

Taxation—State Lands—Assessment.

Method of assessing interest of the purchaser of State lands under contract stated in opinion.

George W. Padbury, Esq.,
County Attorney,
Helena, Montana.

January 28, 1930.

My dear Mr. Padbury:

You have requested my opinion relative to the matter of assessing the interest of a purchaser of state lands.

This matter is fully covered by Section 92, Chapter 60, of the Laws of 1927.

This section provides:

“The interest of the purchaser in state lands shall be subject to taxation to the full extent of such interest. The assessor shall assess the purchaser for such percentage of the full and true value of the land as the initial payment on the land and all installments of principal due on the certificate of purchase prior to the first Monday of March of the year for which the land is assessed is of the full purchase price of the land.”

This merely means that the land is valued by the assessor as other land is valued, and the assessable interest of the purchaser in it is determined by taking the percentage of that value that the initial payment on the land and all installments on principal due the state prior to the first Monday of March of the year in which it is assessed is of the full purchase price of the land.

The result so obtained is the assessable value of the purchaser's interest in the land. In the case mentioned by you this percentage is stated to be 37.42%. The land was valued by the assessor at \$2560.00. The purchaser's assessable interest is, therefore, 37.42% of \$2560.00, or \$957.95. In the computation of the taxes on this assessable interest 30% (all land being in class four of the classification statute) of the said assessable value is used as the basis for their imposition. The taxable value, therefore, in this case is 30% of \$957.95, or \$287.38.

Very truly yours,
L. A. FOOT,
Attorney General.