of Article XII of the Montana State Constitution, so as to be exempt from taxation as an agency or subdivision of the state. That section provides as follows:

"The property of the United States, the state, counties, cities, towns, school districts, municipal corporations and public libraries shall be exempt from taxation; and such other property as may be used exclusively for the agricultural and horticultural societies, for educational purposes, places for actual religious worship, hospitals and places of burial not used or held for private or corporate profit, institutions of purely public charity and evidences of debt secured by mortgages of record upon real or personal property in the state of Montana, may be exempt from taxation."

You will note that the soil conservation districts were originally provided for by Chapter 157 of the Laws of 1937, an Act which was in turn re-

pealed by Chapter 72, Laws of 1939. In the 1939 Act, subdivision 5 of Section 8 provides as follows:

"Section 8. Powers of Districts and supervisors. A soil conservation district * * * shall have the following powers: * * * *

"(5) To obtain options upon and to acquire, by purchase, exchange, lease, gift, grant, bequest, devise, or otherwise any property, real or personal, or rights or interests therein, **and all such property shall be exempt from taxation by the state or any political subdivision thereof,**
* * *."

Since counties have been held to be subdivisions of the state, (*State v. McGraw*, 74 Mont. 142, 240 Pac. 812 (1925); *Church v. Lincoln*, 100 Mont. 238, 46 Pac. (2d) 681 (1935), such counties cannot legitimately tax property of soil conservation districts.

It is, therefore, my opinion that soil conservation districts are exempt from paying taxes on earth moving equipment, real estate and city lots owned by them.

Sincerely yours,
R. V. BOTTOMLY,
Attorney General